



History of the BBC

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1920s

Where it all began, turning early radio experiments into a new medium - broadcasting.



1920s



The British Broadcasting Company, as the BBC was originally called, was formed on 18 October 1922 by a group of leading wireless manufacturers including Marconi.

Daily broadcasting by the BBC began in Marconi's London studio, 2LO, in the Strand, on November 14, 1922. John Reith, a 33-year-old Scottish engineer, was appointed General Manager of the BBC at the end of 1922.

October 1922 - 2LO launched

Following the closure of numerous amateur stations, the BBC started its first daily radio service in London - 2LO.

After much argument, news was supplied by an agency, and music drama and 'talks' filled the airwaves for only a few hours a day. It wasn't long before radio could be heard across the nation.





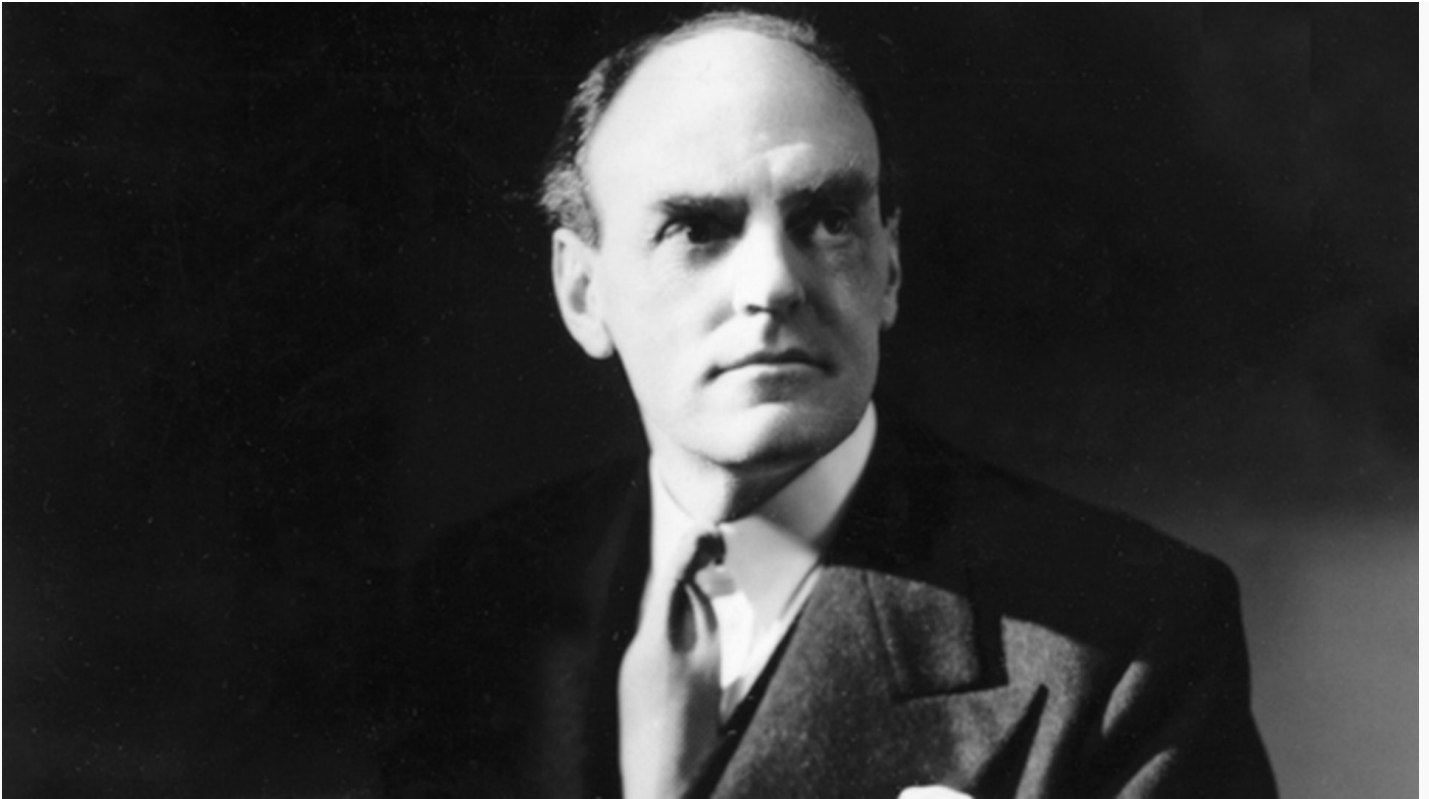
Pathe News marks the start of 2LO in a cinema newsreel.

December 1922 - John Reith appointed

Thirty-three year old John Charles Walsham Reith became General Manager of the BBC on 14 December 1922.

“ I hadn't the remotest idea as to what broadcasting was.

There were no rules, standards or established purpose to guide him. He immediately began innovating, experimenting and organising, and with the help of his newly appointed chief engineer, Peter Eckersley, the service began to expand.

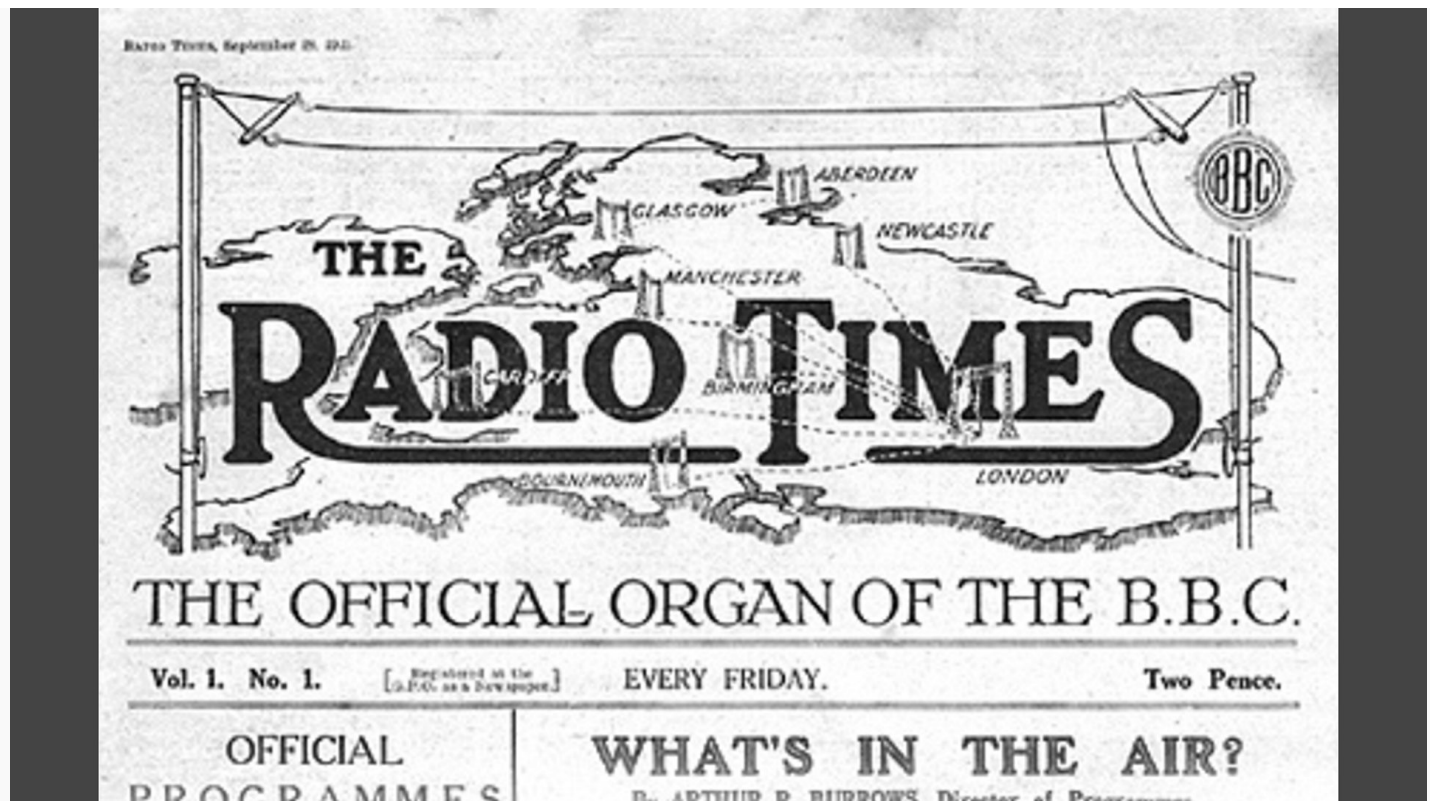


John Reith

September 1923 - Radio Times first edition

The first edition of *The Radio Times* listed the few programmes on offer.

It also provided advice for budding radio enthusiasts, and numerous advertisements by the fledgling radio industry, offering the latest in radio receiving technology. It was to become one of the world's most popular listing magazines.



The cover of the first Radio Times.

February 1924 - the Pips first heard

Heard on BBC radio since 1924, the six electronically generated 'pips' to indicate the Greenwich Time Signal (GTS) were invented by the Astronomer Royal Sir Frank Watson Dyson, and the Director General of the BBC John Reith.

The six short 'pips' were designed to mark the precise start of every hour on BBC radio. Today the GTS is heard on BBC Radio 4, and other BBC networks. Time signals based on the same principle exist in other countries.

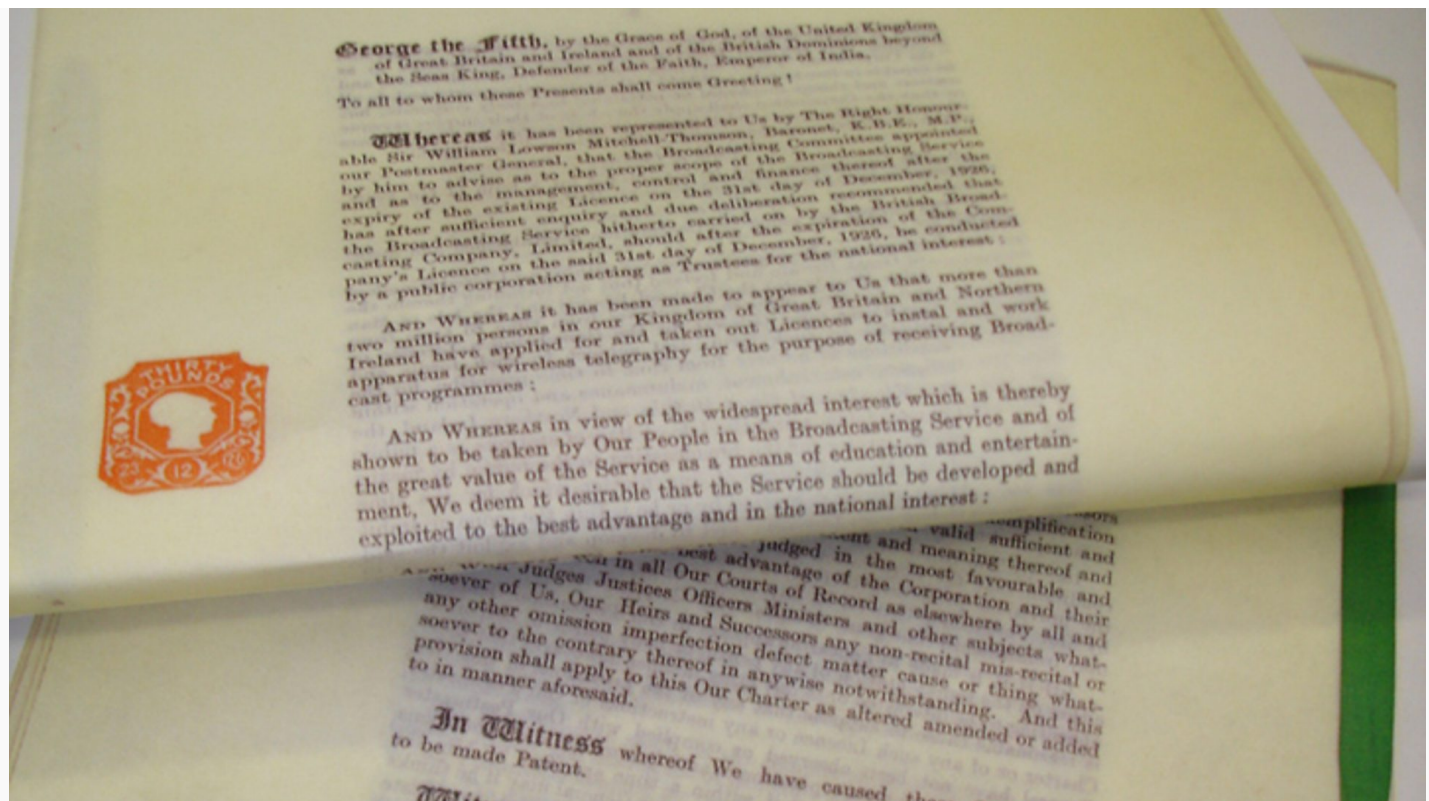


Greenwich Time Signal apparatus at Savoy Hill, the BBC's first headquarters.

January 1927 - British Broadcasting Corporation established

The BBC is established by Royal Charter as the British Broadcasting Corporation.

Sir John Reith becomes the first Director-General. The Charter defined the BBC's objectives, powers and obligations. It is mainly concerned with broad issues of policy, while the Director-General and senior staff are responsible for detailed fulfilment of that policy.

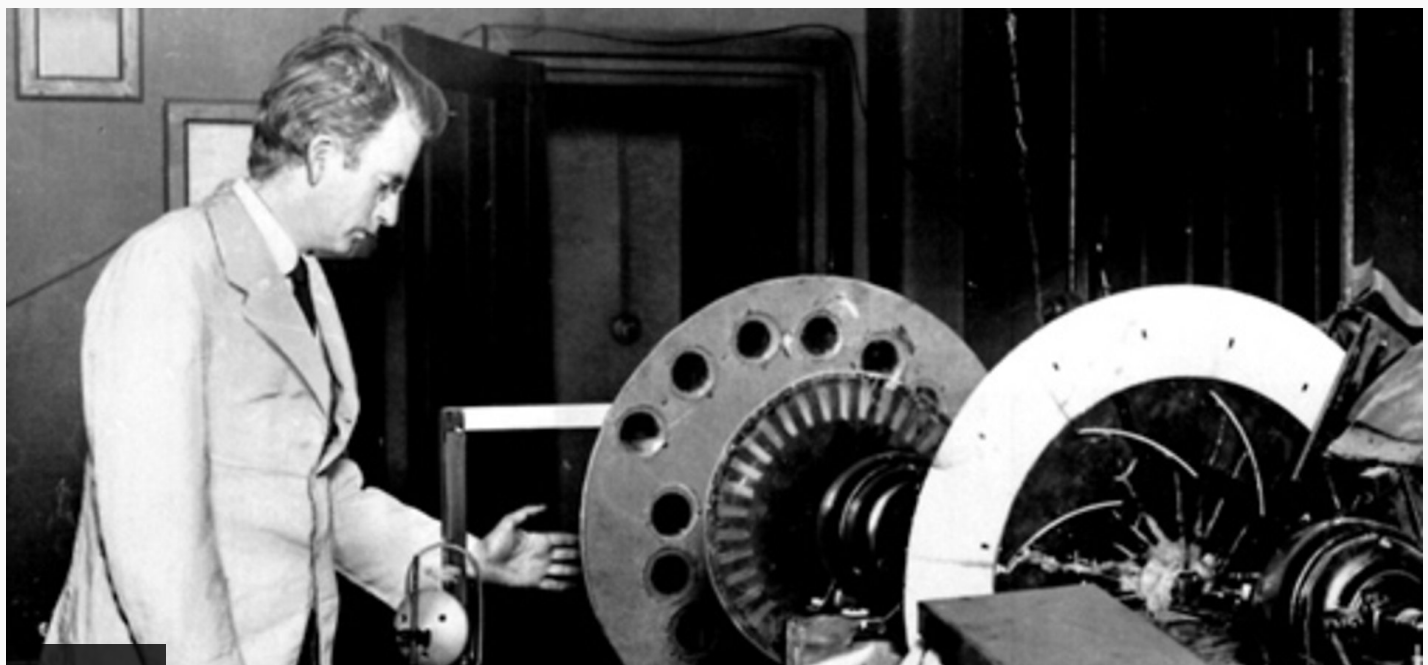


The BBC's first Royal Charter from 1927.

November 1929 - John Logie Baird tests television

Using BBC frequencies, John Logie Baird broadcast some of his first experimental television broadcasts from studios near Covent Garden in London.

Pictures were in black and white, created by mechanical means using a scanning disc, consisting of just 30 lines definition.





John Logie Baird tests mechanical TV in his workshop in November 1929.

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Clause 3—(Certain Acts To Be Continued Temporarily)

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28 July 1922

Volume 157

(1) The Acts mentioned in Parts I to V inclusive of the Third Schedule to this Act shall, to the extent specified in column three of that Schedule, be continued until the thirty-first day of December, nineteen hundred and twenty-three, and shall then expire, unless further continued.

(2) The Act mentioned in Part VI of the Third Schedule to this Act shall, to the extent specified in column three of that Schedule, be continued until the eighth day of September, nineteen hundred and twenty-three, and shall then expire, unless further continued.

(3) The Acts mentioned in Parts VII and VIII of the Third Schedule to this Act shall, to the extent specified in column three of that Schedule, be continued until the thirty-first day of March, nineteen hundred and twenty-four, and shall then expire, unless further continued.

The DEPUTY-CHAIRMAN

The Amendment which stands on the Paper in the name of the right hon. Member for Platting (Mr. Clynes), in Sub-section (1), to leave out "V" and to insert instead thereof "VI" is governed by the later Amendment. to insert at the end of the Third Schedule:

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It will be for the convenience of the Committee to discuss the subject in the way suggested. The object of this Amendment is to endeavour to insert in the Act the Rent (Restrictions) Act. As the Committee is aware, a Committee has been set up for the purpose of inquiring into the whole circumstances surrounding this Act. Hon. Members will also be aware that in June next the existing Act expires. The difficulty that we feel, and which I understand the Government are prepared to meet, is this, that in the event of the Committee not reporting between now

and June, and in the event of no legislation being introduced in the interval, the Act will automatically expire, with all the consequences that will follow, notwithstanding the fact that a Committee has already been set up. For these reasons we think that provision ought to be made in the Expiring Laws Act. Our object is to ensure that in the event of the Committee not reporting between now and June the Act will not automatically expire. We want to safeguard the position.

The MINISTER OF HEALTH (Sir Alfred Mond)

My right hon. Friend has quite fairly put the position. The Increase of Rent and Mortgage Interest (Restriction) Act comes to an end in June, 1923, but, as the Committee is aware, I have just appointed a Committee to inquire into the question. The first reference is whether the Act is or is not to be continued, and the second reference is, if it is to be continued, what Amendments are required. I shall propose to the Committee when it begins its labours that, on the first point of principle, they might present an Interim Report. I see no reason why on the

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FIRST SCHEDULE.			
ENACTMENTS MADE PERMANENT.			
PART I.			
1.	2.	3.	4.
Session and Chapter.	Short Title.	How far made permanent.	Amending Acts.
(1)			
3 & 4 Vict. c. 89.	The Poor Rate Exemption Act, 1840.	The whole Act so far as unrepealed.	—
(2)			
4 & 5 Vict. c. 30.	The Ordnance Survey Act, 1841	The whole Act so far as unrepealed.	33 & 34 Vict. c. 13.

			Previous 47 & 48 Vict. c. 43. 48 Vict. c. 30. 49 & 50 Vict. c. 31. 51 & 52 Vict. c. 37. 53 & 54 Vict. c. 33. 55 & 56 Vict. c. 35. 57 & 58 Vict. c. 39. 59 & 60 Vict. c. 45. 61 & 62 Vict. c. 51. 63 & 64 Vict. c. 57. 65 & 66 Vict. c. 63. 67 & 68 Vict. c. 69. 69 & 70 Vict. c. 75. 71 & 72 Vict. c. 81. 73 & 74 Vict. c. 87. 75 & 76 Vict. c. 93. 77 & 78 Vict. c. 99. 79 & 80 Vict. c. 105. 81 & 82 Vict. c. 111. 83 & 84 Vict. c. 117. 85 & 86 Vict. c. 123. 87 & 88 Vict. c. 129. 89 & 90 Vict. c. 135. 91 & 92 Vict. c. 141. 93 & 94 Vict. c. 147. 95 & 96 Vict. c. 153. 97 & 98 Vict. c. 159. 99 & 100 Vict. c. 165.
			43.
			52 & 53 Vict. c. 30.
(3)			
10 & 11 Vict. c. 98.	The Ecclesiastical Jurisdiction Act, 1847.	The whole Act so far as unrepealed.	—
(4)			
14 & 15 Vict. c. 104.	The Episcopal and Capitular Estates Act, 1851.	The whole Act so far as unrepealed.	17 & 18 Vict. c. 116.
			22 & 23 Vict. c. 46.
			23 & 24 Vict. c. 124.
			31 & 32 Vict. c. 114. s. 10.

question whether or not the Act should be prolonged, we should not be able to make an announcement probably during the Autumn Session. If the Act is to be prolonged and to be Amended, we shall then have the next Session in order to introduce the Amendments, and if the Act is to be continued, the Amendments could be made before the Act expires. On this assurance, I hope my right hon. Friend will not think it necessary to press the Amendment.

Mr. THOMAS

I gather from the right hon. Gentleman that the Government's position is that in the event of no definite Report being submitted before June an Interim Report may be presented, and in the event of neither, the Government will see in the Autumn Session that the Act does not expire without fresh legislation being enacted. On that understanding, I beg leave to withdraw the Amendment.

Sir A. MOND

Yes, certainly.

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Amendment, by leave, withdrawn.

Clause ordered to stand part of the Bill.

Clauses 4 (*Amending enactments*) and 5 (*Short title and application to Ireland*) ordered to stand part of the Bill.

1.	2.	3.	4.
Session and Chapter.	Short Title.	How far made permanent.	Amending Acts.
(5)			
17 & 18 Vict. c. 102.	The Corrupt Practices Prevention Act, 1854.	The whole Act so far as unrepealed.	26 & 27 Vict. c. 29. s. 6.
			31 & 32 Vict. c. 125.
			46 & 47 Vict. c. 51.
(6)			
26 & 27 Vict. c. 105.	The Promissory Notes Act, 1863.	The whole Act	45 & 46 Vict c. 61.
(7)			
27 & 28 Vict, c. 20.	The Promissory Notes (Ireland) let, 1864.	The whole Act so far as unrepealed.	—
(8)			

28 & 29 Vict, c. 83.	The Locomotives Act, 1865.	The whole Act so far as unrepealed.	Previous 41 & 42 Vict. c. 58.	Next
			41 & 42 Vict. c. 77.	
			(Part II.)	
			59 & 60 Vict. c. 36.	
			61 & 62 Vict. c. 29.	
(9)			6 & 7 Geo. 5. c. 12.	
31 & 32 Vict, c. 125.	The Parliamentary Elections Act, 1868.	The whole Act so far as unrepealed.	42 & 43 Vict. c. 75.	
			46 & 47 Vict. c. 51.	
(10)				
32 & 33 Vict, c. 21.	The Corrupt Practices Commission Expenses Act, 1869.	The whole Act so far as unrepealed.	34 & 35 Vict. c. 61.	
(11)				
32 & 33 Vict, c. 56.	The Endowed Schools Act, 1869.	The whole Act so far as unrepealed.	36 & 37 Vict. c. 87.	
			37 & 38 Vict. c. 87.	
			52 & 53 Viet. c. 40.	
(12)			8 Edw. 7. c. 39	
34 & 35 Vict. c. 87.	The Sunday Observation Prosecution Act, 1871.	The whole Act so far as unrepealed.	—	

				Previous	▲ Top	Next
(13)						
43 & 44 Vict, c. 42.	The Employers Liability Act, 1880.	The whole Act so far as unrepealed.	6 Edw. 7. c. 58 s.14.			
(14)						
51 & 52 Vict, c. 55.	The Sand Grouse Protection Act. 1888.	The whole Act so far as unrepealed.	—			
(15)						
52 & 53 Vict. c. 40.	The Welsh Intermediate Education Act, 1889.	The whole Act so far as unrepealed.	53 & 54 Vict. c. 60.			
			2 Edw. 7. c. 42.			
(16)						
61 & 62 Vict. c. 49.	The Vaccination Act, 1898	The whole Act so far as unrepealed.	7 Edw. 7. c. 31.			
(17)						
3 Edw. 7. c. 36	The Motor Car Act, 1903	The whole Act so far as unrepealed.	9 Edw. 7. c. 37.			
			10 & 11 Geo. 5. c. 72.			
(18)						
5 Edw. 7. c. 18	The Unemployed Workmen Act, 1905.	The whole Act	9 Edw. 7. c. 7.			
(19)						
5 & 6 Geo. 5. c. 48.	The Fishery Harbours Act, 1915.	The whole Act	—			

PART II.

(20)			Previous	▲ Top	Next
6 & 7 Geo. 5. c.67.	The War Loan Act, 1916.	Sub-section (6) of Section one so far as it relates to the holding of Government securities acquired before the thirty-first day of August, nineteen hundred and twenty-two.		—	

The PARLIAMENTARY SECRETARY to the MINISTRY of TRANSPORT (Mr. NEAL)

I beg to move, in Part I, to leave out

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(17)				
3 Edw. 7 c. 36.	The Motor Car Act, 1903	...	The whole Act so far as unrepealed	9 Edw. 7. c. 37. 10 & 11 Geo. 5. c. 72.

I told my Noble Friend the Member for South Battersea (Viscount Curzon), in whose name this Amendment stands on the Paper, that I thought the Amendment might be accepted, and, in his absence, I beg to move it.

3.0 P.M.

Captain W. BENN

We ought to know something about this Amendment before it is made. I am told by my right hon. and gallant Friend the Member for Ilkeston (Major-General Seely) that this was not recommended by the Committee of which he was chairman. I think we should view any Amendment of the Motor Car Act proposed by the Noble Lord with the most intense suspicion. Therefore, being in ignorance of this matter I ask, on behalf of myself and other hon. Members, that we may have some ample explanation.

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Mr. NEAL

I can give the explanation in a sentence. As the Bill stands it proposes to make permanent the Motor Car Act, 1903. It has been suggested that it would be better to carry that Act over from year to year, and that is the effect of the Amendment, the reason being that the Government is under a promise to introduce amending legislation at an early date and to try to bring motor legislation more into consonance with modern conditions and practice.

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Major-General SEELY

This is a very unfortunate proposal. As Chairman of the Committee I received from different Government Departments their suggestions that Bills which have hitherto been annual Bills should not be made permanent, but should be so continued. My hon. Friend's Department wanted to make these annual Bills. It is just that sort of thing that the House set up the Committee to put a stop to. It is a most unreasonable method of conducting Parliamentary business, and I hope the Parliamentary Secretary will not press the Amendment. It flies in the face of the unanimous Report of the Committee set up by this House.

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Mr. NEAL

If there has been any misunderstanding and the object of what is suggested now would be to leave it to expire, which is not what is desired, I will reconsider the matter between now and the Report stage, but I think there is a unanimous desire that this Act should be annual rather than permanent.

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Lord c. PERCY

The Parliamentary Secretary told us that the effect of not proposing this Amendment would be to drop this out of the Bill altogether. He is now proposing to leave out this Act from the list of laws made permanent, and to do so solely on the ground that he is under promise to introduce

permanent legislation. He and other Ministers are under promise to introduce permanent legislation on a dozen subjects. The Committee unanimously decided that there was no argument for keeping these Acts under the Expiring Continuance system. This Amendment strikes at the root of the whole Report.

previous amendment
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Viscount CURZON

I apologise for not being here when the Amendment was proposed. The Noble Lord the Member for Hastings (Lord c. Percy) has referred to the Report. Paragraph 10, page 5, of the Report says:

“The Committee have acted throughout on the assumption that an Act originally experimental in its character has remained in force for a considerable space of time, and during that time has been annually renewed without opposition. There is strong presumption that that Act should, unless obsolete, be made permanent.”

The Motor Car Act was passed in 1903 and was to last three years. It has been continued annually under the Expiring Laws Continuance Act, but it has been admitted by the Parliamentary Secretary on many occasions that that Act is in effect obsolete. Several of its provisions do not now apply and want revision. Therefore I hope that the Committee will not be swayed by the opposition which has been offered to this Amendment.

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Lord E. PERCY

We are not proposing to repeal this enactment.

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Viscount CURZON

You are proposing that it should be made permanent.

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Mr. THOMAS

On this Friday afternoon a proposal is put down by a private Member, and he is not present to move his own Amendment. In the ordinary way, it would have lapsed, and, to the amazement of everybody, someone representing the Government moves it, notwithstanding the fact that it is in the teeth of the recommendations made by the Committee which the Government set up. Such a procedure must be not only novel, but amusing, to all the colleagues of the bon. Gentleman. I submit that this thing must be treated more seriously. If on the Treasury Bench someone runs wild, as Members sometimes do on this bench, they should take steps at once to deal with him, as we do. I submit that the colleagues of the Parliamentary Secretary should say to him, "Really, you did not quite understand what you were doing. You made a hopeless mistake; you have put the Government in a difficulty, and we have to throw you overboard immediately."

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Mr. NEAL

This is not a matter to which I attach much importance. If my right hon. and gallant Friend the Chairman of the Select Committee (Major-General Seely) thinks it right that this Act should be made permanent, it really has no serious effect. There is amending legislation contemplated.

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Sir D. MACLEAN

The Parliamentary Secretary to the Ministry of Transport has indicated that he is an expert swimmer. He has also shown his powers as a gymnast. But he has not explained

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(18)						
5 Edw. 7. c. 18.	The Unemployed Workmen Act, 1905.	The whole Act	9 Edw. 7. c. 7.

Under the provisions of this Act every municipal corporation and every urban district council with a population of over 15,000 persons is required to appoint a distress committee. These distress committees have been appointed annually. They have no functions to discharge, and local authorities consider that the Act should be repealed. This is not the time even for the pretence of making an Act permanent. Therefore if this Act is to be continued, it should be continued in the Third Schedule, and not in the First Schedule. I would like

to us what he proposes to do on the Report stage.

Mr. NEAL

I propose to withdraw the Amendment.

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Captain BENN

I would like to ask the hon. and gallant Member for South Battersea (Viscount Curzon) what his position is now. I think we should have some further explanation.

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Viscount CURZON

Like the last speaker I want to know where we stand. This Act is admitted to be obsolete. The Select Committee say that unless an Act is obsolete it should come under the permanent class. This is an obsolete Act.

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Lord c. PERCY

Then repeal it.

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Viscount CURZON

When the Government are asked to repeal this Act, they say they have not the time. This Act falls within the conditions laid down by the Select Committee. Therefore, I ask the Parliamentary Secretary to the Ministry of Transport to reconsider the withdrawal of the Amendment.

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Major-General SEELY

I think my Noble Friend has not quite appreciated the meaning of the Amendment. I am grateful to the Parliamentary Secretary for proposing to withdraw it. The Select Committee went carefully through every Bill. You might use the same argument about almost every Bill in the Schedule, and the whole of the labours of my Committee would have been in vain.

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Amendment, by leave, withdrawn.

Sir D. NEWTON

I beg to move, in Part I, to leave out

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to register a protest against the way in which this business has been brought before us. There are over 50 Acts of Parliament which we have had to read between Wednesday and Friday, and it seems to me, that when so many Acts are to be made permanent the authorities concerned—and they are numerous, important, and influential—should have been given more notice of the proposals of the Government.

Sir A. MOND

I hope the Committee will support the Select Committee's recommendation in this matter. It is really useless to appoint a Select Committee to go through this long and complicated business and then proceed to reconsider it on an occasion like the present. The hon. Member says this Act ought to be repealed. It would be just

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SECOND SCHEDULE.

ENACTMENTS REPEALED.					Previous	▲ Top	Next
1.	2.	3.		4.			
Session and Chapter.	Short Title.	How far repealed.		Amending Acts.			
(1)							
1 & 2 Geo. 5. c. 55	The National Insurance Act, 1911.	Section Seventy-eight	...	—			
(2)							
3 & 4 Geo. 5. c. 26	The Highlands and Islands (Medical Service) Grant Act, 1913.	Subsection (2) of section six	...	—			
(3)							
5 & 6 Geo. 5. c. 4	The Land Drainage Act, 1914.	Subsection (2) of section four		—			
(4)							
9 & 10 Geo. 5. c. 59.	The Land Settlement (Facilities) Act, 1919.	Sections three, four, and five	...	—			
(5)							
10 & 11 Geo. 5. c. 44.	The Fertilisers (Temporary Control of Export) Act, 1920).	The whole Act	...	—			

Motion made, and Question proposed, "That the Schedule stand part of the Bill."

Lieut.-Colonel J. WARD

I think the Committee ought to know what is in Section 78 of the National Insurance Act, 1911, which we are now repealing. There is no reference to any amending Bill in the Schedule. One would think we were repealing some section that had not been dealt with by other legislation. In other cases we referred to amending Acts

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THIRD SCHEDULE.

ENACTMENTS CONTINUED.

Part I.

1.	2.	3.				4.
Session and Chapter.	Short Title.	How far continued.				A mending Acts.
(1)						
46 & 47 Vict. c. 60	The Labourers (Ireland) Act, 1883.	The whole Act	...	...	...	48 & 49 Vict. c. 77.
						49 & 50 Vict. c. 59.
						54 & 55 Vict. c. 48.
						54 & 55 Vict. c. 71.
						55 & 56 Vict. c. 7.
						59 & 60 Vict. c. 58.
						61 & 62 Vict. c. 37.

as easily repealed in the one Schedule as in the other, but excellent work is being done under its provisions.

Amendment negatived.

Schedule ordered to stand part of the Bill.

passed since the original Act, but in this case there is nothing of the kind

Sir A. MOND

Section 78 of the Act of 1911 provided that in cases of difficulty arising, the Insurance Commissioners might, with the consent of the Treasury, modify the provisions of the Act. This Section has now become obsolete and is no longer required, as the Insurance Commissioners under their present constitution have full powers.

Share

Question put, and agreed to.

1.	2.	3.	4.
Session and Chapter.	Short Title.	How far continued.	Amending Acts.
46 &47 Vict. c. 60— <i>continued.</i>	The Labourers (Ireland) Act, 1883— <i>continued.</i>	The whole Act— <i>continued.</i>	
			3 Edw. 7. c. 37.
			6 Edw. 7. c. 37.
			7 Edw. 7. c. 44.
			9 Edw. 7. c. 42.
			1 & 2 Geo. 5. c. 19.
			4 & 5 Geo. 5. c. 32.

			Previous 8 & 9 Geo. 5. c. 20. Top Next
			9 & 10 Geo. 5. c. 55.
(2)			
58 & 59 Viet. c. 21	The Seal Fisheries (North Pacific) Act, 1895.	The whole Act	—
(3)			
4 Edw. 7. c. 24	The Wireless Telegraphy Act, 1904.	The whole Act	—
(4)			
7 Edw. 7. c. 55	The London Cab and Stage Carriage Act, 1907.	As to the abolition of the privileged cab system, Section two.	—
(5)			
1 & 2 Geo. 5. c. 55	The National Insurance Act, 1911.	Section forty-two	3 & 4 Geo. 5. c. 37.
			4 & 5 Geo. 5. c. 57.
			4 & 5 Geo. 5. c. 81.
			7 & 8 Geo. 5. c. 62.
			10 & 11 Geo. 5. c. 10.
(6)			

2 & 3 Geo. 5. c. 2	The Coal Mines (Minimum Wage) Act, 1912.	The whole Act	Previous	▲ Top	Next
(7)					
4 & 5 Geo. 5. c. 3	The Grey Seals Protection Act, 1914.	The whole Act		—	
(8)					
7 & 8 Geo. 5. c. 19	The Coroners (Emergency Provisions) Act, 1917.	The whole Act		12 Geo. 5. c 2.	
(9)					
7 & 8 Geo. 5. c. 42	The Workmen's Compensation (War Addition) Act, 1917.	The whole Act		9 & 10 Geo. 5. c 83.	
(10)					
8 & 9 Geo. 5. c. 23	The Juries Act, 1918	Section seven		12 Geo. 5. c. 2.	
(11)					
9 & 10 Geo. 5.c.92	The Aliens Restriction (Amendment) Act, 1919.	Section one		—	
(12)					
9 & 10 Geo. 5. c. 97	The Land Settlement (Scotland) Act, 1919.	Sections one and two		—	
(13)					
9 & 10 Geo. 5. c. 99.	The Housing (Additional Powers) Act. 1919.	Sections one, two, eleven, and thirteen so far as they apply to Scotland.		—	
(14)					

10 & 11 Geo. 5. c. 57.	The Unemployment (Relief Works) Act, 1920.	The whole Act.	Previous	▲ Top	Next
(15)					
10 & 11 Geo. 5. c. 58.	The Shops (Early Closing) Act, 1920.	The whole Act		11 & 12 Geo. 5. c 60.	
(16)					
11 & 12 Geo. 5. c. 66.	The National Health Insurance (Prolongation of Insurance) Act, 1921.	The whole Act.		—	

PART II.			
(17)			
9 & 10 Geo. 5. c. 35.	The Housing, Town Planning, &c, Act, 1919.	Section twenty-five.	—

PART III			
1.	2.	3.	4.
Session and Chapter.	Short Title.	How far continued.	Amending Acts.
(18)			
9 & 10 Geo. 5. c. 60.	The Housing, Town Planning, &c. (Scotland), Act, 1919.	Section twenty-two.	—

PART IV.			
(19)			

6 & 7 Geo. 5. c. 12.	The Local Government (Emergency Provisions) Act, 1916.	Section five, except paragraph (a); Sections six, seven, nine, and twelve; Section thirteen, except subsection (6); Sections fourteen, twenty-one, twenty-two, and twenty-three, and subsection (1) of section twenty-four.	Previous Top Next
(20)			12 Geo. 5. c. 12.
6 & 7 Geo. 5. c. 55.	The Local Government (Emergency Provisions) (No. 2) Act, 1916.	The whole Act	11 & 12 Geo. 5. c. 12.
(21)			
10 & 11 Geo. 5. c. 47.	The Ministry of Food (Continuance) Act, 1920.	So far as it authorises the making or revoking in whole or in part, of Part III of the Sale of Food Order, 1921, and provides for the enforcement and imposes penalties for the breach thereof.	—

PART V.

(22)			
11 & 12 Geo. 5. c. 1.	The Unemployment Insurance Act, 1921.	The provisions as to increases in the rates of unemployment benefit and in the rates of contributions.	11 & 12 Geo. 5. c. 15.

PART VI.

(23)			
10 & 11 Geo. 5. c. 29.	The Overseas Trade (Credits and Insurance) Act, 1920.	As to the powers of the Board of Trade with respect to the granting of credits and the giving of new guarantees.	11 & 12 Geo. 5. c. 26.

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PART VII.

(24)			
8 & 9 Geo. 5. c. 34	The Statutory Undertakings (Temporary Increase of Charges) Act, 1918.	So far as it relates to tramway undertakings.	10 & 11 Geo. 5. c. 14.

Part VIII.

(25)						
59 & 60 Vict. c. 16.	The Agricultural Rates Act, 1896.	The whole Act	...	...	...	2 Edw. 7. c. 42
						7 Edw. 7. c. 13.
(26)						
59 & 60 Vict. c. 37.	The Agricultural Bates Congested Districts, and Burgh Land Tax Relief (Scotland) Act. 1896.	The whole Act	...	...	...	60 & 61 Vict. c. 53.
						7 Edw. 7. c. 13.

hands of a monopoly. The Marconi Company is one of the component members of the combine. I understand. The right hon. Gentleman only named three, but we understand that the combine will contain those three and other companies, who submit to the regulations of the combine. What powers are going to be conferred upon this monopoly for the broadcasting of wireless messages? I understand that they have asked that the apparatus that they use for the transmission of messages and the apparatus which is to be used for the reception of messages are to be of British manufacture only. I suggest that when this House tells the Postmaster-General that he has power to license applicants, it does not intend him to use that power to carry out some fiscal system, well or ill-conceived, which happens to commend itself to his mind at the moment. Supposing the Ministry of Agriculture is empowered to license dogs, no one would say they were using their powers properly if they refused to license a French dog; supposing the Home Office refused to license a Renault car because it has a French motor engine, that would be an abuse of their power.

This matter was referred to, but not very fully, in the Committee, and the Postmaster-General said that this country should not allow this new form of communication to be exploited by foreign manufacturers. He is proposing to allow it to be exploited by some unknown combine, of unknown composition, with unknown powers, but having behind them the force of the Post Office, through the penalties which they are empowered by this Act to impose. He has to issue the licence, and he has to impose the penalties, so that we come to this position, that these fortunate individuals or companies who have the monopoly propose conditions which give them an effective monopoly, not only of broadcasting transmission, which may be very proper, because obviously we must, have control of the transmission of messages, but also of the control of the instruments for receiving messages. I hold that the more people there are who receive these broadcast messages, the better for society as a whole. What harm could them possibly be in some individual, in some place, subject to the ordinary Regulations as regards area, and subject to payment for a licence, which I think reasonable, constructing his own apparatus, or purchasing an apparatus from abroad, or getting it in any way he thinks fit, and receiving the messages which are being broadcasted?

If the Postmaster-General says that nobody shall be in possession of a receiving apparatus unless it complies with the specification made in the financial interests of the fortunate people

who have joined this combination, how is he to carry out his orders? Suppose I get my licence, next pay my 10s. and set up my apparatus, and then get an apparatus from abroad, or get it partly made at home and partly abroad, how can the Postmaster-General possibly prevent me from using it? Either the law should be obeyed and enforced, or else it should not be enacted, because nothing brings the law so much into contempt as failure to enforce it. How can the Postmaster-General, unless he intends to limit this thing to a very narrow circle of listeners, possibly enforce these Rules about the specification? He cannot possibly do it. I asked him the question, and his reply to that was that the companies, in providing these instruments, would see that the specification was observed. Other people who use instruments which they import into this country, on parts of which they pay duty, are to be prevented from using those instruments for the purpose of receiving messages. The right hon. Gentleman cannot do it unless he intends to have a large number of inspectors peeping about the streets and inspecting every apparatus to see if it complies with the specification laid down, by the Postmaster-General. I think the whole business is improper. The House in in great ignorance of the full particulars. They have sought information, but they have not got it.

Then what arrangements as to copyright has the Postmaster-General made about the messages to be sent out? Newspaper news is going to be supplemented by this broadcasting. If a newspaper, at considerable expense, secures news, it is perfectly right that it should be protected in the monopoly of that news for some period, say 24 hours. In the dark as we are, knowing nothing about Regulations or terms of agreement with this unknown monopoly, what guarantee have the newspapers got that their copyright will be secure? I am all in favour of the maximum circulation of news, and the freest communication between people, as a civilising influence, but I think the newspaper Press is at least entitled to be assured that their copyright in this matter is not being interfered with. I have no desire to take up more time of the House than necessary. [*Laughter.*] The hon. Member for Streatham (Sir W. Lane-Mitchell) appears to regard that as a great joke—

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Sir W. LANE-MITCHELL

A great joke!

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Captain BENN

The hon. Member's contributions to Debate consist mostly of objections and interruptions. The proper course to pursue in this matter is for a Select Committee to be set up to inquire into it. Here we have Regulations being made on behalf of the Government touching one of the most important advances which have been made for centuries in the circulation of news, and I think what I suggest is very desirable. A Select Committee should go into the question and so re-assure the House that the terms of these contracts will be proper and in the public interest.

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The POSTMASTER-GENERAL (Mr. Kellaway)

I am glad that at last we have got the hon. and gallant Gentleman into the open on this business—

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Captain BENN

What do you mean by that?

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Mr. KELLAWAY

I feel that in this matter—

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Captain BENN

On a point of Order, Mr. Deputy-Chairman. Will the Postmaster-General kindly explain what he means by the words that "he is glad we have got the hon. and gallant Gentleman into the open?" What does he mean by the words?

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[Previous](#)[▲ Top](#)[Next](#)**Mr. KELLAWAY**

What the words mean I should have thought would be obvious to every Member of this House.

[Share](#)**Captain BENN**

They are a gross insult.

[Share](#)**Mr. KELLAWAY**

I propose on this occasion to speak with a good deal of frankness. I very much doubt if the hon. and gallant Gentleman in moving his proposal has considered that it will, if carried, put an end to the Wireless Telegraphy Act, 1904. Does he realise, as a responsible Member of this House, the consequences involved in his action? It is all very well on this Motion to discuss all sorts of details of the broadcasting scheme. That is not what this proposal will affect if hon. Members opposite succeed in getting it carried. If it be carried, and the Act is not continued beyond the period for which it is current, there will be no control of wireless in this country. The Admiralty will be unable to communicate with the Fleet. The Air Ministry will be unable to communicate with their aircraft. No one in this country will be able to rely on efficient communication with anyone at sea. These things are proposed as a light and airy way of spending Friday afternoon. I say there should be some sense of responsibility at least in the proposals which are moved from the benches opposite. It is not made on the ground that the hon. Member has not had the opportunity of discussing the new Bill which I brought in. But the hon. and gallant Gentleman has made it clear that he and his Friends intend to resist the Bill line by line and Clause by Clause. They have, I am afraid, made it impossible that the Bill should be carried before the House rises.

[Share](#)**Mr. KILEY**

You have got the Committee stage.

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That may be, but the hon. Gentleman and his Leaders on the Front Bench have made it clear that they do not intend to allow the Bill to pass. That is the contribution they propose to make to the development of what my hon. and gallant Friend himself has properly described as "one of the most important discoveries ever made in this country." Let me deal with some of the observations that my hon. Friend has thought fit to make on very imperfect information. He made the complaint, a curious one, I think, against me, that I have not given adequate replies to questions.

[Share](#)**Captain BENN**

No.

[Share](#)**Mr. KELLAWAY**

I have given answers to every question put to me in regard to this scheme fully and in detail.

[Share](#)**Captain BENN**

I went out of my way to say that the Postmaster-General had done that.

[Share](#)**Mr. KELLAWAY**

I have endeavoured to give the greatest possible information. The hon. and gallant Gentleman said that he had had the greatest difficulty in finding out what was meant by this scheme. That is what I thought. Every question that has been put to me on this subject I have answered fully, and when it has not been possible to give the information to the House, I have taken other means of making the information public. The hon. and gallant Member for Leith says that I am

"setting up a monopoly." On what is that statement based? Had he seen my answer yesterday, he would have seen that it was an indication to those people to become members of the broadcasting company. No monopoly is possible under the terms which I have already indicated. Then the hon. and gallant Gentleman says that I am going to prevent a man constructing his own apparatus, and using it. I stated clearly yesterday that a man constructing his own apparatus would be allowed to continue the use of it.

What is the real objection of the hon. and gallant Member? He thinks that by a back door I have been trying to introduce Tariff Reform and a Protectionist system. May I ask him to read one or two elementary text books on the subject of Free Trade, and then he will find out how little relation his charge of Protection in this connection has to this question. Is it something new in the experience of Government Departments that they have made a condition in the placing of contracts that the material which is bought with Government money shall be of British make? That is nothing new, because it has been the practice of the Post Office for many years to include in their contract a provision that the money shall be spent in this country, or upon British materials unless there be some overwhelming advantage to be derived by not so doing. In connection with this new invention, a Government Department has neither the audacity nor the ingenuity to exploit inventors. On the other hand, had I agreed to carry out this work myself, what a howl of indignation there would have been had I proceeded to buy German or American instruments for this work, and I am sure there would have been no one more indignant than hon. Members opposite.

I am not going to be drawn into a discussion of a fiscal question which does not properly arise now, and if my hon. and gallant Friend will only read the speech of the right hon. Gentleman the Member for Paisley (Mr. Asquith) in the Debate on Dyestuffs, or the same right hon. Gentleman's speeches in connection with the Paris Resolutions, he will find how little relation there is between the actual facts and the charge that I am trying to introduce a protective system by a backdoor. We have to keep this new form of communication in this country in the hands of our own people, and see that our manufacturers in regard to every branch of it have a technical skill and capacity for production equal to anything in the world. I am advised by those engaged in this industry that in about two years there will probably be some £6,000,000 spent in the purchase of receiving sets and the broadcasting system, and that as much as 80 per cent. of

that total will go in wages. I am prepared to argue fully this question, not only in this House, but, if necessary, in the country, and I am prepared under the authority of the Act of Parliament to make it a condition of the granting of these licences that these instruments shall be of British manufacture. That has been made sufficiently clear. Sufficient notice has already been given, not only that I intend that that should be a condition, but that I do not intend to allow it to be evaded by persons, who I know are already seeking means by which they may get round this condition.

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Captain W. BENN

How are you going to prevent evasion?

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Mr. KELLAWAY

If I were to explain how I intend to prevent evasion, it would make evasion easier. I ask the Committee just to consider what my hon. and gallant Friend is proposing. He has admitted, so far as broadcasting is concerned, that it must be in the hands of British firms.

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Captain W. BENN

No, I said that there must be Government control over broadcasting messages. That is obvious; otherwise, the air would be too full of sound.

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Mr. KELLAWAY

Then we may have in this country some German or American or French firm setting up these broadcasting stations and allowed to engage in what has always been regarded as an essential monopoly to be controlled by the Government. It is an unthinkable proposition, and I am certain that no one who ever hopes to be Postmaster-General would ever agree to allowing a new form of communication of this kind to be in the hands of foreign firms. Supposing we proposed in

connection with telegraphy or telephony to allow people to come in from abroad, what would be said? We are quite competent to look after our own communications without foreign assistance. He then proceeds to attack me with regard to the receiving sets. I have said that these must be of British manufacture. It is a common practice of Government Departments—it certainly is in the Post Office—to make conditions in their contracts to the effect that the material purchased with public money must, unless there be some overwhelming reason to the contrary, be of British make. Is there an overwhelming reason to the contrary here why we should allow the importation of foreign sets for this purpose? Is it because we are not technically efficient in this country to produce them? I would advise my hon. and gallant Friend to consult some Members of this House who speak with great authority on this matter. They will tell him that the electrical firms of this country have reached as high a degree of efficiency as any in the world. Is it that the hon. and gallant Member is afraid of a monopoly? I have already said that the scheme is open to every *bonâ fide* electrical manufacturer in this country. Everyone can take a part in this scheme.

Look at it from the other point of view. The electrical industry to-day is severely depressed. It is one of the industries in which the rate of unemployment is very high, and, apart from the overwhelming argument in favour of the course which I have taken, I should like to know with what face we could go into any of these great centres where the electrical workmen are walking the streets and say we propose to sanction a scheme under which the communications of the country can be exploited for the benefit of foreign workers. My hon. and gallant Friend, if he will permit me to say so with great respect, has overlooked an old text, which runs

““The letter killeth, but the spirit maketh alive.””

He is trying to score a little party advantage regardless of the very great public disadvantage which would be caused. He has worked very hard in this connection in various ways to try and arouse some agitation outside, and he has not had a single response. Not from a single quarter have I had a protest against what I have done. So far as I am aware, the only organ in the Press which has made any response to my hon. and gallant Friend's pathetic efforts has been the "Westminster Gazette."

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Captain BENN

What does the right hon. Gentleman mean by saying that I have worked very hard to try and arouse agitation?

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Mr. KELLAWAY

I have no doubt my hon. Friend has done so quite unconsciously.

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Captain BENN

I have done nothing of the kind.

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Mr. KELLAWAY

I will do my best to answer my hon. and gallant Friend's question. By persistent questioning in the House, and by the sort of Amendment which he puts on the Order Paper, he has done so—quite properly I admit. But that is not the point I am emphasising. The point is that he has met with no response from anywhere. The whole of the Press of the country, and common sense as well, are against him, whether it be Free Trade or Tariff Reform. This aspect of the case which alone occupies my hon. and gallant Friend, is after all a very small part of what is involved. If he succeed in preventing the renewal of this Act, he will have created chaos, whether he call it Free Trade or by whatever name. I repeat that the only control of wireless which exists in this country is contained in the Act which my right hon. Friend is asking this Committee not to allow to continue in operation, and this result will ensue if my hon. and gallant Friend gets his way—if he gets his little bit of party capital out of it. The Admiralty will not be able to communicate with the Fleet.

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Captain BENN

Nonsense!

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Mr. KELLAWAY

If my hon. Friend says it is nonsense, it shows he has not studied the A B C of the question.

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Captain BENN

I repeat it is nonsense.

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Mr. KELLAWAY

There is no power apart from the Government to regulate wireless outside this country, and this is what will ensue if this Act be not renewed. Any man can erect any station of any power he likes around our coasts. He can communicate with any place he pleases, and we cannot prevent him. He can jam every signal which is being sent, and he will do so in the ordinary course of the operations of that station. He could jam every signal being sent, whether by the Admiralty to the Fleet or by the Air Minister to aircraft, or by any one individual in this country trying to communicate with persons at sea. This is the price and the risk he is willing to run in what he calls the interests of the system of Free Trade—of which he has not yet learned the elementals.

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Sir D. MACLEAN

The right hon. Gentleman, in his heated speech, has made an attack on my hon. and gallant Friend. I hope my hon. and gallant Friend feels duly admonished, and will take the greatest possible care not again to intervene in the Debates in this House without getting the Postmaster-General's licence. I suggest that the licence should be in the terms of the Act which we are now considering, that is to say, that

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““Every such licence shall be in such form and for such purpose as the Postmaster-General may determine, and it shall contain the terms, conditions and restrictions under and subject to which the licence is granted.””

Then, of course, we shall see that Parliament is moving in accordance with the best traditions which the Postmaster-General has laid down. What has my hon. and gallant Friend done? He has taken a proper, and appropriate, Parliamentary opportunity, which the right hon. Gentleman, in other, and, I think, better days, used also to take, of bringing before Parliament a subject of general interest, which there is very little chance of raising at another stage of the proceedings. That is all that he has done. The Postmaster-General has endeavoured to make the flesh of the Committee creep by stating what would happen if this Amendment were carried. In any event, however, the Act goes on till Christmas, and there is to be an Autumn Session, during which a Bill could be brought before the House. I do not really know whether the right hon. Gentleman was serious, or whether he was attempting to amuse himself by working up indignation and endeavouring to show that my hon. and gallant Friend was occupying a ridiculous position. All I can say is that I do not think the Postmaster-General really increased his influence or his position in the House by the speech that he made.

I say again that my hon. and gallant Friend exercised a proper Parliamentary opportunity of laying his case before the Committee, which he did very fairly and, from my point of view, with very good effect. He was met with a tornado of abuse from the Minister in charge of the Bill. The right hon. Gentleman went into the most irrelevant observations about Tariff Reform, Free Trade, and all the rest of it, referring my hon. and gallant Friend to textbooks and to further study of the question, in which he himself used to believe, although I congratulate his colleagues who are now on the Government Bench on his having become a convert to their particular faith. That is as it may be, but the action which has been taken in this case by my hon. and gallant Friend is justified on the facts of the situation. All that he wants is that there should be proper opportunities in this country for the development of this particular industry. I myself regard it with feelings of the greatest possible alarm, but here it is. The Postmaster-General himself said that the principal manufacturers of wireless apparatus in Great Britain will combine to form a company or companies to provide broadcasting services. We want to find out

what that means, and I cannot imagine any better place for discussing this great public question than in this Committee here and now on the Motion of my hon. and gallant Friend.

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What does the combine mean? First of all, you are going to shut out foreign competition. I suppose that an integral part of this apparatus is included under the Safeguarding of Industries Act already, but, not content with that, the Government have decided to exclude all chance of foreign competition. That I can understand, but they are also going to what is called "corner" the whole market. They are going to form, as an hon. Member behind me says, an additional trust at home. What harm is there in discussing it? The Postmaster-General objects to our discussing it.

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Mr. KELLAWAY

indicated dissent.

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Sir D. MACLEAN

But he does. He said it is a most unpatriotic thing to do. "It is one of the most shameless exhibitions of party spirit in opposition." I think it ought to be discussed. This is probably the only opportunity we are going to get. I will leave for the moment the question of the advantage to the consumer of having the choice between home-made and foreign-made instruments and confine myself altogether to the question of the combine at home, and I will assume that the Postmaster-General has issued me a licence and that I have his gracious permission to ask him for more particulars about this combine. Everyone who is interested at home is entitled to know what the Government Department proposes to do with regard to this combine, and we are entitled to have an answer, so that in any event there is going to be no cornering and no trust at home, but within these shores at any rate there shall be free play of competition. That is a question which should be addressed to the right hon. Gentleman, and if unsatisfactory answers are given I shall take all the risk of his displeasure and of the calumny which must fall upon us for so unpatriotic an action as voting against, him in the Division Lobby.

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Sir D. NEWTON

I am very glad to think the Debate is taking place, because. I hope it may mean that facilities will be found for carrying the Bill through to its concluding stages. There are at least three points of view from which this question should be reviewed. There are the scientific reasons in support of the proposal.

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The DEPUTY-CHAIRMAN

We are not discussing the Bill. We are discussing the proposals of the Postmaster-General with regard to the Bill. I understand the Act of 1904, which it is proposed to continue, gives great powers to the Postmaster-General, and it is only the powers under that Act which are open to review and discussion now. Hon. Members must not deal with the Bill.

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Sir D. NEWTON

I was endeavouring to indicate that it was desirable to proceed to amplify those powers, and I hope at any rate the Motion will not be carried, because the whole of the wireless telegraphy situation would be in a state of chaos. It is necessary that wireless receiving sets should be obliged to conform to certain definite regulations, because unless they do they will give off radiations.

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The DEPUTY-CHAIRMAN

The hon. Member is discussing the new proposals. We cannot discuss those now.

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4.0 P.M.

Mr. MALONE

I would not detain the House any longer had the Postmaster-General not deliberately and wilfully misrepresented the contentions of those who have put down Amendments to the new Bill which is coming before the House next week. He says he has given us details of the new scheme. If I turn to the reply he gave yesterday to a question which he has taken such great care to publish broadcast to the Press I find he is forming a combine. He says that the private manufacturing companies are able to be members of this combine. Is their power in the combine in proportion to the amount of capital they subscribe? If it is in accordance with the amount of capital which these small companies subscribe, then, as far as I can see, the right hon. Gentleman is going by this Bill to put a monopoly into the hands of the big constructive companies. The Postmaster-General told us that about £6,000,000 are going to be spent on broadcasting in the course of the next year or so, and he said that 80 per cent. of this money would be spent in labour. If that is so, then the companies from which the Postmaster General got his information must be operating on an extraordinarily in efficient system. Take two simple vital parts which constitute the receiving apparatus, and you find, first of all as regards double-head piece telephones, that the American article can be got for 30s., whereas the British equivalent, in quality and material in every respect, costs 40s. If I turn to the thermionic valve, which is a vital essential of all receiving sets, I find that the Marconi valve costs 26s. retail, whereas the same apparatus in America or France only costs 3s. or 4s.

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Mr. HAILWOOD

Are these prices contained in the Act of 1904, and are we discussing whether they are to be kept in or left out?

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The DEPUTY-CHAIRMAN

I understand that the Postmaster-General has power under the Act of 1904 to spend this money or to sanction this policy. If I am correct, then the hon. Member is in order. If I am not correct, he is not in order.

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Mr. MALONE

I do not propose to go into all the details, but I shall raise them at greater length at a later stage. The Postmaster-General has wilfully misrepresented the intention of hon. Members who have put down Amendments in saying that we are not protecting the interests of the people outside. We are protecting the interests, not merely of the hundreds of small wireless instrument makers, but also the million or so people who will be purchasing receiving sets in the course of the next 12 months. The two items that I have mentioned were only two out of numerous other technical parts of receiving sets which show the enormously exaggerated prices which the protection given in this Bill permits, and which millions of people have to pay to these monopolist concerns. The Marconi Company, which has practically a monopoly in this respect, cannot possibly supply more than one-twentieth of the needs of the present time.

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The DEPUTY-CHAIRMAN

The hon. Member is going beyond the powers of the Postmaster-General under this Act, and he is going on to the powers which he seeks in the Bill.

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Mr. MALONE

Even if the Amendment be carried, this Bill will be in operation until the end of 1922, and there is plenty of time between now and then to set up a Select Committee or a Royal Commission to consider what should be done, instead of bringing this matter before us in a hole and corner way, and answering vague questions, such as was the case yesterday. Everybody knows that the trade in this country is full up with orders for receiving instruments. If you inquire of any of the well-known small firms you will find that they are constructing between 10,000 and 20,000 instruments. They cannot anything like supply the needs of the country. This protective system which is preventing up-to-date instruments being obtained in this country is driving the amateur receivers to purchase out of date instruments. They have to buy crystal receivers, which are not

anything like so effective or efficient as is the valve system. That is putting a handicap on the progress of wireless broadcasting in this country. I protest against the deliberate misrepresentation by the Postmaster-General.

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Mr. KILEY

It is well known in this House that the Postmaster-General is gifted in many ways, but until this afternoon it was not generally known that he possesses all the qualifications of a good lawyer. That is, that when you have any doubt about your brief, make good by going baldheaded for your opponent. That he has done with a vigour which has been interesting, and has enlivened an otherwise dull afternoon. What would have been very much more interesting to some Members of the House would have been the details which have been requested in relation to this subject. The Postmaster-General drew an appalling picture of what would happen if we did not confirm the continuance of the 1904 Act. That picture left us a little cold, for the very good reason that if there were any danger such as he suggested—a ship in distress unable to communicate with the land in order to get assistance—he knows very well that he has only to come, to this House and we would pass into law in a few hours such Measures as would prevent a calamity of that kind. The Postmaster-General said that he intended to exercise certain powers for limiting the use of certain instruments, and that he has provided for a combination which certain people may enter. He carefully refrained, however, from giving us one iota of information as to the conditions on which one is permitted to enter the combination. Is the combination to be limited to those in a certain trade? He mentioned the electrical trade more than once. Must the manufacturer be in the electrical trade before he can enter the combine? What penalty or amount must a manufacturer pay before he is admitted? Must a manufacturer provide

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Cope, Major William	Lorden, John William	Rutherford, Colonel Sir J. (Darwen)			

thousands of pounds as a condition of entrance? If that is not the case, what other conditions are there?

If it were a question of finding more money for broadcasting stations, there are several ways in which that could be done. If the half-guinea which the Postmaster-General is charging is not sufficient to provide for broadcasting, he might make a grant from his Post Office funds or he might increase the charge of 10s. 6d. I am as much interested as the Postmaster-General in British industry. I am more concerned to have the assurance that the British public will have at their command the very best instruments that brains and money can produce. It is very foolish to erect a barrier which would prevent our having the benefit of any invention or discovery and to permit the Postmaster-General to say that we shall or shall not have the best instrument that can be provided. That would be a dictatorship and a monopoly of a very dangerous kind. Before the Postmaster-General puts his powers into operation, I hope he will let the public know definitely what are the conditions for the working of this combination.

Question put, "That the words proposed to be left out stand part of the Schedule."

The Committee divided: Ayes, 126; Noes, 30.

Samuel, A. M. (Surrey, Farnham)	Sugden, W. H.	Willoughby, Lieut.-Col. Hon. Claud
Samuel, Rt. Hon. Sir H. (Norwood)	Sutherland, Sir William	Wills, Lt.-Col. Sir Gilbert Alan H.
Sanders, Colonel Sir Robert Arthur	Taylor, J.	Windsor, Viscount
Scott, A. M. (Glasgow, Bridgeton)	Thomas, Brig.-Gen. Sir O. (Anglesey)	Winterton, Earl

Seely, Major-General Rt. Hon. John	Thomson, Sir W. Mitchell- (Maryhill)	Wise, Frederick	Previous	▲ Top	Next
Shaw, Hon. Alex. (Kilmarnock)	Townley, Maximilian G.	Wood, Major Sir S. Hill- (High Peak)			
Shortt, Rt. Hon. E. (N'castle-on-T.)	Wallace, J.	Yate, Colonel Sir Charles Edward			
Simm, M. T. (Wallsend)	Walters, Rt. Hon. Sir John Tudor	Young, E. H. (Norwich)			
Sprot, Colonel Sir Alexander	Warren, Sir Alfred H.				
Stanley, Major Hon. G. (Preston)	White, Col. G. D. (Southport)	TELLERS FOR THE AYES.—			
Stewart, Gershom	Whitla, Sir William	Colonel Leslie Wilson and Mr. Dudley Ward.			

NOES.

Barnes, Major H. (Newcastle, E.)	John, William (Rhondda, West)	Thomas, Rt. Hon. James H. (Derby.)
Bell, James (Lancaster, Ormskirk)	Jones, T. I. Mardy (Pontypridd)	Tillett, Benjamin
Benn, Captain Wedgwood (Leith)	Lyle-Samuel, Alexander	Walsh, Stephen (Lancaster, Ince)
Cape, Thomas	Maclean, Nell (Glasgow, Govan)	Waterson, A. E.
Davies, Rhys John (Westhoughton)	Maclean, Rt. Hn. Sir D. (Midlothian)	Wedgwood, Colonel Josiah C.
Galbraith, Samuel	Malone, C. L. (Leyton, E.)	Wignall, James

Gillis, William	Murray, Dr. D. (Inverness & Ross)	Wood, Major M. (Aberdeen, C>	Previous	Top	Next
Grundy, T. W.	Myers, Thomas	Young, Robert (Lancaster, Newton)			
Hirst, G. H.	Raffan, Peter Wilson				
Holmes, J. Stanley	Royce, William Stapleton	TELLERS FOR THE NOES.—			
Irving, Dan	Swan, J. E.	Mr. Hogge and Mr. Kennedy.			

Captain BENN

I beg to move, in Part I, to leave out

(11)			
9 & 10 Geo. 5. c.92.	The Aliens Restriction (Amendment) Act, 1919.	Section one.	—

In 1914, during the early stages of the War, the Aliens Restriction Act was passed, conferring upon the Home Secretarty very drastic powers. Those powers were continued once—in 1919—and would in the ordinary course expire in December, 1922. but it is now proposed to continue them until December, 1923. I contend that the continuance of such autocratic DOWNS in the hands of the Horne Secretary is quite unnecessary. Such powers can only be justified by the circumstances of war and are totally improper in a democratic State in times of peace. I will not retail all these powers, but they include powers to prohibit aliens from landing; to impose restrictions on them when they land; to prohibit them from going: to deport them; to force them to reside in certain areas; prohibiting them from remaining in other areas save under licence; compelling them to be registered; appointing officers—I do not know what that costs—and any other matters which appear necessary or discreet. Such a wide power as that is quite inappropriate in times of peace. We know that the great need of to-day is to get back to peace conditions and to get rid of restriction and interference in every way. Such powers as these may be, and indeed are, exercised in respect of aliens who come here for the purpose of engaging in trade. Surely it is in our interest that they should have the greatest facilities, just as we

ourselves, when we go abroad for purposes of trade, desire to have the greatest facilities for our business, and to do so for ourselves. In short, we want free communications between all countries, in order that the economic health of the world may be restored. These powers are hostile to such an ideal. They were only granted—and properly granted—in the emergency of the War, and it is time now that they came to an end.

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The SECRETARY of STATE for the HOME DEPARTMENT (Mr. Shortt)

There are many restrictions which are necessary in war-time, but which are distinctly undesirable in times of peace; but I do not think anyone in this Committee would deny for a moment that we cannot possibly allow aliens from any part of the world, of any sort and description, to come here without restriction. We are bound to protect ourselves from undesirable persons of all kinds who might otherwise come into the country. I would also remind the Committee that when this Act of 1919 was passed, it was made a temporary Measure, because it was hoped that we should have sufficient time and experience to put our Regulations and our statutory provisions in regard to aliens upon a more permanent basis. Experience has taught us one thing, and that is that it is very difficult indeed to bring in any permanent legislation with regard to aliens which would be always satisfactory. Indeed, your Rules and Regulations must constantly be changing as circumstances change all over the world, and for that reason it has been almost impossible to come to any sort of decision or guidance as to what form permanent legislation on the subject should take. Clearly, this year it would be out of the question to pass legislation of a permanent character on the subject. If we did not continue the present legislation, therefore, the result would be that we might have a small invasion of undesirable persons coming in and flooding our labour market, many of

Share

(15)						
10 & 11 Geo. 5 c. 58.	The Shops (Early Closing) Act, 1920.	The whole Act	...	...	...	11 & 12 Geo. 5. c. 60.

The Act was passed in 1920, but it really contains a code passed during the stress of war in 1916. It contains D.O.R.A. Regulations. Prior to that period there had been an Act of 1912, which gave to local bodies of shopkeepers various powers for the closing of their own shops, but when the War had been going on for a couple of years, and there was a shortage of coal, gas and labour, all sorts of strange Measures were adopted for the purpose of winning the War. A new code was adopted for shops which was supposed to be only a war Measure, and it should only have been a war Measure. It should have been dropped when peace was concluded. It impinges very much upon the liberty of the small shopkeeper. Prior to that Act, unless there was an overwhelming vote of shopkeepers in an area, the small shopkeeper who did not employ assistance could open and shut pretty well as he chose. I contend that it is utterly unreasonable, four years after the War, to be continuing this Act, and to be subjecting small shopkeepers to an inspection to which no other class of labour in this country has to submit. You may have statutory hours of labour in coalmines or elsewhere affecting the wageearner who is employed. We have had it for a considerable number of years and I do not think anyone wants to go back upon it. It is perfectly right that when a man is employed in labour that the hours of his labour should be regulated, them probably dangerous persons, who might get in without our really knowing anything about them. For these and other reasons, it is absolutely essential that we should retain power to regulate the influx of aliens into this country, and I hope the hon. and gallant Member will not press his Amendment. He is quite right to make his protest, and to raise the point, because it is desirable, as far as we can, in peace time to get rid of what are really war-time restrictions, but alien restriction is necessary in peace-time, if not to the same extent as in war-time.

Amendment negatived.

Mr. MACQUISTEN

I beg to move, in Part I, to leave out

Share

otherwise you would have undue exploitation of the wage-earner by those who employ him.

The case, however, is entirely different with a man who is working on his own account, and to use this code established for war purposes to suppress him—for that is what it amounts to—is not right. The code was introduced in 1920, and all the shopkeepers closed except the eating departments. The discharged man came back from the War and found this code imposed upon him. If he wanted to start a little shop of his own, and, if possible, to gather up

some of the crumbs that fell from the table of the rich shopkeeper, after the big shops were closed, when he might hope, perhaps, behind his own counter, to get customers who were engaged for long hours and had not the time to shop except then, he found that it could not be done. He found this extraordinary code around his neck. The big Shopkeepers' Association—because, after all, the big shops have run the Early Closing Associations, and have provided a fund by which they can keep up this enormous agitation against any attempt to introduce a rational system of regulating the hours of employment, instead of regulating the hours of the shop—I say the big shops are behind all this, and using their own employés as a cover have closed the small shops so as to get the business into their own hands.

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The curious thing is this: When I propose—I suppose the Labour Members would call me a reactionary Tory—to protect the small employer against the big shopkeeper and to give him reasonable and limited hours of work and reduce his hours from 19 or 12 to 8 hours, the Labour party stand up and resist me and prevent the shopkeeper's assistant getting reasonable hours of labour which they desiderate for all classes of labour. This question was, I find on looking back to 1920, before the House then. I find that on 30th July, 1920, the Shops (Early Closing) (No. 2) Bill—the one which is now being renewed—was brought forward. It was introduced in what I think would probably be styled a rather perfunctory speech by the Under-Secretary for the Home Office. It was pointed out by him or the Home Secretary that "there was so much confusion in regard to the closing of shops that it was better to continue the War Regulations than to have no Regulations for a period until things have adjusted themselves."

I find that the late Member for the Wrekin Division (Mr. Palmer) opposed the Bill very strongly and pointed out the absurd anomalies of it. He showed how he could go into a shop and buy a little cooked meat, but could not buy the pickles to go with it, because that was against the Regulations. He also explained he could go to a theatre with his wife and could go out and buy whiskey for himself, but he could not get a box of chocolates for his wife in the theatre. This latter difficulty, however, has been removed. But the whole matter is riddled with distinctions, without any thought for the convenience of the public; because, mark you, the one thing I wish people engaged in business would get rid of this idea that they are carrying on their business and their occupation for their own good. That is the last thing they could think of. The man who is engaged in industry or a profession should always have regard to the customers and serve his clients' interests to the best of his ability. In doing so he would know

that if you render the best possible service all other things will be added into you. [Laughter]

That is an old maxim, I would remind hon. Members. They will find it in that old book of which possibly

some of them have a copy, and it is perfectly true. The small shopkeeper, it may be, served a very large part of the working classes, because the workman used to spend part of his evenings following his employment, going out with his wife to do the shopping. Now she has to get out in a hurry before the closing time of the shops, and at a time when she ought to be preparing her husband's meal for when he comes home. One of the evils in our country is the concentration of industry and wealth in few hands, and it is not a natural process. Our Limited Liability Acts are responsible for a great deal of these evils, because they have allowed a concentration of capital into single hands. One of the grievances in Scotland is that you could sometimes find one man with 19 farms in his own hands, with grieves working them. What you want to have is more individual ownership. I know that there is a strange view held by hon. Members opposite that there should be huge aggregations of capital—

The DEPUTY-CHAIRMAN

The hon. Member has now got beyond the point as to whether this Act should be continued for another year or not. He must bear in mind that we are only considering the question of this Act being continued for another year, and so far as he directs his arguments to the continuation of this Bill, that will be in order; but the general Debate upon the Shop Hours Acts and their operation is distinctly out of order.

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Mr. MACQUISTEN

I was trying to illustrate the danger of continuing this Statute, which has been continued since 1916, and I was trying to show that one of its effects has been a tendency to almost exterminate the small shopkeeper, or, at any rate, to make his lot very much more difficult. I am pleading for the small shopkeeper who ought not to have his liberty taken away from him under War Regulations which were continued in 1920 and which under this Bill will be continued for another 18 months—

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The DEPUTY-CHAIRMAN

The hon. Member has already told us that.

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Mr. MACQUISTEN

I think it is an absolute abuse that this Act should be continued, and I want the Committee to take advantage of what the Home Secretary said we ought to do when he reminded the House that this Bill does not propose to take any permanent stand, but simply says that there has been a diversity of opinion amongst those concerned, and we ought to have time to look round, and therefore we propose the existing state of things for another 18 months. The right hon. Gentleman has had 18 months of it. On another occasion he said:

““Let us go on for another 12 months, and, in the meantime, by investigation and discussion, we shall be able to arrive at what is the judgment of the House, and then we shad make that permanent.””

Since then there has been no interest taken in this question, although there has been ample time.

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Mr. SHORTT

My hon. Friend says that there has been no discussion and no interest taken in shop hours, but I can assure him that his experience is very different from mine. The Committee will recollect that prior to the War there were very few regulations with regard to shop hours. They were chiefly local, made under the Act of 1912. During the War it became necessary for various reasons to regulate shop hours, and from 1916 to 1920 the workers in shops experienced the benefit of a reduction of hours. The result was that they pressed hard at the end of the War that the experience of shorter hours which they had gained in the War should be continued in times of peace. It is perfectly true that it was a difficult subject, and that at the end of the War there was

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some diversity of opinion, but I venture to think that diversity is very much smaller to-day, and certainly, so far as my information goes, every day the number of those who are in favour of these Provisions is growing and growing. I am sure that the House will realise that it is very difficult in industrial matters in times such as we are going through to put permanent provisions upon the Statute Book. We are not in normal times, and it is no use pretending that we are. Therefore, although we have been discussing this matter with those interested and concerned, obtaining all the opinions and all the experience that we can get, we do not feel that it would be wise this year to put a further Act upon the Statute Book. Consequently, we are asking the House to consent that this very salutary and beneficent Measure shall be continued for at least another year. It may be that as times improve we may come to some permanent arrangement, but in the meantime I hope that the House will consent to this Measure, beneficial as it is, being continued.

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Mr. KILEY

I rise to make an appeal to the Home Secretary, that he should not let this matter drift indefinitely, as he rather hinted that he might be disposed to do. He will recall that in 1920 it was somewhat reluctantly agreed to pass the proposal, which he then presented, and for which he gave very good reasons. But it interfered very considerably with the Act of 1912, which gave to local authorities powers to deal with special cases and special events. I was approached, as the Home Secretary knows, a short time ago by the local shopkeepers outside great stations like Euston. On football day thousands of visitors come to London. They desire to take back with them some present or gift, but unless they purchase it early in the evening and cart it about with them — because the trains do not leave till late — they are unable to take those articles back. Under the Shop Act of 1912, the local authority in each area had power to deal with special occasions, and it was understood when the Act was agreed that the Home Secretary would have authority to continue those powers. On application being made to him to exercise these powers, the Home Secretary declined to do it on the ground that he could not interfere with the local districts, but he said he would be quite willing to interfere in cases of general holidays throughout the Kingdom. That is complained of very much in local areas, where there are

special holidays and special occasions on which the shopkeepers desire to avail themselves of the special conditions made to meet their cases. When the Home Secretary is considering his new Bill, I hope he will bear that in mind.

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Dr. MURRAY

I wish to say a word on behalf of the small shopkeepers. Take the case of a town where there are two men owning neighbouring small shops. One employs a boy or two; the other employs no one. The shopkeeper who employs a boy or two will be compelled to close at a certain hour, whereas his neighbour who does not employ anyone may keep open at all hours day and night. This is a great injustice which is felt by a large number of small shopkeepers throughout the country, and in their interest I cannot support this Amendment.

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Question, "That the words proposed to be left out stand part of the Schedule," put, and agreed to.

Mr. MACQUISTEN

Is there not some mistake. I thought the Question you put was that my Amendment stand part of the Schedule.

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The DEPUTY-CHAIRMAN

No. The hon. Member voted in favour of the words proposed to be left out standing part of the Schedule.

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Mr. WATERSON

I beg to move, in Part IV, in the paragraph commencing 10 & 11 Geo. 5, c. 47, in column 3, to leave out the word "Part," and to insert instead thereof the words "Parts I and".

I do not know whether there is an unfortunate omission on the part of the right hon. Gentleman in not inserting this in the Bill, but I may just briefly state the circumstances and ask for a favourable consideration of my proposal. Part I of the Sale of Food Order dealt with the question of bread. Part II dealt with the question of tea, in reference to which the Government brought in a Bill that has been sanctioned. In connection with it arose a question of the labelling of imported produce. Inasmuch as the Order so far as bread is concerned comes to an end on the last day of next month—the 31st August—and the Government had a Sale of Bread Bill which it has withdrawn for this Session, we shall be compelled to revert to the *status quo* before the War. My right hon. Friend well knows that a Committee was appointed and certain decisions were arrived at. The consuming public are anxious to retain the position which for the past five years has worked successfully under this Sale of Food Order—at any rate, until the Government have carried their Bill.

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Mr. KILEY

I hope the Government will not do anything of the kind. It is admitted that the working of this Order under the Food Controller, when rationing was in vogue and when there were limited supplies, was essential. But there is not the slightest justification for continuing war-time orders to-day. If there is thought to be then they should be debated on their merits. As regards this very Order, about which my hon. Friend is so anxious, and which he says is such a great success, the Government themselves only propose partly to renew it in their new Bill. I am speaking from memory, but I am as certain as I can be without having the actual words before me that it is only intended to renew a part of the Order. We are entitled to ask for some further grounds for this continuance of war-time proposals, and also to ask at whose instigation and demand it is. As far as I can gather, in my locality there is no demand for it whatever. My hon. Friend appears to assume that the housewife, when she goes shopping or marketing, has no idea what she is getting or what she is paying, but he overlooks the fact that there is not now only one shop or one source of supply, as there was during the War; there are three or four

shops fiercely competing with each other, and, if there is any profiteering going on, ~~do not think~~ it is being done by the small shopkeepers. In these circumstances, I hope the Government will give a clear undertaking that this Order will be dropped, either now or in the very near future.

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Mr. HAILWOOD

I hope the Committee will support the Government in the Bill as it stands, and will also support the Select Committee whose special duty it was to investigate these expiring laws. The hon. Member who moved this Amendment said that there was a demand on the part of the public that this present Regulation should be continued. I have not met with that demand, nor have I met anyone else who has met with it. It is quite true that this Order was introduced during the War by Lord Rhondda, and it was introduced for a special purpose, because of the possibility that the bread of the people might have to be rationed. It was an impossible Regulation to carry out in its literal sense, but the baking trade accepted it loyally and endeavoured to do their best with it, because it was in time of war. It has, however, been continued since the War, and was embodied in the Sale of Food Order which was passed in 1921, and is now the Sale of Bread Bill. Certain reasons were given to the House when that Order was passed. The specific Order with regard to the sale of bread in pounds and multiples of pounds was not discussed, but the Minister of Food came down to the House and asked for certain powers to continue control of the milling and flour trades, and, as the flour mills were under control, the Minister of Food felt himself bound to reserve powers right through to bread at the other end, in case any Regulations had to be made. The Committee, of which the right hon. and gallant Gentleman the Member for Ilkeston (Major-General Seely), was the Chairman, says in its Report:

“Your Committee are, therefore, of opinion that the system of extending the duration of temporary laws by means of the Expiring Laws Continuance Act, so far from being a safeguard of the rights of Members, is, in fact, to some extent, liable to become a menace to those rights, inasmuch as temporary and experimental legislation is by this means continued from year to year.”

They further say:

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““The Committee have not been impressed by these arguments”—”

that is to say, the arguments with regard to controversial subjects—

““or assented to the view that, as applied to any particular enactment, they afford sufficient cause for refraining from recommending that it should be made permanent.””

This is a controversial Measure pure and simple, and the Committee specifically lay it down that no controversial Act should pass under the Expiring Laws Continuance Bill. The hon. Member has referred to a Bill which has been left over until next Session. We are discussing now the Expiring Laws Bill and not the Future Laws Initiation Bill. I take it there is no desire on the part of the House to anticipate legislation which will be introduced in the autumn and very probably will be defeated—at any rate, it is controversial—and there is no reason whatever why the House should anticipate that legislation under the Expiring Laws Bill. I hope the Committee will support the Government and the Committee that investigated the matter.

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5.0 p.m.

The PARLIAMENTARY SECRETARY to the BOARD of TRADE (Sir W. Mitchell-Thomson)

Perhaps it will help the Committee if I say why I think on the whole, giving due weight to all the considerations, the Amendment ought to be accepted. The hon. Member for Ardwick (Mr. Hailwood) and the hon. Member for Whitechapel (Mr. Kiley) have strong views on this question and, as is their habit, they have belaboured those who disagree with them in a very doughty manner, but I think the dust of the battle is really rather obscuring what is the very narrow issue, which I want to put to the Committee. There is a Sale of Bread Bill proposed by the Government, on the recommendation of a Committee. It turned out to be more controversial than was expected when it was introduced. The part of the Bill applying particularly to Scotland, indeed, has caused a great deal of controversy. The merits or demerits of the Scotch Clause, or any

other part of the Bill, are not really relevant to the issue which is before us at the moment, but I mention it because there are two facts I want the Committee to keep in mind. In the first place there is the Bill. The hon. Members for Ardwick and Whitechapel say it is an unnecessary, vexatious and bad Bill. The hon. Member for Kettering (Mr. Waterson) says it does not go far enough. I refrain from expressing any opinion about the Bill, by way of advocacy or condemnation, but I draw attention to the fact that there is a Bill. In the second place there is at present an Order dealing with the sale of bread by weight. It has been in force for five years and it expires on 31st August next. It is clear that if a Bill on the subject be proceeded with during the Autumn Session it cannot reasonably be expected to operate before 1st January at the earliest. There will therefore be a gap between 31st August and 1st January in which we shall be reverting to the *status quo*. The hon. Member for Kettering sees this Order which is in operation and says, "It is better than nothing. Continue it until you pass a Sale of Bread Bill, which, I hope, will be in a form more acceptable than the present Order." The hon. Member for Ardwick says this Order is vexatious and repressive, and the sooner it dies a natural death the sooner I shall be happy. On the balance of administrative convenience, I think it is desirable to accept the Amendment and prolong the Order until such time as the House may have an opportunity of giving further consideration to the Sale of Bread Bill, because if you do not do that, assuming that a Sale of Bread Bill passes in the Autumn Session, you will then have this ridiculous situation. Up to 31st August, local authorities will be administering the present Order. Between the 31st August and, say, the 1st January, they will be administering the old Order, and after the 1st January they will be administering the new Sale of Bread Act. That is a state of administrative confusion which is clearly obnoxious to local authorities, and which I should have thought would be troublesome to the trade. Taking all these considerations into account, I think it is desirable to accept the Amendment.

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Mr. KILEY

Will the hon. Member consider the advisability of testing whether it is advisable or not to continue? If he finds that it is inadvisable, then he has his Bill in Draft, and he can put it into force.

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Mr. HAILWOOD

This opens up a new situation. Up to the last moment we were under the impression that the Government intended to carry out the Expiring Laws Bill as printed on the Paper. Is it fair at the last moment that a new line of this sort should be taken because the hon. Member for Kettering (Mr. Waterson) has moved an Amendment? Is it fair, when this gap is not a gap at all, but is simply reverting to the pre-War practice? This style of selling bread by pounds and multiples of pounds has never been debated in this House, and there is no Bill relating to it which has passed a Second Reading. It simply means this, that officials in Whitehall have an idea that this is the right way to go about the business, and because of these officials this proposed Bill is brought in. Now, in spite of the recommendations of the Committee which have been investigating expiring laws, the Government representative wants to make his position secure by being in a better position, when he brings in his Bill, for inflicting this legislation on the trade. It is a preposterous line to take, and I hope the Committee will divide against the Government if they intend to take this line, and that they will support the Select Committee which has investigated the expiring laws. I hope the Bill will be passed as it stands.

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Mr. HANNON

I entirely support the contention of my hon. Friend the Member for Ardwick (Mr. Hailwood). It is an unprecedented thing that the Government should at the last moment accept an Amendment of this character. In this House we have evidence brought forward frequently showing the desire of the country to get rid of the anomalies arising out of the War, and now the Government, having brought in a Bill which they were unable to pass on account of lack of time, accept an Amendment which keeps this anomalous restriction operative until, perchance, they have an opportunity of passing their Bill. If my hon. Friend divides against the Amendment, I shall support him.

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Mr. WATERSON

I regret that the hon. Member for Ardwick should attempt to belittle the opportunity that is afforded to a private Member to bring forward Amendments and to endeavour to persuade the Government to accept them. That opportunity will be maintained in future by private Members. I have taken the proper method of dealing with what I consider to be an anomaly, and I cannot in any way be responsible for the apathy of other hon. Members. If other hon. Members have failed to take advantage of the opportunity presented to them, the responsibility is theirs. The hon. Member ought to give me some congratulation for taking a step which I consider to be justified. The restrictions which have been in operation have been unanimously decided upon as being the best in the interests of the consuming public. That decision was arrived at by the Committee set up by the Government to investigate the sale of bread, and the Government Committee which reported on the question of short weight was conclusive evidence of the need for some alteration in the position in which we found ourselves before these restrictions were brought in.

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Mr. HAILWOOD

is the hon. Member referring to the Select Committee of 1914 or the Rathcreedan Committee?

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Mr. WATERSON

I am referring to the Committee, before which my hon. Friend gave evidence, and to which I had the privilege of listening, presided over by Lord Rathcreedan. I hope, at any rate, that the Government will not alter their decision, and I thank them for accepting the Amendment.

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Mr. HAILWOOD

The Rathcreedan Committee was specially arranged to suit the officials in Whitehall, so as to continue this Order. The recommendations of the Select Committee of 1914 are diametrically opposed to the legislation which the hon. Member proposes. That was a Committee of Members of this House, representative of all parties. It made certain recommendations with regard to tea and bread. The Government brought in a Tea Bill applying the recommendations with regard to tea, but they brought in a Bread Bill which was contrary to the recommendations with regard to bread. The Rathcreedan Committee was the biggest fraud of a Committee ever set up.

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Mr. NEIL MACLEAN

Is the hon. Member in order in describing a Committee set up by Members of this House as a fraud?

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Mr. HAILWOOD

It was not set up by this House.

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The DEPUTY-CHAIRMAN

I did not hear the hon. Member make use of the observation referred to.

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Mr. HAILWOOD

The Committee of 1914 was appointed by Members of this House and made a report which was not suitable to the officials in Whitehall, and they, through the instrumentality of the Ministry of Food, set up the Rathcreedan Committee. The Select Committee in 1914 heard evidence in public, and all the evidence was published afterwards, while the Rathcreedan Committee never published evidence and excluded the public from its sittings. In addition, it was packed with officials, and, though one half of this House consists of Coalition Unionists, there was not a single Coalition

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Division No. 262.	AYES.	[5.13 p.m.]
Ashley, Colonel Wilfrid W.	Percy, Lord Eustace (Hastings)	Windsor, Viscount
Hallwood, Augustine	Raffan, Peter Wilson	
Kiley, James Daniel	Rees, Capt. J. Tudor- (Barnstaple)	TELLERS FOR THE AYES.—
Nicholson, Brig.-Gen. J. (Westminster)	Willoughby, Lieut.-Col. Hon. Claud	Viscount Curzon and Mr. Hannon.

NOES.		
Adamson, Rt. Hon. William	Blake, Sir Francis Douglas	Cecil, Rt. Hon. Sir Evelyn (Aston)
Agg-Gardner, Sir James Tynte	Boscawen, Rt. Hon. sir A. Griffith-	Chamberlain, Rt. Hn. J. A. (Birm, W)
Amery, Rt. Hon. Leopold C. M. S.	Boyd-Carpenter, Major A.	Coats, Sir Stuart
Ammon, Charles George	Breese, Major Charles E.	Colfox, Major Wm. Phillips
Armstrong, Henry Bruce	Bridgeman, Rt. Hon. William Clive	Cope, Major William
Balfour, George (Hampstead}	Broad, Thomas Tucker	Davidson, Major-General! Sir J. H.
Barnes, Rt. Hon. G. (Glas., Gorbals)	Brown, Major D. C.	Doyle, N. Grattan
Barnes. Major H. (Newcastle, E.)	Brown, Brig.-Gen. Clifton (Newbury)	Evans, Ernest

Barnett, Major Richard W.	Bruton, Sir James	Eyres-Monsell, Com. Borton M.	Previous	Top	Next
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Barrand, A. R.	Bull, Rt. Hon. Sir William James	Gibbs, Colonel George Abraham			
Benn, Captain Wedgwood (Leith)	Cape, Thomas	Gillis, William			

Unionist on that Committee. The whole thing was a specially cooked affair.

Mr. LORDEN

Baked!

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Mr. HAILWOOD

And it was to carry out the wishes of certain officials. I protest against this method of legislation.

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Mr. MACLEAN

I wish to protest against the attitude adopted by the hon. Member. He had the opportunity of being summoned to give evidence before that Committee and uttering his protest against the composition of the Committee at that time. But he waits until now when he finds the Report of the Committee adverse to his idea, and, because its decision is opposed to his idea, he holds up the Committee as a fraud, whereas if its decision had been in the opposite direction he would have held it up as one of the best Committees ever appointed. I hope that the Government will stand by their pledge and accept the Amendment. The special pleading, by the hon. Member, for the master bakers of this country whom he represents—

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Mr. HAILWOOD

On a point of Order. I do not represent the master bakers of this country. I represent my constituents. There is no benefit in any way to me from this.

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Mr. MACLEAN

The hon. Member read out references from the master bakers, of whose association he is a member.

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The DEPUTY-CHAIRMAN

The hon. Member is entitled to explain his position.

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Question put, "That the word 'Part' stand part of the Schedule."

The Committee divided: Ayes, 9; Noes, 105.

Gilmour, Lieut.-Colonel Sir John	Macnaghten, Sir Malcolm	Stanley, Major Hon. G. (Preston)
Greig, Colonel Sir James William	Macnamara, Rt. Hon. Dr. T. J.	Sutherland, Sir William
Grundy, T. W.	Macpherson, Rt. Hon. James I.	Swan, J. E.
Guest, Capt. Rt. Hon. Frederick E.	Macquisten, F. A.	Taylor, J.
Harmsworth, C. B. (Bedford, Luton)	Mond, Rt. Hon. Sir Alfred Moritz	Thomas, Brig.-Gen. Sir O. (Anglesey)

Hennessy, Major J. R. G.	Morden, Col. W. Grant	Thomson, Sir W. Mitchell (Maryhill)	Previous	Next
Hirst, G. H.	Munro, Rt. Hon. Robert	Walters, Rt. Hon. Sir John Tudor		
Hogge, James Myles	Murchison, C. K.	Ward, William Dudley (Southampton)		
Hopkins, John W. W.	Murray, Rt. Hon. C. D. (Edinburgh)	Waterson, A. E.		
Hudson, R. M.	Murray, Dr. D. (Inverness & Ross)	Watts-Morgan, Lieut.-Col. D.		
Hunter, General Sir A. (Lancaster)	Neal, Arthur	Wedgwood, Colonel Josiah C.		
Irving, Dan	Newman, Sir R. H. S. D. L. (Exeter)	Whitla, Sir William		
Jodrell, Neville Paul	Newton, Sir D. G. C. (Cambridge)	Wignall, James		
Kellaway, Rt. Hon. Fredk. George	Parry, Lieut.-Colonel Thomas Henry	Williams, Aneurin (Durham, Consett)		
Kennedy, Thomas	Pinkham, Lieut-Colonel Charles	Wills, Lt.-Col. Sir Gilbert Alan H.		
King, Captain Henry Douglas	Pollock, Rt. Hon. Sir Ernest Murray	Wilson, Lt.-Col. Sir M. (Bethnal Gn.)		
Lister, Sir R. Ashton	Pratt, John William	Wise, Frederick		
Lloyd-Greame, Sir P.	Roundell, Colonel R. F.	Wood, Major M. M. (Aberdeen, C.)		
Lorden, John William	Samuel, A. M. (Surrey, Farnham)	Yate, Colonel Sir Charles Edward		
Lort-williams, J.	Sanders, Colonel Sir Robert Arthur	Young, E. H. (Norwich)		

Lowther, Maj.-Gen. Sir C. (Penrith)	Scott, A. M. (Glasgow, Bridgeton)	Young, Robert (Lancaster, Newton)	Previous	Top	Next
Lyle-Samuel, Alexander	Seely, Major-General Rt. Hon. John				
McLaren, Hon. H. D. (Leicester)	Shortt, Rt. Hon. E. (N'castle-on T.)	TELLERS FOR THE NOES.—			
Maclean, Neil (Glasgow, Govan)	Sprot, Colonel Sir Alexander	Colonel Leslie Wilson and Mr. Parker.			

Question, "That those words be there inserted in the Schedule," put, and agreed to.

Bill reported, with Amendments.

As amended, considered.

Motion made, and Question proposed, "That the Bill be now read the Third time."

Major-General SEELY

May I ask the Financial Secretary to the Treasury whether he will get the Government to instruct the Treasury to carry out the fifteenth paragraph of the Report of the Committee, which will, we think, prevent an undue accumulation of Acts under the Expiring Laws Continuance Bill. I hope the hon. Gentleman can give that assurance as all the Members of the Committee were impressed with the necessity of this step.

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The FINANCIAL SECRETARY to the TREASURY (Mr. Hilton Young)

It is certainly our opinion that a periodical revision would be of great advantage. It has been of great advantage this year, and I should like to express in a few words my recognition of the efficient and prompt labours of the Select Committee and its Chairman, which enabled us to present the Bill in a much more reasonable shape than it could have been otherwise.

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Question put, and agreed to.

Bill accordingly read the Third time, and passed.

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Wireless Broadcasting

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04 August 1922

Volume 157

Mr. FOOT

I am quite sure that to-morrow, when those who are associated with the local authorities throughout the country, read of the decision of the right hon. Gentleman the President of the Board of Education, that the circular cannot be postponed, there will be grave, and, indeed, bitter disappointment. The right hon. Gentleman said just now that he would draw a picture of the effect of this circular. Will he allow me to take one particular school, a school of which I have knowledge. He himself knows Plymouth College. Here is a school, typical of many others in the country, established by a number of public-spirited men, who have dipped heavily in their own pockets from time to time and maintained the school, not for a great number of years, not for more than 20 years, I believe. They applied to the Plymouth Council for assistance, and the Plymouth Council, after a great deal of discussion, gave £1,000. Later on that sum was increased to £2,000. I agree that there is the greatest difficulty in getting those on a council who do not believe in education to join with those who do in order to give grants when necessary. That £2,000 has been secured with the utmost difficulty, and now the effect of this circular is that, whereas in the past Plymouth College has received £2,000 in the course of a year, this year they will actually receive only about £1,606, and that amount, which they have received from the Plymouth Council, aided as it has been to the extent of 50 per cent. by the Board of Education, will be progressively reduced, until that £2,000 has been made £1,000. It will be quite impossible to get that from the Plymouth Council, because of their pressure at the present time, harassed, as they are, through continual unemployment, with a rate that is giving a great deal of difficulty. Speaking as a member of that council, I know very well that this is an

impracticable proposal. The only effect will be to maim and to injure this school. The only effect will be that some of the lads who have had the opportunity through that school of getting a fuller and better education will be excluded from that advantage, and all for a mere £100,000 during the present year—the minimum of economy, with the maximum of disturbance throughout the whole country. I associate myself, if I may, with respect, with the hon. and gallant Member for Accrington (Major Gray) in urging upon right hon. Gentleman the wisdom of, at any rate, postponing the decision upon this circular.

I rose to bring before the House in the course of a minute or two another subject that I think was discussed last Friday in this House, perhaps with a little more heat than light. It is this question of broadcasting, and I think that before the House separates for the Recess there should be an opportunity of clearing up one or two points that were then raised. I think the Postmaster-General had not the opportunity last Friday of dealing with all the points that were raised, and there are certain particulars in respect of which, perhaps, the public mind might be enlightened. I do not approach the subject with any expert knowledge. I have no more knowledge of it than that of the man in the street, but I recognise that this is a startling development. A very considerable change is to be brought about, and it is all the more necessary that we should proceed upon sound lines. The points upon which I would like to ask the Postmaster-General for further information are these—what progress has been made with the formation of the proposed combine of the interested companies, who will have the determination of the terms of admission into that combine, and what protection will be given to the smaller man, the man of no great financial resources, who wishes to join that combination? The Postmaster-General has already announced that in associating himself with those who are connected with this proposed company, it is not intended that any of the receiving apparatus in broadcasting is to be of foreign manufacture.

I want to approach that question simply from the standpoint of a possible individual user. If I wished to acquire this receiving apparatus, my first concern, of course, would be to get it as cheaply as possible, and to get the most efficient instrument I can at the price. Will the right hon. Gentleman let the House know how the several companies that are to enter into this combine will be reimbursed? I understand that part of the reimbursement for their enterprise will come from part of the licence fee, but will any portion of this reimbursement come from the

profits on the sale of the receiving apparatus? If so—and I assume that will be the result—what power will the Postmaster-General have to see that this reimbursement is no more than fair? What control will he have over the price that is to be charged? What power will he have to protect the individual citizen from being forced to buy, perhaps, a dear and an imperfect apparatus, instead of a cheap and an efficient apparatus, if he be able to go practically to the whole world? I know the fiscal issue has been raised. I do not think those on this side are responsible for raising it. I think it was, in fact, raised by the Postmaster-General, who spoke of the necessity of keeping these communications in the hands of our own people. As far as I can see, there is no more reason for insisting upon the receiving apparatus being made by a British firm than for insisting upon a motor car, or boots, or any ordinary article being made by a British firm. Of course, a considerable argument may be used that, as far as broadcasting stations are concerned, they should be kept under Government control. But, as regards the apparatus itself, which might be made by a clever amateur, why should he not be able to go to the whole world to get his material? The indignation of the Postmaster-General last week is a little discounted by the fact that he has only allowed this condition to run for two years. If it be wrong to have a foreign apparatus at all, why not exclude it altogether? Those, I think, are one or two of the questions concerning a movement that is interesting the public mind very considerably, and upon which the Postmaster-General may be able to give us some enlightenment.

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1.0 P.M.

The POSTMASTER-GENERAL (Mr. Kellaway)

I will reply at once to the hon. Member, not because I want to interfere with any other Member who desires to speak on this subject, but because I understand that those interested in the question would like me to reply immediately, so that they may have an opportunity of making any observations on what I may say. Every occasion on which this subject is discussed in the House is, in my opinion, of real value to the promotion of wireless broadcasting, which is in its infancy in this country. It was only a toy at the end of last year. Within 12 months—I do not think I am too sanguine—it may become one of the most valuable sources of communication, within certain limitations, at our disposal. But I make this general observation at the beginning. We

must have regard to two things. One is that broadcasting has the defect of its quality. For individual communication it is, I think, impracticable, but for distributing forms of information of common interest to great numbers of people, it may indeed prove to be a most valuable resource both for education, and, possibly, for political propaganda. It may be convenient if I give what is the history of this question so far as I have been connected with it. The first movement was in January of this year, when the wireless societies throughout this country asked permission, and were given sanction by the Imperial Communications Committee, to transmit wireless telegraphy signals.

The question was considered again on the 5th April, when the Wireless Subcommittee of the Imperial Communications Committee agreed that broadcasting by wireless telephony might be permitted from certain specified stations, the stations being centres—they may not be in the exact positions I indicate—in London, Birmingham, Manchester, Newcastle, Cardiff, Glasgow or Edinburgh and Aberdeen, and Plymouth has now been added. It was decided that licences should be granted to broadcast on a wavelength of 440 metres up to a maximum input of 1½ kilowatts. On 22nd April, representations were made to us that that limitation of 440 metres might seriously retard progress, and it was then agreed that a band of wave-lengths 350 to 423 metres should be used for broadcasting, on the condition that the Government, when necessary, could order broadcasting to cease for a short period on such occasions as manœuvres or the danger of interfering with important Government communications. The hours, provisionally agreed upon during which broadcasting should be permitted, were between 5 and 11 p.m. on week-days and all day on Sundays. On 18th May, a conference was held at the Post Office, presided over, I think, by the Secretary of the Post Office. I myself was not present.

At that conference 24 firms interested in the production of wireless material were present. It was recognised by all the firms, and by all the officials of the Post Office, that if the thing was to succeed, you must have efficient, reliable and continuous services of broadcasting. Unless you can secure that, people are not going to interest themselves, and the drawback, I think, up to the present in this country has been that the sort of information and the sort of programme which has been broadcasted has been of the driest and most unattractive, and, I think, least beneficial character. If the best use is to be made of this new form of communication, it must touch life at many aspects, and one of my principal desires, so far as I have been associated

with laying down the conditions, has been to see that thoroughly informative and valuable information is broadcasted. It was recognised by all the technical people who were engaged in the discussion that it would be impossible to have a large number of firms broadcasting. That is physically impossible. It would result in a sort of chaos, only in a much aggravated form than that which has arisen in the United States of America, and which has compelled the United States, or the Department over which Mr. Hoover presides, and who is responsible for broadcasting, to do what we are now doing at the beginning, that is, proceed to lay down very drastic regulations, indeed, for the control of wireless broadcasting.

It was, therefore, necessary that the firms should come together, if the thing was to be efficiently done. You could not have 24 firms broadcasting in this country. There was not room. Physical laws would not permit it. They would all be getting in one another's way, and no good at all would be done, but only harm, and it was suggested to them that, for the purpose of broadcasting information, whatever it might be, they should form themselves, if possible, into one group, one company.

At this point, I wish the House to draw this distinction, which is very necessary, and which, I am afraid, has been overlooked, between the broadcasting services and the provision of instruments. They are totally distinct. So far as the provision of instruments is concerned, any qualified firm of electrical manufacturers—and the more the better—can provide them, and make them, but you could not possibly have that in connection with the broadcasting service. I hope that distinction will be kept clearly in mind. The firms met on the 18th May. They came to the Post Office again on the 16th June, and they then told the officials of the sort of progress they had been able to make in arriving at agreement as to provisions of the broadcasting service. Frankly, I am disappointed at the progress they have made. If a Government Department had been as slow as this the whole country would have rung with it. But I am glad to say that at last there is a prospect of getting on. I think that prospect will be realised within the course of the next fortnight, and that they will have come to an agreement amongst themselves in regard to the company or companies—there may be two, I hope myself, in the interests of broadcasting, there will be only one—in regard to the company or companies which will have control of the broadcasting services. I have laid down certain conditions which must govern the operations of the company, and must be expressed in their articles of association.

These latter will be subject to the approval of the Postmaster-General. There will be no limit to the extent of the individual holding. Any *bonâ fide* British manufacturer of wireless apparatus must be allowed to become a member of the group on taking a £1 share. I think that ought to satisfy every manufacturer in this country who is capable of producing wireless apparatus at all. The licence for a broadcasting company is to be subject to the maintenance of an efficient service, and if, in my opinion, the services fail and are not efficient, I shall have authority to withdraw the licence. A contribution is to be made towards the broadcasting expenses of a portion of the licence fees for receiving sets. That is one way in which the expenses of the station will be met by a share of the licence money. It is also agreed that there shall be out of the charge made for every set that is sold a contribution to the expenses of the broadcasting company, so that there will be two forms of revenue available. One is a share of the annual licence, and the other a contribution to be made out of the receipts from every set sold. The profits of the broadcasting company—and I would ask hon. Members to distinguish between that kind of company and the manufacturers of receiving sets—the profits of that company—

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Mr. MALONE

Is that share in addition to the protective duty?

Share

Mr. KELLAWAY

There is no protective duty. I know nothing at all about that. The profits of the broadcasting company are to be limited to 7½ per cent. We have had a good deal of difficulty in getting companies to agree to that limitation, and I think it will be admitted to be a very drastic limitation in what is necessarily a new arid difficult undertaking. But I am glad to say that I think we have got the companies to agree to that very drastic limitation upon their profits, though I do not think there is going to be any raging and tearing hurry on the part of the general public for an investment of the sort. The receiving licences are limited to types submitted by members of broadcasting companies and must conform to certain technical standards of the Post Office. Now I come to what is really, I think, the only ground of criticism which I have heard.

Mr. FOOT

There was a question whether there would be any control of the price of receiving instruments to guard against a combine of the makers if there is no foreign competition.

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Mr. KELLAWAY

I control the price here. Every manufacturer in this country capable of producing wireless instruments will receive a licence from the Post Office if he conforms to the standard laid down by the Post Office. What you have to fear in this is not monopoly; it is more likely you will have cut-throat competition. Anyhow, that is the protection. Every manufacturer in this country who produces an instrument up to the standard laid down by the Post Office will be free to put the instrument on the market, once he has taken his £1 share in the company responsible for the broadcasting. The principal point of criticism is in regard to my decision to limit for a period of two years the licensing of instruments to those made in this country. In taking this decision, my attitude was not coloured at all by fiscal considerations. On the contrary, I was entirely guided by what I thought was in the best interests of wireless broadcasting in Great Britain. I am satisfied, and I believe everyone will be forced to that conclusion on careful consideration of these technical and practical aspects of this question, that without such a limitation you would never get an efficient broadcasting service established in Great Britain. Be it remembered that the whole cost of these broadcasting services is to be borne by the manufacturers in the group, and it is not reasonable to suppose that they would go to that expense and take that risk, with the limited profit, if some manufacturer on the Continent gets the whole or a large portion of the benefit without having made any contribution. That really is not sound business.

The first essential is to make a successful and efficient broadcasting service, and you certainly will not get that, believe me, unless you give some period of time to introduce a provision of this kind. My own opinion is that anyone approaching the problem from the angle from which I am bound to approach it would have come to that conclusion. I think this covers most of the points put by hon. Members. The main considerations which any Government ought to have in view in

dealing with this problem seem to me, first, that the broadcasting services are efficient. That have already mentioned. There must be regulation, so as to prevent any interference with the military and commercial services. We must be able to ensure compliance with international wireless agreements, and international wireless agreements are becoming increasingly important. There must be safeguards against monopoly. I think I have secured these safeguards in the conditions which I have outlined to the House. You must be able to get the benefit of any invention wherever made. I was not at all debarred by the fear of the fiscal question being raised from dealing with this question. My anxiety was rather that, if you got anything like a monopoly, you would sterilise developments, and that broadcasting in this country might be deprived of the benefit of inventions. If that had not been the case—the fear of development being sterilised—I should certainly not have made these conditions. But it must be remembered that if any new invention is discovered abroad of which we have not the benefit in this country, it will always be open to our manufacturers to obtain the patent and to develop it and use it here.

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Captain WEDGWOOD BENN

Supposing a foreigner take out a patent in this country?

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Mr. KELLAWAY

I think the hon. and gallant Gentleman is right. That is a case which has arisen frequently in respect of our own manufacturers. They have used the patent. The present Prime Minister when he was at the Board of Trade made provisions in regard to this matter.

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Captain BENN

I know the Act very well. It was simply this: that if a foreign patentee did not use his patent, you could. But you are proposing not to allow a foreign patentee to use it at all.

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Mr. KELLAWAY

I think the hon. and gallant Gentleman will find on further reflection that it is possible for the manufacturer in this country to obtain, on terms, the benefit of any change and exploit it in this country. I can assure the House that I gave great attention to this matter because I realised that it was the principal danger. With regard to the other dangers which have been referred to, I am satisfied that they will not in fact operate, and that was why I agreed to this provision. I think I have now covered all the points raised, and I will conclude by saying that in dealing with this problem throughout I have had no other desire than to see that this important form of communication should be developed in this country to the greatest possible extent.

I do not agree that the communications of any country are on exactly the same plane as the supply of boots or any ordinary commodity. The communications of the country have always been regarded not only as a key industry, but as being much more fundamental. You must keep your communications in your own hands, and you should be able to improve your own people in the practice and provision of every device which would improve your form of communications. Here is a new form of communication which is in its very infancy, and from the point of view of the Postmaster-General, I regard this new form in all its aspects, both broadcasting and the provision of the instruments, as something which should be under British control. The hon. and learned Member opposite thinks that I am wrong on this point, but I am prepared to leave the matter to the test of time.

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Captain BENN

There is a great deal with which we all cordially agree in the statement just made by the Postmaster-General. He has pointed out that this is a very great advance in the means of communication, and we are all agreed upon that point. The second point upon which we agree with the right hon. Gentleman is that you must have Government control of broadcasting messages, because you would, otherwise, have a powerful means of communication passing out of the hands of the Government. Therefore, there must be control and power to prohibit the sending of messages. We must not forget, also, that there are times when the air is required for

the service of the Government, and I would suggest nothing for one moment which would go contrary to that. That is where the right hon. Gentleman is right when he says that the postal telegraphs and the other things he mentioned, must be in the hands of the Government.

I wish to inquire who in the Broadcasting Association is going to protect the interests of copyright. Is he going to allow those whose copyright has been infringed to sue the broadcasting company, and is he at the same time going to protect them? I think this is a very important point. Up to now we are in general agreement that the system is a great invention and that the stations of transmission must be under the control of the Government. This is where we part company with the Postmaster-General. When the right hon. Gentleman uses the phrase "means of communication" he includes the people who listen in, and there is absolutely no reasons of State why anyone should not be permitted to listen without any control whatever. The right hon. Gentleman cannot interfere with such communications, and it would be as reasonable to base his argument for broadcasting on the argument of public necessity of the control of communications in regard to receiving apparatus as it would be to say that while the Post Office must keep in the hands of the British Government the distribution of letters, it will not permit any foreigner to receive the letters. The necessity for controlling this matter lies in the centre.

I come to the arrangements made by the Postmaster-General for receiving. I am relying upon a newspaper report in the "Times" on this question, and I understand that in France the Committee appointed by the Post Office there has decided that the broad principles to be followed is that receiving apparatus may be freely used after full registration. There is not a word of any sort about interference with the manufacture, or any sort of limitation of the position of the manufacturer. The Postmaster-General is better able than anyone else to say whether that is correct or not, but if it is correct it would seem to show that the French are dealing with this matter in a much more broadminded way.

What does the Postmaster-General propose? His proposal is to set up a monopoly of all the firms engaged both in broadcasting and the making of receiving instruments. The people who broadcast want to be paid for sending out the messages, and they are to be paid by means of a portion of the licence fee paid for the receiving instrument. In the case of the man who receives

the messages on an instrument, it is not unreasonable that when he pays his licence fee a part of it should go to the man who sends the message. The Postmaster-General says that nobody may buy and use a receiving apparatus unless he buys it from a limited field of manufacturers, and that is a monopoly.

How is the broadcasting station to be dealt with? In part it is to receive a fraction of the licence fee and also a share of the profits from the manufacture of receiving instruments. The interest of the broadcasting station is to get as much money as they can through the higher price at which the receiving apparatus is sold, and the more they get the better they are pleased. The interest of the seller of the receiving apparatus is also to get as much as he can, but he is protected from competition outside, and therefore, owing to this combination, he is safe in raising his price. Therefore you have here the essential elements of a combine and a monopoly which may be operated against the interests of the public. The Postmaster-General has spoken about the whole of this enterprise as being a difficult thing to get started, and he says it needs all the encouragement we can give it. May I remind the House that last week the right hon. Gentleman told us that £6,000,000 were going to be spent in two years in the production of receiving apparatus. I think it is a sound business proposition to go into such a combine, the receipts of which are estimated at a sum which the Postmaster-General puts at £6,000,000 during the first two years. I come to a point which has not been answered, and it is, how is the Postmaster-General going to enforce these conditions, and how is he going to prevent importation? Is he going to prohibit the importation of foreign sets?

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Mr. KELLAWAY

No.

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Captain BENN

Is he going to prohibit the sale of foreign sets by anyone who cares to sell them?

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Mr. KELLAWAY

No.

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Captain BENN

Then is he going to take the person who buys a foreign set and impose the terms of the licence upon him? In that way he will not prevent the sale of these sets. Supposing a man receives one of these sets, and puts it up, how is the Postmaster-General going to stop that kind of thing? It is no good the right hon. Gentleman saying, "I have something up my sleeve which I cannot reveal, because I have to enforce the terms of the licence." The right hon. Gentleman cannot leave this matter to the Marconi Company. If the terms of the licence are going to be observed and infringements prevented, this will involve a considerable increase of staff in the Postmaster-General's own Department. I may say, in passing, that another Department is imposing a tax of 33 $\frac{1}{3}$ per cent. on wireless apparatus. Last Friday we asked that there might be a Committee appointed to go into this question, and I received a reply from the Leader of the House that he has seen no indication of any demand from those who provide such service for such a Committee. I am not at all surprised. "I see no indication of a demand from a monopoly for an inquiry which will break down that monopoly." Then he goes on to say that he sees no demand from those who use it. If the demand of the representatives of the consumers, namely, the Members of this House, be not a demand, how is it to be put forward? This is the demand on behalf of those who use broadcasting apparatus. The only representatives of the users and consumers are the Members of this House. That is why this House ought to prevail over all commercial monopolies and interests of all kinds.

The Postmaster-General says that he is giving this boon to this limited class of manufacturers for two years. Is there anyone, in the light of our experience of the last four years, who will say that these fiscal advantages once given are ever withdrawn? Never! Whenever we ask for their withdrawal, we are told that it is not a suitable moment. The Postmaster-General himself, I think, anticipates that it may be necessary to continue this after two years. He cannot say that

he will not. In point of fact, when asked the question in Committee, he said that he should be justified, if there were a monopoly, in reconsidering it, and he should certainly reconsider the position with regard to the period after that. So far from it being a two years' limit, it is going to be for two years anyhow, and then it is going to be reconsidered. If anyone thinks that after two years the people who have lived cut of this monopoly are going to submit without a protest, and a successful protest against the deprivation of these privileges, he is to be congratulated on his hope. While the Postmaster-General is perfectly and obviously right to control the sending of messages, he is imposing, in deference to the fiscal opinions of others, adoptive in this case, congenital in the case of others, restrictions which will hamper a growing science, because all the great names associated with telegraphy are not British names, and it is perfectly absurd to set up a Tariff Reform system in science. What the people want is the freest intercourse of the scientific ideas of all the nations of the world.

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Lieut.-Colonel Sir F. HALL

It is always interesting to hear my hon. and gallant Friend, when there is any question of protecting the interests of foreigners. Perhaps a little more education may bring him to the conclusion that it is advisable to look after the interests of our people at home. I would like to congratulate my right hon. Friend on the progress that has been made, and that is likely to be made, with this system. It might be an education to my hon. and gallant Friend to know that in commerce, if a foreigner has any patent to sell, he knows the market where it can be utilised. I am glad to hear that the Postmaster-General is not going to have any of these instruments made abroad, and I am sure he will be coo of the first, if there be any advantages with regard to actual patents, to look after the matter. As to talking of this enormous combine, I say at once, so far as I am concerned, that, as a business man, I would not dream of putting any money into this undertaking, which is of the highest speculative character, if I were told that forthwith, subject to a limit of a small percentage, I am to have no chance of making any money.

I want to refer to another matter that affects London very considerably, namely, the licensing hours. [HON. MEMBERS: "Hear, hear!"] I am glad that I have the sympathy of my hon. Friends, be- cause, after all, it is from the working men that I have received many complaints with

regard to the hours for partaking of refreshment on Sundays. The Bill of 1921 went through this House as a compromise. I am going to stick to the arrangement that was made and not ask for any extension of the actual number of trading hours. But the South of London has been treated in a most extraordinarily ungenerous manner. I have looked carefully into the licensing statistics for 1921, and I find some very interesting information. I do not know whether the Under-Secretary of State for the Home Department has studied the map that is published there. If he looks at it, he will find that north of the Thames there are a lot of black marks which indicate that the hours of opening on Sunday evenings are from seven till 10, and that some of the houses are compelled by the decision of the magistrate to open at six and close at nine. In the whole of the south of London there is not a solitary case in which the people have an opportunity, if they are desirous of doing so, of remaining on licensed premises after nine o'clock. We say that is unfair, and that what is right for one part is right for another. We met and arranged nine hours for London, but we did not think that we were going to be taken and coddled up by the licensing magistrates, who say to the people in the south of London: "We are going to look after your interest, and you have no right to remain on licensed premises on Sunday after nine o'clock." I cannot help thinking that the hon. Gentleman's sympathies must be with these people, because I do not suppose he is desirous of limiting the hours in an unreasonable manner. I do not think he intended, when the Bill went through the House last year, that Regulations should be enforced requiring these licensed premises in the south of London to close on Sundays at nine o'clock. I think it was the general intention of the House that in the provinces the closing hours should be 10 o'clock on Sundays and 11 o'clock on week-days. The number of hours of trading on week-days were absolutely limited to nine hours in London and eight hours in the provinces, except in cases where an extra half hour was given or supper arrangements were made. On Sundays we were to have five hours' trading. We do not ask for any more, but we do suggest that my right hon. Friend should consider the advisability of putting us in the position on the south side of the Thames of saying we will open if we desire at seven o'clock on Sundays and close at 10.

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Mr. DEPUTY-SPEAKER (Mr. James Hope)

Can the hon. and gallant Gentleman say whether it is in the power of the Home Office to grant an extension of the hours?

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Sir F. HALL

That is the point with which I was dealing, I cannot help thinking it is one on which my right hon. Friend sympathises with us.

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Mr. DEPUTY-SPEAKER

It appears to me that the hon. Member is out of order, as it is not in the power of the Home Office to do what he desires. However he has already made his point.

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Sir F. HALL

I maintain, with all deference, that I am in order. This is a matter which comes directly under the Home Secretary. According to the Licensing Bill we were to have these hours. There was no mention that on one side of the road the houses should close at 9 o'clock and on the other side they should close at 10 o'clock. That was not suggested when the Bill went through this House, and therefore, with all deference, I say that it is a question which can be dealt with by this House, because in 1920—

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Mr. DEPUTY-SPEAKER

Anything which concerns administration would be in order, but what the hon. and gallant Gentleman is asking in this case would require legislation, and it is not in order on the Motion for Adjournment to propose fresh legislation. If the Home Secretary had discretion in these matters the hon. and gallant Member would be in order, but I rather gather that he has not.

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Sir F. HALL

It may be necessary to have fresh legislation, but if we do not have an opportunity of bringing these matters before this House in order to show that legislation is necessary there is not the slightest possible chance of our securing it. In 1920 there was legislation in this House and the hours of trading were extended by arrangement; by agreement with the Home Secretary they were extended from the 5th July, 1920, to the 31st October in the same year, that being what is called the summer period. We then said it was absurd and unreasonable that houses should be closed at 9 o'clock and so the Home Secretary arranged—

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Mr. DEPUTY-SPEAKER

I am afraid I must rule that this is out of order. The hon. Member is not entitled, on the Motion for Adjournment, to bring up matters which require legislation.

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Sir F. HALL

I would ask my right hon. Friend to look into the various anomalies that do exist, and if it is only necessary to bring in a one Clause Bill, surely that could be done, and we could overcome many of the difficulties with which we are now faced. I am sorry it is not possible, under the ruling of the Chair, to pursue this discussion, because I believe that in this matter I have the support and sympathy of the vast majority of the Members of this House.

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Mr. AMMON

We quite realise that, owing to the ruling of the Chair, the hon. and gallant Gentleman cannot press his point, inasmuch as the hours are fixed by the licensing justices and not by the Home Secretary, the matter is out of order. There are two other points I desire to bring before the House, the first arises out of some disturbances which took place in Camberwell a week or two ago, when two men, named Rust and Dallas, were arrested and sentenced to terms of imprisonment. I have brought the cases to the attention of the Home Secretary, and I am only

raising the matter now because the end of the Session is so near, and I would like to get some reply. The disturbances arose in connection with some houses that were condemned by the Camberwell Borough Council as unfit for habitation. They were filthy and insanitary places, without the ordinary amenities of sanitation and water supply, and it was only under the direst stress that people could be expected to live in them. The action of the borough council meant the eviction of certain ex-service men with their families, and they had nowhere to go to. This was resented by a number of the unemployed, who turned up in the neighbourhood with a view to doing all they could to hinder and hamper the evictions. I hope the right hon. Gentleman will understand that I am not in any way saying anything in the nature of censure or condemnation of the action of the police. We know that they carry out their many difficult duties with a consideration, tact and courtesy which is the admiration of all sections of the community.

At a time when you have many thousands of man and women in all parts of the country unemployed, and when there is a great limitation of housing accommodation, it may happen that people who cannot profitably employ their leisure time or find work to do get a little out of hand. It may be the case, too, that the police may get a little edgy. Still we have to admire, not only the conduct of the police, but, in view of the circumstances, the manner in which the unemployed of this country have conducted themselves under very trying circumstances one is tempted to wonder whether they would not have received better consideration if they had been a little more demonstrative in regard to the conditions in which they find themselves. To return to this particular case. There was considerable disturbance, in the course of which a barrel of oil was upset and the contents lost. One of the men arrested was a young fellow named Rust, whom I happen to know personally, and who is a member of a very respectable family. What I want to bring before the House is that this man was not present when the actual disturbance took place. News was brought to him of the disturbance and he went to the spot to see what it was about. He was promptly arrested by the police, although he was not there when the disturbance actually occurred. Rust, I may mention, was sentenced to two months' imprisonment in the second division. I think there has been some mistake there, and I would suggest that he ought to have the benefit of the very considerable doubt which exists. With regard to Dallas, his case is somewhat different. It was stated that at some former period he had been charged with using language of an inflammatory character. There has grown up in this

country a condition of affairs involving secret reporting and a limitation of the freedom of speech—a condition of affairs which has been hitherto deemed alien to the traditions of this nation. It is, in fact, a very dangerous condition of affairs. What occurred was that when these men were brought to trial, the witnesses for the prosecution were actually in the Court before they were called upon to give their evidence, and a protest against that was lodged at the time with the Police Court officer by some of the persons present. I suggest, quite temperately and dispassionately, that here there is a case for reconsideration. It would seem as though there has been some mistake, and at least the men ought to have the benefit of the doubt. They have already paid for any mistake they made by their association with people of a class who may not be thought to be altogether desirable.

This sort of thing, which is continually going on—the chasing from pillar to post of these people who happen, unfortunately, to be out of employment through no fault of their own—is not calculated to improve the relations between the administration, the police and the citizens themselves, and I would ask the Home Secretary to give this matter some consideration with a view to seeing if he cannot make further inquiries. I gathered from the reply that he gave to my hon. Friend the Member for Heywood (Mr. Halls) yesterday, that he was not inclined to recede from the position he has taken up, but I can only imagine that he has not had the facts of the case put fully before him. There are quite a number of persons who can swear that Rust was not present at the time of this disturbance. I am inclined to think that people who are a little down do not always receive that consideration and courtesy which they would receive if their condition were a little more prosperous, and I am afraid that that has been, to a large extent, the case here.

The other point that I desire to bring before the House was to have been brought forward by the hon. Member for Govan (Mr. N. Maclean). It concerns ex-Inspector Syme. I understand that to-day he is due to return to prison under what is popularly known as the Cat and Mouse Act, a form of torture which was invented for the purpose of repressing the suffragettes. The passage of time has proved that the suffragettes are, after all, quite respectable members of society, and the torture which was then applied to them is now being applied in other directions. I understand also that, if report be true, ex-Inspector Syme owed his few days of freedom to representations made from the very highest quarters, and, if that be true, those representations

are all the more magnanimous because of the rumoured threats that had been extended in that quarter by ex- Inspector Syme. So far as my information goes, this man was dismissed the Service for acting in defence of two of his subordinates, whom, he stated, were being treated unjustly. All those who are associated with him agree that he is a man of high personal character and probity, and that he is entitled to call public attention to his case in order to get an inquiry with regard to it. The accusation that he has threatened high personages with violence is denied, and it is stated that he merely said what he did say in order that he might attract public attention. That end was gained, as the personage whose attention he hoped to attract did take notice, and, I believe, conveyed a desire that he should be set at liberty.

I want to suggest, in the first place, that it is not in keeping with the ordinary canons of the administration of English justice to carry out a form of refined torture on prisoners because they find themselves in disagreement with those in authority. The great crime of this man seems to have been that he had the temerity, and one might almost say the foolishness, to run up against officialdom in this country, relying on the supposition that mere justice was going to stand him in good stead. He has probably learned by now that he wants a little more than mere justice when he runs up against authority and against those who are in high stations. This man, I understand, even since his dismissal, was offered reinstatement in a lower post, with all the usual amenities that accompany an established position. If that be so, it does indicate that there could not have been so much in the case as has been maintained all along, and that there is something worthy of inquiry. I want to submit to the House that such inquiry is worth while, considering that this man is being shadowed by no less than six members of the police and detective forces. Attempts have been made to get from the right hon. Gentleman a statement of the cost involved, but at any rate, if one reckons it by the year, it cannot cost less than £2,000 or £2,500 per year, and that money might be better spent in other directions at a time like this. There is no need to follow this man about as he is being followed. From all quarters with whom he has been associated he receives the very highest character, and I do submit that, at a time when people are talking about economy, the waste of public money in this way is simply scandalous. The whole matter could be settled amicably if the right hon. Gentleman would agree to appoint some committee of inquiry to go into the allegations and see whether an injustice has been done. I am sure it would redound better to his credit, and that of the House of

Commons and the nation, that, if an act of injustice has been done, we should attempt to put it right and allow the man to have an opportunity to make good.

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The SECRETARY of STATE for the HOME DEPARTMENT (Mr Shortt)

I was not aware that the case of Rust was going to be raised this morning, and, therefore, I have not the exact details.

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Mr. AMMON

I sent the right hon. Gentleman a note yesterday.

Share

Mr. SHORTT

I understood that the case was to be raised yesterday, and I was prepared yesterday, but I have not the particulars regarding it with me this morning. I think, however, that I can recollect sufficiently what happened. The hon. Member says that Rust was not present at the time when the assault, or whatever it was, took place, and that he only came up later. That was attempted to be proved at the trial, and there were witnesses on both sides, in the one case swearing that Rust was there and in the other that he was not. Both sides were heard with the greatest care by the learned magistrate, and the learned magistrate assures me that, having listened to both sides most carefully, he has no doubt whatever that Rust was there. I am not a Court of Appeal from the learned magistrate; I cannot retry the case. It is suggested that in some way there has been persecution of unemployed, but there has been nothing whatever of the sort. Any unemployed person who has been interfered with by the police has been interfered with because he was breaking the law. The hon. Member said that a system had grown up of suppressing freedom of speech. No such thing. But if people develop from freedom into licence, and make inflammatory speeches inciting to violence, of course the police are bound to deal with them. In this case, so far as the Courts are concerned, Dallas had been, I believe, convicted of inflammatory language and incitement to violence. With regard to what is said to have taken

place at the police court, I am assured that no such thing occurred—that the witnesses were not in Court until they gave their evidence. It may very well be that a number of witnesses for the prosecution were seen together in Court after they had given their evidence, because, when they have given their evidence, they may remain if they choose. I am assured absolutely, however, and I have made careful inquiries, that the witnesses for the prosecution were not in Court, and certainly no one suggested to the learned magistrate at any time that anything irregular had taken place. So far as that case is concerned I looked carefully into it. I am not a Court of Appeal from a magistrate, and it would be really most improper if an executive Minister of the Crown were to interfere with the decision of a Court of Justice. Very often it happens that I have approached magistrates' and other Courts to point out reasons why I should like to shorten a punishment or something of that kind, but certainly it would be most improper for the Home Office to attempt to override judicial tribunals, which ought to have full independence of action.

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Mr. AMMON

Can you take steps in that way in this case?

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Mr. SHORTT

I have done so. The moment a question was asked me I made full inquiries. With respect to Inspector Syme, there again the hon. Member put forward a very plausible, indeed, almost a pathetic story. That story is very good until the true story is told. What is the true story with regard to Inspector Syme? He claims, I gather from the hon. Member, that he has been dismissed the force because he stood up for two subordinate officers, and all he demands now is a public inquiry into his allegations. The first statement is not true, and the second statement is unnecessary because he has had a public inquiry. What are the facts of the case? So long ago as 1909 it was quite clear that at a certain police station where Inspector Syme was engaged, things were not working at all smoothly, and it was decided at that time to transfer him from that particular division to another. It was carefully pointed out to him that this was no disciplinary matter at all. It was simply in order to obtain smooth and efficient working. It is a

thing that is done every day. If two men do not get on you move one somewhere else. Inspector Syme was very angry that he was moved, and he at once proceeded, not to protect subordinates at all, but to make very grave charges against his superior officers. Those charges were gone into by a disciplinary board, which found that there was not a shadow of foundation and that they were maliciously made, and in consequence Inspector Syme was reduced to the rank of station serjeant. He would not accept that. He proceeded, while still remaining in the police force, while still being an officer, to start a Press and Parliamentary agitation against his superior officers which, of course, is a breach of discipline absolutely impossible in any police force, and the whole matter being gone into by Sir Edward Henry, who was then the Commissioner, he was dismissed the force.

At that time the present Lord Gladstone was Home Secretary. He went carefully into the matter, and was absolutely satisfied on all the points I have mentioned. Then the present Secretary of State for the Colonies became Home Secretary. He was approached by Inspector Syme, and he was told the inspector was a wrongheaded man, but possibly he might see sense if the Secretary of State would see him. My right hon. Friend saw him, went most carefully into the whole case, heard all that Inspector Syme had to say, and came to the conclusion that his allegations were wholly unfounded, but he said, "If you will be sensible you may come back as station serjeant and work your way up again." This Inspector Syme flatly refused to do, and he then proceeded with the agitation which has gone on. He was prosecuted for threats of violence several times in 1910, 1911, 1912 and 1913. Finally, in 1914, he issued a pamphlet making the very self-same allegations that he is making now against Sir Edward Henry and his superior officers. At once an opportunity was given him to prove his allegations in public, and he was prosecuted before a judge and jury for a libel contained in a pamphlet. He justified that libel, which means that he set up the same allegation he is setting up now, and endeavoured to prove them before a judge and jury of his countrymen. The trial lasted for five or six days—a very long, careful trial—and the jury decided that there was not one shadow of truth in all the allegations he was making. He took it to the Court of Criminal Appeal and was there told that he had had a most patient and careful trial, and that he must be content with the finding of a jury of his own countrymen.

2.0 P.M.

That is the position. What has he done? During the War he was prosecuted for endeavouring to hinder recruiting. Since then he has persistently uttered threats of damage and has done damage. He has broken windows. He has now proceeded to threaten royalty. It cannot possibly be denied. It has been proved in Courts of Justice more than once that he definitely threatens to molest His Majesty, Her Majesty and members of the Royal Family. Unfortunately, he is a man who carries out his threats—we have known that in the past—and, therefore, when he is at liberty it is impossible to leave him alone or unattended. If we let him alone, the moment he is not watched, he is outside Buckingham Palace waiting for a royal carriage at which to throw a brick. He has his weapons in his pocket, and it is absolutely impossible to leave him alone. He is a dangerous man in that way. If his friends would try to persuade him to see sense, to give up these wild threats, to realise that he has had a fair trial before a judge and jury and cannot expect another, Heaven knows we should be only too glad to leave him alone for ever, but as long as he goes threatening His Majesty and members of the Royal Family, we must protect them. That is the whole of the case. He persists, when he goes to prison, in hunger striking. The doctors say you cannot efficiently forcibly feed him. I protest against the suggestion that we are torturing a man who deliberately persists in starving himself. We provide him, when he is in prison, with good, wholesome, tasty food. He will not touch it. That is not our fault. I protest against the suggestion that we are responsible for anything he suffers. He is absolutely responsible himself. I am told he is now hunger striking out of prison. We have no concern with that. If he does not eat out of prison, he must take the consequences himself. But to suggest that he has not had a fair trial by a jury of his fellow countrymen is to say what is absolutely inaccurate.

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BROADCASTING

**Copy of Royal Charter for the continuance of the British
Broadcasting Corporation**

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

December 2016



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ROYAL CHARTER FOR THE CONTINUANCE OF THE BRITISH BROADCASTING CORPORATION

ELIZABETH THE SECOND by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS on the 20th December 1926 by Letters made Patent under the Great Seal, Our Royal Predecessor His Majesty King George the Fifth granted to the British Broadcasting Corporation ("the BBC") a Charter of Incorporation:

AND WHEREAS on various dates by Letters made Patent under the Great Seal, further Charters of Incorporation and Supplemental Charters have been granted to the BBC, the last such Charter having been granted to the BBC on the 19th September 2006 ("the 2006 Charter"):

AND WHEREAS the period of incorporation of the BBC under the 2006 Charter will expire on the 31st December 2016 and it has been represented to Us by Our right and trusty and well beloved Counsellor Karen Anne Bradley, Our Principal Secretary of State for Culture, Media and Sport, that it is expedient that the BBC should be continued for the period ending on the 31st December 2027 and that the objects, constitution, organisation and regulation of the BBC should be reformed so as to enable the BBC still better to serve the interests of Our People:

AND WHEREAS in view of the widespread interest which is taken by Our People in services which provide audio and visual material by means of broadcasting, the internet or the use of newer technologies, and of the great value of such services as means of disseminating information, education and entertainment, We believe it to be in the interests of Our People that there should continue to be an independent corporation and that it should provide such services, and be permitted to engage in other compatible activities, within a suitable legal framework:

NOW KNOW YE that We by Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion do by this Our Charter for Us, Our Heirs and Successors will, ordain and declare as follows:

INCORPORATION AND OBJECTS

1. Incorporation of the BBC

- (1) The BBC shall continue to be a body corporate by the name of the British Broadcasting Corporation.
- (2) The members of the Board of the BBC shall be the members of the Corporation, but membership of the Corporation shall not enable any individual to act otherwise than through the Board.
- (3) Paragraph (2) is subject to article 25 (the Director General).
- (4) Additional and technical provisions about the BBC's corporate nature and powers are contained in article 52 (BBC's corporate nature and powers).

2. Term of Charter

- (1) This Charter will take effect as from the beginning of the Effective Date, but that general statement must be read subject to paragraph (2).
- (2) In technical terms, this Charter shall come into force on the day after the day on which it is granted (see the date given in the formal text following article 72 (general declaration), but in order to facilitate the transition from the constitutional and other arrangements in force under the 2006 Charter to those under this Charter, the Schedule modifies this Charter's effect (in relation to times both during and after the Transitional Period, within the meaning given in the Schedule).
- (3) Subject to article 60 (dissolution and winding-up), this Charter shall continue in force until the end of 31st December 2027.
- (4) The 2006 Charter is to continue to have effect until the end of 31st December 2016, but is also subject to the provisions of the Schedule to this Charter.
- (5) In this article, "the 2006 Charter" means the Royal Charter for the continuance of the BBC which came into force on 1st January 2007.

3. The independence of the BBC

- (1) The BBC must be independent in all matters concerning the fulfilment of its Mission and the promotion of the Public Purposes, particularly as regards editorial and creative decisions, the times and manner in which its output and services are supplied, and in the management of its affairs.
- (2) Paragraph (1) is subject to any provision made by or under this Charter or the Framework Agreement or otherwise by law.

4. The BBC's Object

The BBC's Object is the fulfilment of its Mission and the promotion of the Public Purposes.

5. The BBC's Mission

The Mission of the BBC is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.

6. The Public Purposes

The Public Purposes of the BBC are as follows.

- (1) **To provide impartial news and information to help people understand and engage with the world around them:** the BBC should provide duly accurate and impartial news, current affairs and factual programming to build people's understanding of all parts of the United Kingdom and of the wider world. Its content should be provided to the highest editorial standards. It should offer a range and depth of analysis and content not widely available from other United Kingdom news providers, using the highest calibre presenters and journalists, and championing freedom of expression, so that all audiences can engage fully with major local, regional, national, United Kingdom and global issues and participate in the democratic process, at all levels, as active and informed citizens.
- (2) **To support learning for people of all ages:** the BBC should help everyone learn about different subjects in ways they will find accessible, engaging, inspiring and challenging. The BBC should provide specialist educational content to help support learning for children and teenagers across the United Kingdom. It should encourage people to explore new subjects and participate in new activities through partnerships with educational, sporting and cultural institutions.
- (3) **To show the most creative, highest quality and distinctive output and services:** the BBC should provide high-quality output in many different genres and across a range of services and platforms which sets the standard in the United Kingdom and internationally. Its services should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content.
- (4) **To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom:** the BBC should reflect the diversity of the United Kingdom both in its output and services. In doing so, the BBC should accurately and authentically represent and portray the lives of the people of the United Kingdom today, and raise awareness of the different cultures and alternative viewpoints that make up its society. It should ensure that it provides output and services that meet the needs of the United Kingdom's nations, regions and communities. The BBC

should bring people together for shared experiences and help contribute to the social cohesion and wellbeing of the United Kingdom. In commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development.

- (5) **To reflect the United Kingdom, its culture and values to the world:** the BBC should provide high-quality news coverage to international audiences, firmly based on British values of accuracy, impartiality, and fairness. Its international services should put the United Kingdom in a world context, aiding understanding of the United Kingdom as a whole, including its nations and regions where appropriate. It should ensure that it produces output and services which will be enjoyed by people in the United Kingdom and globally.

7. The activities of the BBC

- (1) The only activities that may be carried out by the BBC are—
- (a) provision of the UK Public Services;
 - (b) provision of the World Service;
 - (c) non-service activities;
 - (d) through commercial subsidiaries, commercial activities;
 - (e) trading activities; and
 - (f) the specified activities.
- (2) The activities referred to in paragraph (1) must be carried out in accordance with the terms of this Charter and the Framework Agreement.
- (3) The UK Public Services must fulfil the Mission and promote one or more of the Public Purposes and consist of—
- (a) the existing services specified in the Framework Agreement; and
 - (b) any activity aimed primarily at users in the United Kingdom involving the provision of output supplied by means of—
 - (i) television, radio and online services; or
 - (ii) similar or related services which make output generally available and which may be in forms or use technologies which either have not previously been used by the BBC or which have yet to be developed.
- (4) The World Service consists of the broadcast or other distribution of output, and the delivery of services, in English and other languages, aimed primarily at users outside the United Kingdom.
- (5) “Non-service activities” means activities which are not UK Public Services but which directly or indirectly fulfil the Mission and promote one or more of the Public Purposes. Such activities should support or enable the provision of the UK Public Services and the World Service.
- (6) “Commercial activities” means activities which—
- (a) fit with the Mission and Public Purposes;
 - (b) are not funded by licence fee revenue; and

- (c) are undertaken with a view to generating a profit (regardless of whether the profit generated will or may be used to fund the fulfilment of the Mission and the promotion of the Public Purposes). This means that something can be a commercial activity even if it also promotes the Public Purposes, if it is done with a view to generating profit.
- (7) “Trading activities” means activities which are commercial in nature but are excluded from the definition of commercial activities in the Framework Agreement.
- (8) The specified activities are those activities that the BBC is required to carry out by the Framework Agreement.

GENERAL DUTIES

8. Introduction

The BBC, in exercising its functions in relation to the UK Public Services, the World Service, non-service activities and trading activities, must comply with the general duties in articles 9 to 17.

9. Acting in the public interest

- (1) The BBC must act in the public interest.
- (2) In complying with this article, the BBC must—
 - (a) ensure that the benefits (whether direct or indirect) of decisions relating to the fulfilment of its Mission and the promotion of the Public Purposes outweigh the costs (whether direct or indirect); and
 - (b) in doing so, have regard to economic, social and cultural benefits and costs.

10. Engagement with the public

- (1) The BBC must carefully and appropriately assess the views and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom.
- (2) The BBC must make arrangements to ensure that the diverse perspectives and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom are taken into account in its decision-making.

11. Market impact

- (1) The BBC must have particular regard to the effects of its activities on competition in the United Kingdom.
- (2) In complying with this article, the BBC must—
 - (a) seek to avoid adverse impacts on competition which are not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes;

- (b) have regard to promoting positive impacts on the wider market.

12. Openness, transparency and accountability

- (1) The BBC must observe high standards of openness and seek to maximise transparency and accountability.
- (2) The BBC must ensure that the following are made public as soon as possible—
 - (a) the minutes of the meetings of the Board;
 - (b) important decisions (and reasons behind them and a summary of the evidence that supports them) concerning changes to the creative remit, work plan and material changes to the UK Public Services, non-service activities, and commercial activities; and
 - (c) such other information (including minutes of the meetings of committees of the Board) it is reasonable and proportionate to publish to comply with paragraph (1).
- (3) The BBC must have regard to the benefits of undertaking consultation with interested persons in relation to the functions set out in article 20 (principal functions of the Board).
- (4) In complying with this article, the BBC is not required to publish or otherwise disclose information that it would not be required to disclose under the Freedom of Information Act 2000.

13. Partnership

- (1) The BBC must work collaboratively and seek to enter into partnerships with other organisations, particularly in the creative economy, where to do so would be in the public interest.
- (2) In complying with this article, the BBC must—
 - (a) enter into partnerships, which, overall, are with a wide range of organisations including commercial and non-commercial organisations and organisations of all sizes, throughout the nations and regions of the United Kingdom, covering television, radio and online services; and
 - (b) ensure that its partnerships are fair and beneficial to all organisations in the partnership and, in particular, that partners are given due attribution and recognition, including in the branding and promotion of the output and services created or distributed.

14. Diversity

- (1) The BBC must ensure it reflects the diverse communities of the whole of the United Kingdom in the content of its output, the means by which its output and services are delivered (including where its activities are carried out and by whom) and in the organisation and management of the BBC.

- (2) The BBC must ensure that its output and services overall provide a duly accurate and authentic portrayal and representation of the diverse communities of the whole of the United Kingdom.
- (3) The BBC must ensure that it assesses and meets the needs of the diverse communities of the whole of the United Kingdom.
- (4) In complying with this article, the BBC must have particular regard to the need to reflect underrepresented communities.
- (5) The BBC must support the regional and minority languages of the United Kingdom through its output and services and through partnerships with other organisations.

15. Technology

- (1) The BBC must promote technological innovation, and maintain a leading role in research and development, that supports the effective fulfilment of its Mission and the promotion of the Public Purposes.
- (2) In complying with this article, the BBC must—
 - (a) focus on technological innovation to support the delivery of the UK Public Services, non-service activities and the World Service;
 - (b) seek to work in partnership with other organisations; and
 - (c) share, as far as is reasonable, its research and development knowledge and technologies.

16. Stewardship of public money

- (1) The BBC must exercise rigorous stewardship of public money in accordance with the following principles.
- (2) Regularity: the management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers.
- (3) Propriety: the management of all of the BBC's resources must meet high standards of public conduct, robust governance and duly consider the expectations of Parliament (including those of the Public Accounts Committee) which have been formally communicated to the BBC.
- (4) Value for money: procurement, projects and processes must be systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, taking into account the wider public interest, not just that of the BBC itself.
- (5) Feasibility: proposals using public funds should be implemented accurately, sustainably and to the intended timetable.

17. Guidance and best practice

The BBC, in exercising its functions, must have regard—

- (a) to such general guidance concerning the management of the affairs of public bodies as it considers relevant and appropriate; and
- (b) to generally accepted principles of good corporate governance, but only:
 - (i) where to do so would not be incompatible with sub-paragraph (a); and
 - (ii) to the extent that such principles may reasonably be regarded as applicable in relation to its functions and within the particular constitution of the BBC as a chartered corporation.

18. General duties in relation to commercial activities

The BBC, in exercising its functions in relation to the commercial activities, must—

- (a) comply with the duties in article 9 (acting in the public interest), article 10 (engagement with the public) and article 12 (openness and transparency);
- (b) ensure that its commercial activities do not, as a result of their relationship with the UK Public Services, non-service activities or trading activities, distort the market or gain an unfair competitive advantage.

CONSTITUTION - THE BOARD

19. Introduction

- (1) There shall be a Board of the BBC which, acting collectively, is responsible for the proper, effective and independent exercise of all the functions of the BBC in accordance with the provisions set out in this Charter and the Framework Agreement.
- (2) In addition, the Board has all the functions expressly or impliedly conferred upon it elsewhere by or under this Charter or the Framework Agreement.
- (3) The Board may obtain independent advice to support the exercise of its functions.

20. The principal functions of the Board

- (1) The principal functions of the Board are contained in this article.
- (2) In accordance with article 3 (independence of the BBC), each member of the Board must at all times uphold and protect the independence of the BBC including by acting in the public interest, exercising independent judgement and neither seeking nor taking instructions from Government Ministers or any other person.
- (3) The Board must ensure that the BBC fulfils its Mission and promotes the Public Purposes by, in particular, setting—
 - (a) the strategic direction for the BBC within the framework set by this Charter and the Framework Agreement;

- (b) the creative remit (including the direction of the BBC's editorial and creative output and services and in regard to the nations and regions of the United Kingdom);
 - (c) the budgets for the UK Public Services and the World Service;
 - (d) a framework to assess the performance of the BBC in delivering its strategies and creative remit, and obligations under this Charter and the Framework Agreement, including performance measures (and targets for those measures where appropriate) to assess the performance of the UK Public Services in fulfilling the Mission and promoting the Public Purposes;
 - (e) a framework to assess the performance of the World Service;
 - (f) the standards for the BBC's editorial and creative output and services;
 - (g) a framework within which the BBC must handle complaints;
 - (h) a policy on the distribution of the UK Public Services;
 - (i) a plan for compliance with each of the BBC's general duties; and
 - (j) a strategy and governance arrangements for the BBC's commercial activities and for assessing the effectiveness of those activities.
- (4) The Board must consider proposals for material changes to the UK Public Services, non-service activities or trading activities, and must assess both the public value and impact on competition of such proposals.
- (5) The Board must consider proposals for material changes to the commercial activities, and must assess the proposed changes in terms of their alignment with the Public Purposes, their commercial efficiency, their impact on the BBC's reputation and whether the proposed changes, as a result of their relationship with the UK Public Services, trading activities or non-service activities, distort the market or create an unfair competitive advantage.
- (6) The Board must secure the effective and efficient management of the BBC and its commercial subsidiaries by, in particular—
- (a) appointing, and holding to account, the management of the BBC;
 - (b) ensuring that the organisational structure of the BBC and the skills of the staff of the BBC are fit for purpose; and
 - (c) setting the terms and conditions for the staff of the BBC and reviewing these regularly.
- (7) The Board must secure the effective and efficient management of the finances of the BBC by, in particular—
- (a) putting in place appropriate policies and controls to ensure that licence fee and other income is spent and operations are managed efficiently, effectively and in accordance with regularity, propriety, value for money and feasibility; and
 - (b) ensuring that arrangements for the collection of the licence fee are efficient, appropriate and proportionate.
- (8) The Board must ensure compliance by the BBC with its obligations under this Charter, the Framework Agreement, the Operating Framework and the general law by, in particular—

- (a) complying with requests made by Ofcom;
- (b) complying with any decision made by Ofcom; and
- (c) complying with any request made by or decision of Ofcom relating to the commercial subsidiaries including ensuring that any necessary action is taken by commercial subsidiaries controlled by the BBC to give effect to a request or decision.

Without prejudice to any right of the BBC to seek appropriate legal remedies, where it appears to the Board that their obligations under this Charter, the Framework Agreement and the Operating Framework conflict with any request or decision made by Ofcom (who must take into account their obligation under article 45(2)(c)), the Board must nevertheless comply with Ofcom's request or decision.

21. Composition of the Board

- (1) The Board must consist of a number of non-executive members (including the Chair) and a number of executive members. The total number of members must be 14.
- (2) The non-executive members of the Board must be the Chair, the four Nation Members and five other members.
- (3) The non-executive members of the Board must, with the agreement of the Secretary of State, select one of their number to serve as Senior Independent Director, who shall have a role that accords with the generally accepted principles of good corporate governance (to the extent that such principles may reasonably be regarded as applicable in relation to the Board's functions and within the particular constitution of the BBC as a chartered corporation).
- (4) The executive members of the Board must be the Director General and three other members.
- (5) The members of the Board must be selected to ensure that, collectively, they have the range of skills and experience necessary to secure the proper exercise of the functions of the BBC.
- (6) The total number of members, the number of non-executive members and the number of executive members may, with the agreement of the BBC, be amended by Order in Council.
- (7) It shall not be necessary to fix a lower number by Order in Council merely to reflect the existence of a vacancy which is intended to be filled by a further appointment in due course.

22. Appointment of the Chair of the Board

- (1) The Chair of the Board must be appointed by Order in Council.
- (2) The appointment may only be made following a fair and open competition.

- (3) The Governance Code, including the public appointment principles, must be followed in making the appointment. The Commissioner for Public Appointments will ensure that the appointment is made in accordance with the Governance Code.
- (4) The Secretary of State must consult the BBC on the process for appointing the Chair (including on the job specification, skills description and time commitment which must be developed to ensure that the requirements of article 21(5) (composition of the Board) are met).
- (5) No recommendation may be made to Her Majesty in Council to appoint the Chair unless a pre-appointment hearing has been held and a report published by the Select Committee.
- (6) Whenever the office of Chair is vacant, the Secretary of State, having consulted the Board, must appoint one of the non-executive members as 'Acting Chair' with all the powers of the Chair until a new Chair is appointed.

23. Non-executive Board members for the nations

- (1) A non-executive member of the Board must be designated—
 - (a) the Board member for England;
 - (b) the Board member for Scotland;
 - (c) the Board member for Wales; and
 - (d) the Board member for Northern Ireland, ("Nation Members").
- (2) The Nation Members must be appointed by Order in Council.
- (3) The appointments may only be made following a fair and open competition.
- (4) The Governance Code, including the public appointment principles, must be followed in making the appointments. The Commissioner for Public Appointments will ensure that the appointments are made in accordance with the Governance Code. The Chair must be a member of the selection panel for the appointment of the Nation Members and must have particular regard to article 21(5) (skills and experience of Board members).
- (5) No recommendation may be made to Her Majesty in Council to appoint a Nation Member unless selected from those put forward by the selection panel.
- (6) Each person appointed under this article must be suitably qualified by virtue of—
 - (a) having skills and experience that contribute to the work of the Board;
 - (b) having knowledge of the culture, characteristics and affairs of the people in the nation for which he or she is to be appointed; and
 - (c) being in close touch with opinion in that nation.

- (7) The Secretary of State must consult the BBC on the process for appointing the Nation Members (including the job specification, skills description and time commitment which must be developed to ensure that the requirements of article 21(5) are met).
- (8) No appointment shall be made for the Board member for Scotland without the agreement of the Scottish Ministers.
- (9) No appointment shall be made for the Board member for Wales without the agreement of the Welsh Ministers.
- (10) No appointment shall be made for the Board member for Northern Ireland without the agreement of the Executive Committee established by section 20 of the Northern Ireland Act 1998.
- (11) For the purposes of this article, “England” includes the Channel Islands and the Isle of Man and references to “nation” shall be interpreted accordingly.

24. Other non-executive members of the Board

- (1) The other non-executive members of the Board must be appointed by the Board. However, the Board may only make an appointment which has been proposed to the Board by the Nomination Committee (see article 31(4) (committees of the Board)).
- (2) For the purposes of this article, the roles of proposing and approving the making of an appointment relate not only to the identity of the person to be appointed but also the terms of the appointment (see article 27 (the terms on which non-executive members of the Board serve)).
- (3) The BBC must have regard to and observe, where appropriate, the Governance Code, including the public appointment principles, in making the appointments.

25. The Director General

- (1) There must be a Director General of the BBC.
- (2) The Director General must be the chief executive officer of the BBC. The Director General must be an executive member of the Board.
- (3) The Director General must also be the editor-in-chief of the BBC. As such, the Director General shall have final responsibility and is accountable to the Board for individual decisions on the BBC’s editorial matters and creative output.

26. Executive members of the Board

- (1) The executive members of the Board must be appointed by the Board. However, the Board may only make an appointment which has been proposed by the Nomination Committee (see article 31 (committees of the Board)).

- (2) For the purposes of this article, the roles of proposing and approving the making of an appointment relate not only to the identity of the person to be appointed but also (subject to the requirements of article 29 (terms of executive members of the Board)) the terms of his appointment.

27. The terms on which non-executive members of the Board serve

- (1) The appointment of a non-executive member of the Board must be for a period of no longer than four years but may be increased for up to a further year in exceptional circumstances. The period of the appointment must be specified in the terms of appointment.
- (2) A serving non-executive member of the Board may at any time be reappointed once only by Order in Council or by the Board, in accordance with articles 22, 23 and 24 (Chair and non-executive members) as the case may be, for any further period specified in the terms of appointment. Such a further period may not be longer than four years but may be increased for up to a further year in exceptional circumstances. The power may be exercised with effect from a date other than that on which the previous term would have expired.
- (3) Non-executive members of the Board must be remunerated by the BBC at a rate determined by the Secretary of State.
- (4) The BBC must pay, or make provision for paying, to or in respect of any non-executive member of the Board, such amounts (if any) by way of pension, allowances or gratuities as the Secretary of State may determine.

28. Termination of office of non-executive members

- (1) A non-executive member of the Board ceases to hold office—
- (a) on the expiration of the period for which the member had most recently been appointed (see article 27 (terms on which non-executive members of the Board serve));
 - (b) in the case of appointments under articles 22 and 23 (Chair and the Nation Members)—
 - (i) if the member resigns by written notice to the Secretary of State; or
 - (ii) if the appointment is terminated by Order in Council;
 - (c) in the case of appointments under article 24 (other non-executive members)—
 - (i) if the member resigns by written notice to the Board; or
 - (ii) if two-thirds of the non-executive members of the Board vote to terminate the appointment;
 - (d) if—
 - (i) the member becomes bankrupt;
 - (ii) the member's estate is sequestrated;
 - (iii) the member grants a trust deed for the member's creditors; or

- (iv) the member makes any arrangement or composition with the member's creditors generally;
 - (e) if—
 - (i) the member fails to attend meetings of the Board continuously for three months or longer without the consent of the Board; and
 - (ii) the Board resolves that the member's office be vacated.
- (2) An appointment may only be terminated under paragraph (1)(b)(ii) if, in the opinion of the Secretary of State, having consulted the Board (and, in relation to a Nation Member, the relevant devolved government), the member is unable, unfit or unwilling to perform the functions of a member.
 - (3) An appointment may only be terminated under paragraph (1)(c)(ii) if, in the opinion of the Board, the member is unable, unfit or unwilling to perform the functions of a member.

29. The terms on which executive members of the Board serve

- (1) Each executive member of the Board shall hold and vacate office in accordance with the terms of their appointment.
- (2) Those terms must provide for the appointment to be terminated in accordance with the following requirements of this article, and may not provide for it to be terminated prematurely without the consent of the member in any other way.
- (3) A proposal for the premature termination of an appointment must always be made by the Chair of the Board.
- (4) If such a proposal is approved by the Board, the Board must terminate the appointment.
- (5) The Remuneration Committee (see article 31(5) (committees of the Board)) shall determine the remuneration of executive members of the Board. The terms on which such members are appointed must be compatible with this requirement.
- (6) For the purposes of this article, an appointment is terminated prematurely if it is terminated in the exercise of a discretionary power to terminate the appointment before the occurrence of any date on which the terms of the appointment provide for the appointment to be terminated (whether by reference to the expiry of a fixed term, the attainment of a specified retirement age or in any other way).

30. Meetings of the Board

- (1) The Board must meet for the transaction of its business and affairs.
- (2) The Board must make standing orders dealing with the summoning, notice, time, place, quorum, management and adjournment of its meetings, including provision for

the exercise of a casting vote, which may only be exercised by a non-executive member of the Board.

- (3) The standing orders may make provision for meetings of the Board to be held in circumstances in which members participate without being physically present in the same place as other participating members (for example, by means of telephone or video conferencing).

31. Committees of the Board

- (1) The Board may set up committees of the Board.
- (2) The number, remit and composition of such committees are a matter for the Board, subject to the following paragraphs of this article.
- (3) There must always be an Audit and Risk Committee, which must have the functions commensurate with the highest standards of corporate governance. Only non-executive members of the Board may be members of the Committee.
- (4) There must always be a Nomination Committee, which must at least perform the functions described in articles 24 (other non-executive members of the Board) and 26 (executive members of the Board). The Committee must have a majority of non-executive members of the Board and must be chaired by the Chair of the Board. The Director General must be a member of the Committee.
- (5) There must always be a Remuneration Committee, which must at least perform the functions described in article 29(5) (terms of executive members). Only non-executive members of the Board may be members of the Committee.
- (6) No committee of the Board shall include anyone who is not a member of the Board or an employee of the BBC.

32. Delegation by the Board

The Board may delegate its functions, including decision-taking—

- (a) to a committee set up under article 31 (committees of the board);
 - (b) to an individual member of the Board; or
 - (c) to other members of staff,
- on such terms and conditions as it thinks fit.

33. Regulations

- (1) The Board may make regulations about the transaction of the business and affairs of the BBC.

- (2) Regulations may provide for the transaction of urgent business of the Board between meetings of the Board, including provision for such business to be transacted by a single member of the Board.
- (3) Regulations may make provision for or about the filling of vacancies of executive members of the Board in circumstances in which it is impossible for articles 25 and 26 (Director General and executive members) to be complied with. (An example of such a situation would be if all the executive members of the Board resigned with immediate effect.)
- (4) Regulations may be made only at a meeting of the Board.
- (5) The standing orders mentioned in article 30 (meetings of the Board) must be made as regulations in accordance with this article.

34. BBC staff

- (1) The BBC must appoint staff for the efficient performance of its functions and transaction of its business.
- (2) This article does not apply to the Director General or to other executive members of the Board (for whom see article 29 (terms of executive members of the Board)).

35. Communication with staff of the BBC

- (1) The BBC must ensure that at all times it has in place suitable arrangements under which it (or its representatives) will, where appropriate—
 - (a) consult BBC staff on all matters affecting the interests of those staff; and
 - (b) seek to consult with any appropriate organisation with a view to maintaining or (as the case may be) establishing and maintaining adequate arrangements of the kind mentioned in paragraph (2).
- (2) The arrangements are for—
 - (a) the settlement by negotiation of the terms and conditions of BBC staff; and
 - (b) the discussion of matters of mutual interest to the BBC and its staff, including—
 - (i) the health, safety and welfare of such staff;
 - (ii) equal opportunities and training (without cutting back on any specific obligations as to those matters set out in the Framework Agreement); and
 - (iii) efficiency in the operation of the BBC's services.

ANNUAL PLAN, REPORT AND ACCOUNTS

36. Annual plan

- (1) The BBC must prepare and publish an annual plan for each financial year in accordance with this article.
- (2) The annual plan must include at least—
 - (a) the creative remit for that year;
 - (b) the work plan for that year;
 - (c) provision for the United Kingdom's nations and regions;
 - (d) provision for the World Service; and
 - (e) the BBC's proposals for how it will comply with its general duties including measurable criteria to assess compliance.
- (3) The BBC must publish the annual plan in advance of the period to which it relates.

37. Annual report

- (1) The BBC must prepare and publish an annual report for each financial year in accordance with this article.
- (2) The annual report must include at least—
 - (a) how the BBC delivered the creative remit and its work plan;
 - (b) significant changes to the BBC's activities including any material changes to the UK Public Services and commercial activities;
 - (c) how the BBC complied with each of its general duties and its regulatory obligations in the Operating Framework;
 - (d) provision for the United Kingdom's nations and regions, including how the BBC delivered the creative remit in the nations and regions;
 - (e) provision for the World Service;
 - (f) how the BBC has set, reviewed and met high editorial standards, how complaints have been handled and what the BBC has learned;
 - (g) how it has made the BBC's output and services available to the public;
 - (h) expenditure on the UK Public Television Services by genre (as defined in accordance with industry standards);
 - (i) a report from the Nomination Committee on the appointment of members of the Board and senior executives;
 - (j) a report from the Remuneration Committee on—
 - (i) how senior executive pay is determined;
 - (ii) the names of all senior executives of the BBC paid more than £150,000 from licence fee revenue in that financial year; and
 - (iii) the names of all other staff of the BBC paid more than £150,000 from licence fee revenue in that financial year set out in pay bands; and
 - (k) a report by the Audit and Risk Committee.
- (3) In preparing the annual report, the BBC must comply with any directions, given by the Secretary of State or the Foreign Secretary with regard to such additional information

of a different nature to the requirements in paragraph (2) which must be given in the report about the finance, administration and work generally of the BBC.

- (4) Before giving any such directions the Secretary of State or Foreign Secretary must consult with the BBC and, where appropriate, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers.
- (5) The BBC must send the annual report, as soon as possible and in any event no later than seven months after the end of the period to which it relates, to the Secretary of State, and on the same day to the Scottish Ministers, the Welsh Ministers, the Northern Ireland Ministers and Ofcom.
- (6) The Secretary of State must then lay the annual report before the United Kingdom Parliament. When this has been done, the BBC must publish the report.
- (7) The BBC must lay the annual report before the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly respectively on the same day as, or as soon as possible after, it has been laid before the United Kingdom Parliament.

38. Accounts

- (1) The BBC must—
 - (a) keep adequate accounting records;
 - (b) take reasonable steps to secure that relevant subsidiaries keep such accounting records as to enable the preparation of the group accounts;
 - (c) prepare in respect of each financial year group accounts for the BBC in accordance with International Financial Reporting Standards and such directions as the Secretary of State or Foreign Secretary may give;
 - (d) within such period after the end of the financial year as the Secretary of State may direct send the group accounts to the Comptroller and Auditor General;
 - (e) send the group accounts to the Secretary of State, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers, and Ofcom at the same time as it sends the annual report (see article 37(5) (annual report)).

- (2) For the purposes of this Charter-

“adequate accounting records” means records that are sufficient: (a) to show and explain the BBC’s transactions; (b) to disclose with reasonable accuracy, at any time the financial position of the BBC; and (c) to enable the members of the Board to ensure that any accounts required to be prepared comply with this Charter;

“group” means the BBC and its relevant subsidiaries;

“group accounts” means the accounts required to be prepared under paragraph (1)(c); and

“relevant subsidiary” means an entity that, in accordance with International Financial Reporting Standards, is controlled by the BBC and falls to be included in consolidated group accounts; and includes a subsidiary that is established or otherwise becomes a relevant subsidiary after this Framework Agreement comes into force.

39. Audit of the BBC

- (1) The BBC must appoint the Comptroller and Auditor General to examine, certify and report on the group accounts prepared by the BBC in respect of each financial year. The report must include an opinion on regularity on the group accounts (see article 16 (stewardship of public money)) and must be addressed to the members of the Board in terms that acknowledge that Parliament also places reliance on the group accounts and report.
- (2) The BBC must send a copy of the report to the Secretary of State.
- (3) The Secretary of State must lay the group accounts and the report of the Comptroller and Auditor General before Parliament. When this has been done, the BBC must publish the group accounts and the report.
- (4) The BBC must lay the group accounts and the report of the Comptroller and Auditor General before the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly respectively on the same day as, or as soon as possible after, those documents have been laid before the United Kingdom Parliament.

40. Audit of the subsidiaries of the BBC

Unless the Comptroller and Auditor General and the BBC agree otherwise, the BBC must ensure that each relevant subsidiary appoints the Comptroller and Auditor General (or such auditor as may be appointed with the agreement of the Comptroller and Auditor General) as auditor of the subsidiary in respect of each financial year.

41. Access to information

- (1) The agreements made between the BBC and the relevant subsidiaries and the Comptroller and Auditor General pursuant to the duties to appoint in articles 39 (audit of the BBC) and 40 (audit of the subsidiaries of the BBC) are—
 - (a) agreements for the purposes of section 25(4) of the Government Resources and Accounts Act 2000 (examinations by Comptroller and Auditor General) (meaning that section 8(1) of that Act (Comptroller and Auditor General: access to information) applies for the purposes of the examination of the accounts of the BBC and the relevant subsidiaries); and
 - (b) arrangements for the purposes of articles 2 and 5 of the Government Resources and Accounts Act 2000 (Rights of Access of Comptroller and Auditor General) Order 2003 (No. 1325) (meaning that section 8(1) of that Act applies in relation to certain grant payments, contracts and subcontracts of the BBC and the relevant subsidiaries).

- (2) In addition, by virtue of sections 499 and 500 of the Companies Act 2006 (Auditor's general right to information, and right to information from overseas subsidiaries), the Comptroller and Auditor General will have a general right to information and a right to information from overseas subsidiaries, in relation to relevant subsidiaries which must be audited in accordance with Part 16 of that Act.
- (3) The BBC must ensure, in relation to other relevant subsidiaries (in particular, overseas subsidiaries), that such subsidiaries provide the Comptroller and Auditor General with such information as may be reasonably required to carry out the functions under article 40 (audit of the subsidiaries of the BBC).

42. Appearing before the devolved assemblies

- (1) The BBC must comply with a request of a devolved assembly or a committee of a devolved assembly—
 - (a) to attend its proceedings for the purpose of giving evidence; and
 - (b) to submit reports,(in the same way that it must comply with a request of either House of Parliament or one of their committees) concerning matters relating to the nation to which the assembly relates.
- (2) For the purposes of this article, “devolved assembly” means the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.

FUNDING SETTLEMENT

43. Funding settlement

- (1) The period of the first funding settlement is 1 April 2017 to 31 March 2022.
- (2) The period of the second funding settlement commences on 1 April 2022. The duration of this period of this settlement will be at least five years.
- (3) The Secretary of State must notify the BBC of the funding settlement in advance of the period to which it relates.
- (4) The Secretary of State, in determining a funding settlement, must—
 - (a) assess the level of funding required for effective fulfilment of the Mission and promotion of the Public Purposes;
 - (b) consider an assessment of the BBC's commercial income and activities; and
 - (c) consult the BBC.
- (5) The BBC must provide the Secretary of State with such information and other assistance as the Secretary of State may reasonably require from the BBC in connection with the determination of a funding settlement by the Secretary of State including a set of data on its funding needs and income streams in a format determined by the Secretary of State, having consulted the BBC.

- (6) For the purposes of this article, “funding settlement” means a determination by the Secretary of State of the level of the licence fee and the level of licence fee revenue for the period of the settlement.

REGULATION

44. Ofcom

- (1) It shall be a function of Ofcom, pursuant to section 198 of the Communications Act 2003 (functions of Ofcom in relation to the BBC), to the extent that provision for them to do so is contained in this Charter and the Framework Agreement, to regulate the BBC. References in this Charter to the functions of Ofcom are references to the functions contained in or under the Charter and the Framework Agreement.
- (2) By virtue of section 1(3) of the Communications Act 2003 (functions and general powers of Ofcom), Ofcom may do anything which appears to them to be incidental or conducive to the carrying out of their functions, including borrowing money.

45. General duties

- (1) The general duties of Ofcom in section 3 of the Communications Act 2003 (general duties of Ofcom) apply to the carrying out of their functions contained in this Charter and the Framework Agreement.
- (2) Ofcom must have regard, in carrying out their functions, to such of the following as appear to them to be relevant in the circumstances—
- (a) the object of the BBC to fulfil its Mission and promote the Public Purposes;
 - (b) the desirability of protecting fair and effective competition in the United Kingdom;
 - (c) the requirement for the BBC to comply with its duties under the Charter, including its general duties (set out in articles 9 - 18).
- (3) Where it appears to Ofcom that there is a conflict between their duties in a particular case, they must secure that the conflict is resolved in a manner they think best in the circumstances.

46. Principal functions of Ofcom

- (1) The principal functions of Ofcom are contained in this article.
- (2) Ofcom must prepare and publish an Operating Framework which must contain the provisions Ofcom consider appropriate to secure the effective regulation of the activities of the BBC as set out in this Charter and the Framework Agreement.
- (3) Ofcom must set an operating licence for the UK Public Services, in accordance with the Operating Framework, which must contain regulatory conditions they consider appropriate for requiring the BBC—
- (a) to fulfil its Mission and promote the Public Purposes;

- (b) to secure the provision of distinctive output and services; and
 - (c) to secure that audiences in Scotland, Wales, Northern Ireland and England are well served.
- (4) Ofcom may determine measures (further to those determined by the BBC under article 20(3)(d) (principal functions of the Board)) they consider appropriate to assess the performance of the UK Public Services in fulfilling the Mission and promoting the Public Purposes.
- (5) Ofcom must set requirements, in the Operating Framework, to protect fair and effective competition in the United Kingdom in relation to—
 - (a) material changes proposed by the BBC to the carrying on of UK Public Services and non-service activities;
 - (b) the effect on fair and effective competition of UK Public Services, trading activities and non-service activities; and
 - (c) agreements with, and conduct affecting, third parties in relation to UK Public Services, trading activities and non-service activities.
- (6) Ofcom must set requirements, in the Operating Framework, in relation to interaction between the BBC and its commercial activities to ensure that the commercial activities do not, as a result of their relationship with the UK Public Services, trading activities or non-service activities, distort the market or gain an unfair competitive advantage. In considering whether the commercial activities gain an unfair competitive advantage, Ofcom may consider in particular whether the commercial services are, or will be, undertaken in line with normal market principles, including making a commercial rate of return.
- (7) Ofcom must secure the observance of standards in the content in the relevant UK Public Services which must be in accordance with the Standards and Fairness Codes.

47. Provision of information to Ofcom

Ofcom may require the BBC and any other person to provide information for the purposes of the carrying out by Ofcom of their functions.

48. Miscellaneous powers

- (1) Ofcom may conduct research to inform the carrying out of any of their functions.
- (2) Ofcom may provide information to any person for the purpose of facilitating the carrying out by Ofcom any of their functions.
- (3) Ofcom may publish such information as they consider conducive to the carrying out of their functions.

49. Enforcement powers of Ofcom

- (1) Ofcom must enforce compliance by the BBC of those requirements specified as enforceable in the Framework Agreement or Operating Framework (“specified requirements”) and, in particular, may—
 - (a) consider complaints made to them by any person; and
 - (b) carry out such investigations as they consider appropriate.
- (2) If Ofcom are satisfied that the BBC has failed to comply with a specified requirement, Ofcom may direct the BBC, or accept undertakings from the BBC, to take such steps Ofcom consider will—
 - (a) remedy the failure to comply;
 - (b) ensure that the BBC complies with their requirements properly in future.
- (3) If Ofcom are satisfied that the BBC has failed to comply with a specified requirement, they may serve on the BBC a notice requiring it to pay them, within a specified period, a specified penalty.
- (4) The amount of the penalty that may be imposed on any occasion under this article must not exceed the maximum specified in section 198(5) of the Communications Act 2003 (functions of Ofcom in relation to the BBC).
- (5) Ofcom are not to exercise their powers under paragraphs (2) and (3) unless they have given the BBC a reasonable opportunity of making representations to them about the matters appearing to them to provide grounds for the exercise of the power.
- (6) Ofcom must make provision in the Operating Framework, including provision for procedural matters, on how Ofcom will exercise their enforcement powers under this article.

50. Annual report by Ofcom

- (1) Following the receipt of the BBC’s annual report, Ofcom must prepare and publish an annual report in accordance with this article.
- (2) The report must set out how Ofcom carried out their functions under article 46 (principal functions of Ofcom) across the whole of the United Kingdom.
- (3) The report must include at least an assessment of compliance with the specified requirements.

51. Periodic and ad hoc reviews by Ofcom

- (1) Ofcom must carry out and publish two or more detailed periodic reviews on the extent to which the BBC is fulfilling its Mission and promoting each of the Public Purposes, and addressing any specific issues of concern identified by Ofcom.

- (2) The first review must be published in sufficient time to inform the mid-term review (see article 57 (mid-term review)).
- (3) Ofcom must, where appropriate, carry out and publish additional reviews addressing any specific issue of concern identified by Ofcom relating to the activities of the BBC that are subject to regulation by Ofcom under this Charter and the Framework Agreement.

GENERAL

52. The BBC's corporate nature and powers

- (1) The BBC shall have perpetual succession. That is to say, it shall continue to exist as a legal person, regardless of changes in its composition which occur when particular individuals cease to be members of the Corporation and are succeeded by other individuals.
- (2) The BBC shall have a Common Seal. The BBC may alter its Common Seal or replace it with a new one.
- (3) The BBC shall have the capacity to sue and be sued and do anything appertaining to a body corporate. In addition, the BBC shall have all the capacity of a natural person.
- (4) Paragraph (3) enables the BBC to maintain, establish or acquire subsidiaries through which commercial activities may be undertaken.
- (5) Paragraph (3) enables the BBC to do anything incidental or conducive to the carrying out of their functions.
- (6) However, the BBC may use these general powers only in accordance with articles 4 to 7 (Object, Mission, Public Purposes and activities of the BBC). The use of any of these powers for other purposes would amount to a breach of this Charter, with all the consequences that could follow from that (see in particular article 56 (compliance with Charter and Framework Agreements)). Subject to any overriding rules of law, such a use of powers shall, nevertheless, be valid: for example, contracts entered into by the BBC would be valid and enforceable against the BBC for so long as the BBC continues to exist, to any extent permitted by law.

53. Framework Agreement

- (1) A "Framework Agreement" is an agreement between the BBC and the Secretary of State which contains a statement to the effect that it is a Framework Agreement made for BBC Charter purposes.
- (2) The Secretary of State and the BBC must consult Ofcom on any amendments to a Framework Agreement relating to the regulation of the BBC by Ofcom.

- (3) In anticipation of the grant of this Charter, the BBC has entered into a Framework Agreement with the Secretary of State for Culture, Media and Sport dated 7 November 2016. Further Framework Agreements may be made during the life of this Charter (and may amend or revoke the existing Framework Agreement).
- (4) Framework Agreements may in principle impose obligations on the BBC in relation to particular topics which are addressed in this Charter, as well as in relation to topics which are not. A Framework Agreement may, for example, impose more detailed requirements. For example, article 7(5) (the activities of the BBC) defines non-service activities which is elaborated in clause 16 of the Agreement made on 7 November 2016. However, a Framework Agreement must be consistent with this Charter and, in the event of any contradiction, the terms of this Charter shall prevail. It is hereby declared that the content of the Framework Agreement as made on 7 November 2016 (mentioned in paragraph (3)) is fully compatible with the intentions of this Charter.
- (5) The BBC must comply with the Framework Agreement, for so long as it is in force (see article 56 (compliance with Charter and Framework Agreements)).

54. Overseas concessions

The BBC must obtain the consent of the Foreign Secretary before it—

- (a) acquires any licence, concession, right or privilege from; or
- (b) enters into any arrangement with,
the Government of any country or place overseas.

55. Validity of acts and proceedings

- (1) The existence of a vacancy in any of the bodies mentioned in paragraph (2) does not as such affect the validity of anything done by that body (though any specific requirements for a quorum must still be observed).
- (2) The bodies are the Board and any committee or sub-committee of the Board. However, the Nomination Committee of the Board may exercise a function described in article 31 (committees of the Board) only if fully constituted in accordance with applicable requirements laid down in that article.

56. Compliance with Charter and Framework Agreements

- (1) The BBC must strictly and faithfully comply with this Charter and the Framework Agreement in force. This includes complying with requirements set out in other documents which have effect by virtue of provisions of this Charter or a Framework Agreement.
- (2) Where the BBC fails to comply with paragraph (1) of this article in any respect, anyone who is aggrieved and/or adversely affected may be entitled to seek an appropriate remedy.

- (3) The BBC must establish a framework for handling and resolving complaints to provide transparent, accessible, effective, timely and proportionate methods of securing that the BBC complies with its obligations and that remedies are provided which are proportionate and related to any alleged non-compliance. Where Ofcom exercise a function to regulate the BBC, the framework must provide that Ofcom will normally consider a complaint only after the complaint has been in the first instance resolved by the BBC.
- (4) Complaints can sometimes also be made to other bodies with regulatory and law enforcement powers such as the Competition and Markets Authority.
- (5) The courts may have an appropriate role to play in exercising judicial review according to normal principles of public law.
- (6) This article does not seek to exclude any other remedy which may be available but, so far as relevant, it is the intention of this Charter that remedies should be appropriate and proportionate to the issues at stake.

57. Mid-Term Review

- (1) The Secretary of State may undertake a mid-term review focussing on the governance and regulatory arrangements for the BBC in accordance with the terms of this article.
- (2) The Secretary of State must determine the scope and terms of reference (including the timing) of the review following consultation with the BBC, Ofcom, the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers.
- (3) The review must not be undertaken before 2022 and must be completed by 2024.
- (4) The review must consider any relevant reviews carried out by Ofcom under article 51 (periodic and ad hoc reviews by Ofcom).
- (5) The review must not consider—
 - (a) the Mission of the BBC;
 - (b) the Public Purposes of the BBC; or
 - (c) the licence fee funding model of the BBC for the period of this Charter.
- (6) The BBC and Ofcom must co-operate with the Secretary of State, and provide the Secretary of State with such information and other relevant assistance as the Secretary of State may reasonably require, in connection with the review.

58. Supplemental Charters

The BBC may apply for and accept a supplemental Charter, or promote a Bill in Our United Kingdom Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

59. Charter Review

- (1) No recommendation may be made to Her Majesty in Council to grant a further charter for the continuance of the BBC to take effect at the expiry of this Charter unless the requirements in this article have been met.
- (2) The Secretary of State must undertake a review of this Charter in accordance with the terms of this article.
- (3) The Secretary of State must consult the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers—
 - (a) on the draft terms of reference for the review of the Charter in advance of their publication;
 - (b) through the process of reviewing the Charter; and
 - (c) before making a recommendation to grant a further charter.
- (4) The Secretary of State must lay the final terms of reference for the review before Parliament. The Secretary of State must send the final terms of reference to the Scottish Ministers, the Welsh Ministers and the Northern Ireland Ministers who must then lay them before the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly respectively.
- (5) The Secretary of State must consult—
 - (a) the public;
 - (b) the BBC;
 - (c) Ofcom; and
 - (d) any person the Secretary of State considers appropriate.
- (6) A draft of the proposed charter and framework agreement must have been laid before Parliament and debated by each House.
- (7) A draft of the proposed charter and framework agreement must have been laid before the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly and debated by each of those assemblies if the assembly deems it appropriate.
- (8) The BBC must co-operate with the Secretary of State, and provide the Secretary of State with such information and other assistance as the Secretary of State may reasonably require from the BBC, in connection with the review.

60. Dissolution and winding-up

- (1) The BBC may—
 - (a) surrender this Charter with the permission of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit; and
 - (b) wind up or otherwise deal with the affairs of the BBC in such manner as may be approved by the Secretary of State.

- (2) Where the BBC is to be dissolved voluntarily or compulsorily, the property and assets of the BBC must, before the dissolution occurs—
 - (a) be applied in satisfaction of the debts and liabilities of the BBC; and
 - (b) subject to sub-paragraph (a), be disposed of in accordance with the directions of the Secretary of State.
- (3) When this Charter expires at the end of 31st December 2027, the undertaking of the BBC shall cease, so far as it may depend upon this Charter unless We, Our Heirs or Successors, shall by writing under Our or Their Sign Manual declare to the contrary and authorise the continuance of the undertaking under some or all of the provisions of this Charter and under such provisions and conditions as We, Our Heirs or Successors may think fit.
- (4) This article is subject to any applicable statutory provision or other legal requirement.

61. Approvals, directions and notifications

- (1) Where, under this Charter, any act or thing is required to be done with the approval of any Government Minister—
 - (a) the approval must be given in writing;
 - (b) the approval may be given absolutely or subject to such terms and conditions as the Minister thinks fit (having consulted the BBC); and
 - (c) may be revoked or varied (in which case paragraphs (a) and (b) apply as they applied to the giving of the original approval).
- (2) Where, under this Charter, any Government Minister has power to give a direction to the BBC—
 - (a) the direction must be given in writing; and
 - (b) the power includes a power to revoke or vary the direction (subject to any conditions or limitations that are applicable to the power concerned).
- (3) Where, under this Charter, any Government Minister has the power to notify the BBC the notification must be given in writing.

INTERPRETATION

62. Introduction

To enable this Charter to be drafted in language which is not too cumbersome or complex, We have relied on various principles or rules of interpretation which are explained below. These need to be borne in mind when reading the Charter. However, they need to be used with common sense: they do not apply where the context requires otherwise. For example, the principle in article 65(2) (gender and number) does not mean that article 22 (appointment of the Chair of the Board) can be read as enabling two Chairs to be appointed to serve simultaneously.

63. Some simple definitions in alphabetical order

In this Charter—

“BBC” means the British Broadcasting Corporation;

“the Director General” means the Director General of the BBC appointed under article 25;

“the Board” means the Board of the BBC established by article 19;

“the Commissioner for Public Appointments” means the Commissioner responsible for regulating and monitoring appointments made by UK Government Ministers, whose remit is set out in the Public Appointments Order in Council 2016;

“creative remit” means the BBC’s proposals for how each UK Public Service and the World Service will, for a particular year, contribute to the fulfilment of the Mission and the promotion of the Public Purposes;

“distinctive output and services” means output and services, taken as a whole, that are substantially different to other comparable providers across each and every UK Public Service both in peak time and overall, and on television, radio and online, in terms of-

- (a) the mix of different genres and output;
- (b) the quality of output;
- (c) the amount of original output produced in the UK;
- (d) the level of risk-taking, innovation, challenge and creative ambition; and
- (e) the range of audiences it serves;

“the Foreign Secretary” means Our Principal Secretary of State for Foreign and Commonwealth Affairs;

“Framework Agreement” is defined by article 53;

“functions” includes both powers and duties;

“Governance Code” means the code published under the Public Appointments Order in Council 2016 or any code on public appointments that may replace it;

“licence fee” means sums which a person is liable to pay by virtue of any regulations under section 365(1) of the Communications Act 2003 (sums payable for licences to use etc. television receivers);

“the licence fee revenue” means any sums which may be paid to the BBC by the Secretary of State from time to time, pursuant to the Framework Agreement, to fund the services provided by the BBC for the promotion of the Public Purposes;

“Mission” means the mission set out in article 5;

“Ofcom” means the Office of Communications established under the Office of Communications Act 2002;

“Public Accounts Committee” means a committee appointed by the House of Commons to examine the accounts showing the appropriation of the sums granted to Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit.;

“Public Purposes” means the purposes set out in article 6;

“regional and minority languages” mean Welsh, Scottish-Gaelic, Irish and Ulster Scots;

“the Secretary of State” means Our Principal Secretary of State for Culture, Media and Sport;

“Select Committee” means the Select Committee for Culture, Media and Sport;

“staff” includes officers, employees and persons working under a contract for services;

“the United Kingdom” is to be taken to mean, for these purposes only, the United Kingdom of Great Britain and Northern Ireland, together with the Channel Islands and the Isle of Man;

“work plan” means the BBC’s strategy, objectives and outline budget and any significant developments planned for the year including any material changes to the UK Public Services and commercial activities.

64. References to Orders in Council

Any reference to the doing of anything by Order in Council is a reference to the doing of that thing by Us, Our Heirs or Successors in Council.

65. Gender and number

- (1) Words importing the masculine gender include the feminine, and vice versa.
- (2) Words in the singular include the plural. For example, article 55(1) (validity of acts and proceedings) which refers to “a vacancy”, also applies where there are several vacancies on the body concerned.
- (3) The following indexation formula is to be used to vary the amounts specified in article 37 (annual report) on 1st June 2022 and 1st June 2026:

$$(CPIA / CPIB) \times 100$$

Where: CPIA represents the Consumer Price Index all items index figure for the month before the proposed variation is to be made; and CPIB represents the Consumer Price Index all items index figure for the month before 1st January 2017.

66. Continuity of powers and duties

Where this Charter confers a power or imposes a duty it is implied, unless the contrary intention appears, that the power may be exercised, or the duty is to be performed, from time to time as occasion requires. For example, the power to change the number of members of the Board which is conferred by article 21(6) (composition of the Board) is to be interpreted not just as a “once and for all” power to change the number from fourteen to another number: it could be used to increase the number, then to reduce, then return it to fourteen, and so on.

67. Power to make different provision for different cases

In exercising any function under this Charter, any person may make different provision for different cases or purposes. For example, the power to determine the pay of non-executive members of the Board conferred by article 27(3) (terms on which non-executive members of the Board serve) could be used to determine a rate for the Chair that is higher than the rate determined for other members.

68. References relate to whatever time is relevant

- (1) Any reference to the holder of any office is to be read as referring to the holder of that office for the time being i.e. at the relevant time rather than the date on which this Charter is granted. For example, the power of determination conferred on the Secretary of State by article 27(3) (terms on which non-executive members of the Board serve) can be exercised by whoever holds that office at the time such a person wishes to exercise the power.
- (2) Similarly, references to anything else are to be read as relating to whatever falls within the reference at whatever time is relevant. For example, the reference in article 17 to generally accepted principles of good corporate governance should, in the year 2020, be read as referring to principles of good corporate governance which are generally accepted in 2020, rather than what was generally accepted when this Charter was granted.

69. Implied power to amend

Any power conferred on any person under this Charter to make any document, however expressed, implies the power, exercisable in the same manner and subject to the same conditions or limitations, to revoke, amend or re-make any document made under the power.

70. References to legislation

- (1) References to particular legislation should be read as referring to that legislation as amended or re-enacted from time to time.
- (2) In relation to the Isle of Man or the Channel Islands references to any Act are references to that Act as extended to the Isle of Man or the Channel Islands.

71. Headings

Headings are for convenience only and are not necessarily a reliable guide to the precise interpretation of the substantive text to which the heading relates. For example, to be useful, headings often have to oversimplify, or to be selective in what aspects of the actual content they flag up.

72. General declaration

This Charter shall be interpreted objectively. The presumption that a grant by the Crown is to be interpreted most beneficially for the Crown and against the subject shall not apply.

IN WITNESS whereof We have caused these Our Letters to be made Patent.

WITNESS Ourselves at Westminster the eighth day of December in the sixty-fifth year of Our Reign.

BY WARRANT UNDER THE QUEEN'S SIGN MANUAL.

SCHEDULE: TRANSITIONAL ARRANGEMENTS

1. Introduction

- (1) No provision of this Charter has effect before the beginning of the Effective Date unless this Schedule or this Framework Agreement gives it effect (to any extent or for any purpose) during the Transitional Period. In general terms, this means that the Trust, the Executive Board, Ofcom and the Audience Councils will continue to exercise their respective functions under the 2006 Charter and the 2006 Agreement until the Effective Date. On that date, the Board and Ofcom will start to exercise their respective functions under this Charter and the Framework Agreement.
- (2) The Effective Date is 3rd April 2017.
- (3) The Secretary of State may, with the agreement of the BBC (Executive Board and the Trust) and if appointed, the Chair appointed under this Charter and Ofcom, change the Effective Date.
- (4) In anticipation of the grant of this Charter, the Framework Agreement also contains transitional provisions which are relevant to that agreement.

2. General provision about governance arrangements during the Transitional Period

- (1) During the Transitional Period—
 - (a) the Trust and the Executive Board shall continue to have all the functions provided for in the 2006 Charter and 2006 Agreement with the 2006 Charter and the 2006 Agreement continuing to apply, subject to any provision to the contrary contained in this Schedule or the Schedule to the Framework Agreement;
 - (b) the Board shall have only the functions contained in, or provided for in, this Schedule or the Schedule to the Framework Agreement;
 - (c) the members of the Trust and the Executive Board, not the members of the Board, shall be the members of the Corporation; and
 - (d) Ofcom shall continue to have all the functions contained in the 2006 Charter and 2006 Agreement, and any additional or amended functions contained in this Schedule or the Schedule to the Framework Agreement.
- (2) The Trust and the Executive Board, respectively, when considering the exercise in relation to any matter of any of their respective functions during the Transitional Period, must give due consideration to the question of whether it should refrain from doing so on the grounds that it would be more appropriate for the Board to deal with the matter in question on or after the Effective Date.

- (3) Nevertheless, anything duly done by the Board during the Transitional Period under or by virtue of this Schedule and the Schedule to the Framework Agreement shall be taken to be done for and on behalf of the Corporation.
- (4) The appointments of the Chairman, Vice-Chairman and ordinary members of the Trust, including any designation, shall continue until the beginning of the Effective Date.
- (5) The appointments of the executive and non-executive members of the Executive Board shall continue until the beginning of the Effective Date.
- (6) The Trust and the Executive Board are abolished at the beginning of the Effective Date.

3. General power to make preparations during the Transitional Period

- (1) During the Transitional Period, the Board (providing it comprises at least the Chair) and Ofcom may each do anything (including the exercise of functions) that appears necessary or expedient in order to be prepared to exercise any of its functions under the Charter or the Framework Agreement when the Transitional Period ends.
- (2) Sub-paragraph (1) does not apply where any provision of this Charter or the Framework Agreement shows (expressly or impliedly) that the contrary is intended.

4. Appointments

- (1) Without prejudice to paragraph 3 of this Schedule, all articles relating to appointments apply during the Transitional Period except as modified in this paragraph.
- (2) The Board may exercise any function in respect of appointments as provided for in this Charter where the Board consists of at least the Chair.
- (3) Article 31(4) is modified so that the Nomination Committee comprises the Chair appointed under this Charter, the Director General, and a member of the Trust and a non-executive member of the Executive Board, both whom have not applied to be members of the Board (where possible) and who are selected by the Chair or where already appointed, two non-executive members of the Board selected by the Chair.

5. Provision of services and performance measurement

- (1) The BBC must continue to provide the UK Public Services in accordance with the conditions contained in any service licence issued under the 2006 Charter and the 2006 Agreement until the first operating licence (see Article 46(3)) under this Charter is issued by Ofcom and comes into effect, whether that is on or after the Effective Date.

6. Regulatory complaints and appeals

- (1) The Executive Board must use its best endeavours to resolve any regulatory complaint made to the BBC before the Effective Date.
- (2) Any complaint not resolved by the Effective Date shall be treated as if it had been made to the Board (according to such complaints procedures as may have been set by the Board).
- (3) The Trust must use its best endeavours to resolve any regulatory complaint which is appealed, before the Effective Date.
- (4) Where the appeal under sub-paragraph (3) is not resolved by the Effective Date, the appeal proceedings shall cease.
- (5) Where an appeal ceases under sub-paragraph (4), any complaints re-submitted by the complainant will be considered by Ofcom in accordance with their procedures applicable at the time the complaint is re-submitted.
- (6) The Trust must provide notice to prospective and actual complainants about the change to the complaints procedure, including that appeals shall cease if they are not resolved by the Effective Date.

7. Editorial complaints and appeals

- (1) The Executive Board must use its best endeavours to resolve any editorial complaint made to the BBC before the Effective Date.
- (2) Any complaint not resolved by the Effective Date shall be treated as if it had been made to the Board (according to such complaints procedures as may have been set by the Board).
- (3) The Trust must use its best endeavours to resolve any editorial complaint which is appealed to the Trust, before the Effective Date.
- (4) The Trust may delegate to any member of staff of the Trust Unit the making of decisions as to whether any appeal qualifies for substantive consideration by the Trust or any committee of the Trust.
- (5) Where the appeal under sub-paragraph (3) is not resolved by the Effective Date, the appeal proceedings shall transfer to Ofcom.
- (6) The Trust must provide notice to prospective and actual complainants about the change to the complaints procedure, including that appeals shall transfer to Ofcom if they are not resolved by the Effective Date.
- (7) Ofcom shall consider the appeal as a complaint about the BBC's compliance with Ofcom's Standards and/or Fairness Codes in accordance with Ofcom's relevant procedures.

- (8) Ofcom must write to transferred appellants to explain the Codes and procedures they shall apply.

8. Ofcom's Standards Code and party political broadcasts

- (1) From 22nd March 2017, the BBC must observe—
 - (a) the standards set in sections 5 and 6 of Ofcom's Standards Code; and
 - (b) the requirements Ofcom must impose on the BBC under paragraph 5 of Schedule 3 to the Framework Agreement in relation to party political broadcasts and referendum campaign broadcasts.
- (2) From the same date, Ofcom shall consider complaints about the BBC's compliance with the standards and requirements referred to in sub-paragraph (1), in accordance with Ofcom's relevant procedures.
- (3) Ofcom's procedures shall provide that a complaint must normally in the first instance be resolved by the BBC.
- (4) From the end of 31st December 2016 until the end of 21 st March 2017, the Trust's functions under clause 48(2) and (3) of the 2006 Agreement (party political broadcasts) shall be performed by the Executive Board alone.
- (5) In addition, the Trust shall cease to have the following functions at the end of 31st December 2016—
 - (a) resolving appeals relating to the application of criteria for allocating party political and referendum campaign broadcasts;
 - (b) approving election guidelines prepared by the Executive Board (including any code adopted by the BBC under section 93 of the Representation of the People Act 1983).

9. BBC complaints procedures

- (1) The BBC must set and publish an interim framework for complaints handling by the Effective Date, having consulted Ofcom so far as the framework relates to relevant complaints.
- (2) The BBC must set and publish, following consultation with the public, a final framework for complaints handling within six months of the Effective Date.

10. Annual report and statement of accounts for year 2016/2017

- (1) The BBC must prepare the contents of the annual report and statement of accounts for the financial year 2016/2017 in accordance with articles 45(3) to (5) and (8) to (10) of the 2006 Charter, subject to the following modifications.
- (2) The report does not need to distinguish between "Part 1" and "Part 2" as set out in Article 45 of the 2006 Charter,

- (3) The responsibility for the contents lies with the Board, which must comply with Articles 37(5) to (7) of this Charter.
- (4) The Board may base the report on information provided by the Trust, the Executive Board and the Audience Councils.
- (5) The Trust, Executive Board and Audience Councils must provide the information under sub-paragraph (4) to the Board.
- (6) The BBC is not required to produce any additional annual report and statement of accounts for the year 2016/2017, other than the one provided for in this paragraph.

11. BBC budget for 2017/2018

- (1) The Executive Board is responsible for setting the budget for the UK Public Services and the World Service for the financial year commencing on 1 April 2017.
- (2) The Executive Board must set the budget for 2017/2018 before the Effective Date.
- (3) The BBC Trust is not required to approve the budget for 2017/2018.
- (4) The Board must consider the budget for 2017/2018 and adopt or modify it within three months from the Effective Date.

12. Annual plan for 2017/2018

- (1) Article 36 of this Charter is modified as follows.
- (2) The Board must prepare and publish an interim annual plan for the financial year commencing on 1 April 2017 by 3 July 2017 which must include the requirements in article 36(2) in so far as it is possible for the BBC to meet them.
- (3) The Board must publish a final plan within three months of Ofcom issuing the final version of the Operating Framework or the final version of the first operating licence, whichever is later (see articles 46(2) and (3) of the Charter).

13. Information sharing

The Executive Board and the Trust will work with Ofcom to seek to ensure that Ofcom can (where appropriate) have access to information relevant to the exercise of Ofcom's functions, subject to compliance with the general law, including the Data Protection Act 1998.

14. General savings

- (1) Except where the contrary intention is provided for in this Schedule or the Schedule to the Framework Agreement, where any matter is on-going and not resolved by the Effective Date, the provisions in this Charter and the Framework Agreement will apply

- (2) Except where this Schedule or the Schedule to the Framework Agreement provides otherwise, any existing BBC policies, regulations, and procedures continue to have effect until replaced by the Board on or after the Effective Date.
- (3) The Board will seek to make any replacement under sub-paragraph (2) in a timely Manner so as to ensure compliance with their obligations under this Charter and the Framework Agreement.

15. Interpretation

In this Schedule—

“The 2006 Agreement” means the agreement made on 30th June 2006 between the Secretary of State and the BBC (as subsequently amended), containing provision relating to the BBC and its services;

“The 2006 Charter” means the Royal Charter for the continuance of the BBC for the period ending on 31st December 2016;

“The Board” means the Board of the BBC established under article 19 of this Charter;

“The Executive Board” means the Executive Board of the BBC established under article 7 of the 2006 Charter;

“The Framework Agreement” means an agreement dated 7 November 2016 which was made in anticipation of the grant of this Charter, in accordance with article 53;

“The Transitional Period” means the period between the day after the day on which this Charter is granted (see articles 2(2) and 72) and the end of the day before the “Effective Date”;

“The Trust” means the BBC Trust established under article 7 of the 2006 Charter.

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BROADCASTING

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

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

December 2016



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AN AGREEMENT BETWEEN HER MAJESTY'S SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT AND THE BRITISH BROADCASTING CORPORATION

THIS DEED is made the 7 November 2016 BETWEEN:

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

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

BACKGROUND

- (1) The BBC was first incorporated, for a limited period of time, by a Royal Charter granted on 20th December 1926. Subsequently, further Royal Charters were granted to the BBC to continue its existence as a corporation. The most recent of these Charters ("the 2006 Charter") was granted on 19th September 2006 and provides for the continuance of the BBC for a period ending on 31st December 2016 ("the current Charter period").
- (2) The Secretary of State is applying to Her Majesty for the grant of a further Charter ("the 2016 Charter") for the continuance of the BBC for a further period ending on 31st December 2027 and which makes provision for the process of transition from the 2006 Charter to the 2016 Charter to begin before the end of the current Charter period.
- (3) The 2006 Charter is complemented by an Agreement ("the 2006 Agreement") made by a Deed between the Secretary of State and the BBC dated 30th June 2006 (and amended by further Deeds dated 23rd March 2010, 11th February 2011 and 13th September 2011).
- (4) Among other things, the 2006 Agreement confers, by virtue of section 198 of the Communications Act 2003 ("section 198"), certain regulatory functions, and related powers and duties, on the Office of Communications.
- (5) The 2016 Charter contains provisions, particularly article 53, about the concept of a Framework Agreement.
- (6) It is appropriate that the 2006 Agreement should be revoked and replaced by a new Agreement which will be a Framework Agreement for the purposes of the 2016 Charter and make suitable provision to complement the provisions of the 2016 Charter, including provision for the purposes of section 198.

- (7) This Agreement has been prepared with the cooperation of the Office of Communications. The Office of Communications shall be consulted should any future amendments to this Agreement affect their functions in respect of the BBC.

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. Interpreting this Agreement

In reading this Agreement, the interpretation provisions in clauses 74 to 82 should be borne in mind.

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

This is a Framework Agreement for BBC Charter purposes. The significance of this is explained in the Charter (see in particular article 53).

3. Commencement of this Agreement (and revocation of previous Agreements)

- (1) This Agreement will for most practical purposes take effect as from the beginning of the Effective Date, but that general statement must be read subject to paragraph (2).
- (2) In technical terms, this Agreement shall come into force on the day after the day on which the Charter is granted (see the date given in the formal text following article 72 at end of the Charter), but in order to facilitate the transition from the constitutional and other arrangements in force under the 2006 Charter to those under the 2016 Charter, Schedule 4 modifies this Agreement’s effect (in relation to times both during and after the Transitional Period, as defined in the Schedule to the 2016 Charter).
- (3) The Agreements listed in Schedule 1 are revoked as from the end of the day before the Effective Date, but are also subject to the provisions of the Schedule to the Charter and Schedule 4.
- (4) In this clause:

“the 2006 Charter” means the Royal Charter for the continuance of the BBC for the period ending on 31st December 2016; and

“the 2016 Charter” means the Royal Charter for the continuance of the BBC for the period ending on 31st December 2027.

4. The independence of the BBC

The parties to this Agreement affirm their commitment to the independence of the BBC as stated in article 3 of the Charter. By entering into this Agreement, the BBC has voluntarily assumed obligations which restrict, to some extent, its future freedom of action.

OPERATING FRAMEWORK

5. Operating framework - general provisions

- (1) Ofcom must prepare and publish an Operating Framework which must contain provisions Ofcom consider appropriate to secure the effective regulation of the activities of the BBC as set out in the Charter and this Agreement.
- (2) The Operating Framework must, in general terms, set out how the regulatory regimes for the activities of the BBC will operate and must contain a clear explanation of the roles and responsibilities of, and relationship between, the BBC and Ofcom in operating these regimes.
- (3) The Operating Framework may impose requirements on the BBC.
- (4) The Operating Framework must set out how Ofcom will enforce compliance by the BBC of the specified requirements (set out in clause 59) and the procedures to be followed. This must include-
 - (a) the handling and resolution of complaints referred to them or considered in accordance with clause 57;
 - (b) investigations by Ofcom under clause 58;
 - (c) the exercise of the power to give directions under article 49(2) of the Charter; and
 - (d) the exercise of the power to fine the BBC under article 49(3) of the Charter.
- (5) Ofcom must consult the BBC and any person Ofcom consider appropriate before publishing the Operating Framework.

UK PUBLIC SERVICES

6. Introduction

The BBC must determine whether an activity is to be carried out as a UK Public Service, a non-service activity, a trading activity or a commercial activity.

7. UK Public Services

- (1) The UK Public Services must fulfil the Mission and promote one or more of the Public Purposes and consist of the services specified by or under Schedule 1.
- (2) The BBC must comply with the regulatory conditions in an operating licence set under clause 13 in providing the UK Public Services.
- (3) The BBC may carry out an activity as a change to a UK Public Service or as a new UK Public Service in accordance with this clause provided that the activity falls within paragraph (4).

- (4) An activity falls within this paragraph if it is aimed primarily at users in the United Kingdom involving the provision of output (which may include output provided by other organisations) supplied by means of-
 - (a) television, radio and online services; or
 - (b) similar or related services which make output generally available and which may be in forms or use technologies which either have not previously been used by the BBC or which have yet to be developed.
- (5) The BBC must prepare and publish a policy setting out how it will consider material changes to the UK Public Services, including whether or not a change is potentially material, and how it will consult with interested persons where appropriate. The policy must set out the assessment it will carry out and the procedures it will follow. Such assessments and procedures must be proportionate to the nature of the change.
- (6) The BBC may only make a material change to the UK Public Services where-
 - (a) the BBC has carried out a public interest test on the proposed change;
 - (b) the BBC has determined that the public interest test is satisfied; and
 - (c) Ofcom determine that the BBC may carry out the proposed change.
- (7) For the purposes of this clause, a material change means-
 - (a) the carrying out of any activity as a new UK Public Service; and
 - (b) any change to a UK Public Service which may have a significant adverse impact on fair and effective competition.

8. Public Interest Test

- (1) The BBC must be satisfied that-
 - (a) the proposed change to the UK Public Services contributes to the fulfilment of the Mission and the promotion of one or more of the Public Purposes;
 - (b) it has taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes; and
 - (c) the public value of the proposed change justifies any adverse impact on fair and effective competition,(‘the public interest test’).
- (2) In carrying out the public interest test, the BBC must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.
- (3) Where the public interest test is satisfied and the BBC would like to implement the proposed material change, the BBC must publish the proposed change and send a copy to Ofcom.

9. Material changes

- (1) Where the BBC has published a proposed change, Ofcom must assess whether the change is a material change.
- (2) Where Ofcom decide that a proposed change is a material change, Ofcom must notify the BBC and proceed to make a determination under clause 11 having carried out a competition assessment under clause 10 or a shorter (less than 6 months) assessment which considers the elements of clause 10(3)(a) to (d). Ofcom must act expeditiously and must normally commence an assessment immediately. They may only delay the commencement of an assessment where there are reasonable grounds to do so.
- (3) Where Ofcom has notified the BBC that they do not consider that a proposed change is a material change, the BBC may carry out the proposed change.
- (4) Where a period of six weeks has elapsed since the publication of the proposed change, and Ofcom has not notified the BBC as to whether it considers the proposed change is a material change, the BBC may carry out the proposed change.
- (5) Where Ofcom consider the information published by the BBC under clause 8(3) does not enable them to carry out an assessment, they must, as soon as possible, require the BBC to provide such additional information as may be necessary.
- (6) Where Ofcom consider that a change to the UK Public Services is a material change and the BBC has failed to publish the proposed change, Ofcom may direct the BBC-
 - (a) to carry out a public interest test and, if the test is satisfied, publish the proposed change; or
 - (b) to stop carrying out the change in accordance with such directions as Ofcom consider appropriate.

10. Competition assessment

- (1) Ofcom may carry out a competition assessment of a proposed material change to the UK Public Services.
- (2) Where Ofcom decides under clause 9(2) to carry out a competition assessment, they must complete the assessment and make a determination under clause 11 within six months of that decision. Ofcom may allow for a longer period in exceptional circumstances.
- (3) In carrying out a competition assessment Ofcom must-
 - (a) review the procedures the BBC has followed in carrying out the public interest test;
 - (b) review the BBC's assessment of the public value of the proposed change to the UK Public Services;
 - (c) assess any adverse impact of the proposed change on fair and effective competition; and

- (d) assess whether the public value of the proposed change justifies any adverse impact on fair and effective competition.
- (4) In carrying out the competition assessment, Ofcom must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.

11. Determination by Ofcom

- (1) Where Ofcom considers that a proposed change published by the BBC under clause 8(3) is a material change, Ofcom must determine-
 - (a) the BBC must reconsider any element of the public interest test or the BBC must follow such further procedures, as Ofcom consider appropriate;
 - (b) the BBC may carry out the proposed change to the UK Public Services;
 - (c) the BBC may carry out the proposed change in accordance with such modifications to the service, or subject to such conditions, Ofcom consider appropriate; or
 - (d) the BBC may not carry out the proposed change.
- (2) Ofcom may only reach a determination under paragraph(1)(c) or (d) following a competition assessment under clause 10.

12. Competition review

- (1) Ofcom may carry out a competition review of a UK Public Service where there are reasonable grounds to believe that the carrying out of a UK Public Service is having a significant adverse impact on fair and effective competition.
- (2) Ofcom may require the BBC to carry out an assessment following such procedures as Ofcom consider appropriate to consider the public value of a UK Public Service and adverse impacts on fair and effective competition.
- (3) If in carrying out a competition review Ofcom find that there is a significant adverse impact on fair and effective competition Ofcom must assess whether the public value of the service justifies any adverse impact (both current and future) on fair and effective competition.
- (4) In carrying out the competition review, Ofcom must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.

- (5) Having had regard to the competition review Ofcom may determine-
 - (a) the BBC may continue to carry out the UK Public Service; or
 - (b) the BBC may carry out the service in accordance with such modifications to the service, or subject to such conditions, Ofcom consider appropriate.
- (6) For the purposes of this clause, a reference to a UK Public Service includes a reference to a part of that service.

13. Operating licence

- (1) Ofcom must set and publish one or more operating licences for the UK Public Services.
- (2) Ofcom must impose on the BBC the regulatory conditions set out in, and in accordance with, Schedule 2 (operating licence regulatory conditions).
- (3) Ofcom may impose such further regulatory conditions they consider appropriate for requiring the BBC, in carrying out the UK Public Services, to fulfil the Mission and promote the Public Purposes.
- (4) Ofcom may impose further regulatory conditions they consider appropriate for requiring the BBC to secure that the audiences in Scotland, Wales, Northern Ireland and England are well served.
- (5) Before setting an operating licence Ofcom must consult the BBC and any person Ofcom consider appropriate.

14. Performance measures

- (1) By virtue of article 20(3)(d) of the Charter, the BBC is required to determine performance measures (and targets for those measures where appropriate) and to collect such information as is necessary to assess the performance of the UK Public Services in fulfilling the Mission and promoting the Public Purposes.
- (2) By virtue of article 46(4) of the Charter, Ofcom may determine performance measures (further to those determined by the BBC under article 20(3)(d)) they consider appropriate, and may collect such information as is necessary, to assess the performance of the UK Public Services in fulfilling the Mission and promoting the Public Purposes.
- (3) Before determining the performance measures, the BBC and Ofcom respectively must consult each other and any person they consider appropriate.
- (4) Ofcom may require the BBC to collect such information as Ofcom consider necessary for the performance measures.
- (5) The BBC and Ofcom must publish at least annually the performance measures and evidence about performance against those measures.

15. Operating Framework - UK Public Services

- (1) The Operating Framework must set out how Ofcom will regulate the UK Public Services (including carrying out competition assessments and reviews, and making determinations under clauses 9 to 12 and the procedures to be followed). This must include the following matters-
 - (a) how Ofcom will assess whether a proposed change to a UK Public Service is a material change;
 - (b) the procedures Ofcom consider appropriate for carrying out a competition assessment and making a determination (including timing and requirements for consultation);
 - (c) the circumstances in which Ofcom will carry out a competition assessment and how Ofcom will carry out an assessment; and
 - (d) the circumstances in which Ofcom will carry out a competition review and how it will carry out a review.
- (2) The Operating Framework must set out how Ofcom will set and administer the operating licence regime and the procedures to be followed. This must include the following matters-
 - (a) the procedures for setting the regulatory conditions in an operating licence; and
 - (b) considerations Ofcom will have regard to in setting regulatory conditions.
- (3) The Operating Framework must set out how Ofcom will set performance measures and the procedures to be followed.
- (4) The Operating Framework must include requirements Ofcom consider appropriate to protect fair and effective competition. This may include the following matters-
 - (a) the distribution of the UK Public Services; and
 - (b) the commissioning of programmes or material to be included in the UK Public Services.

NON-SERVICE ACTIVITIES

16. Non-service activities

- (1) The BBC may carry out non-service activities in accordance with this clause.
- (2) 'Non-service activities' mean activities which are not UK Public Services but which directly or indirectly fulfil the Mission and promote one or more of the Public Purposes.
- (3) The BBC must ensure that a non-service activity supports or enables the provision of the UK Public Services and the World Service by securing that the non-service activity-
 - (a) is secondary in nature;
 - (b) bears a proper sense of proportion to the UK Public Services and the World Service; and

- (c) is appropriate to be carried on by the BBC alongside the UK Public Services and the World Service.
- (4) The BBC must prepare and publish a policy setting out how it will consider material changes to the non-service activities (including carrying out a new activity), including whether or not a change is potentially material, and how it will consult with interested parties where appropriate. The policy must set out the assessment it will carry out and the procedures it will follow. Such assessments and procedures must be proportionate to the nature of the change.
- (5) The BBC may only make a material change to the non-service activities where-
 - (a) the BBC has carried out a public interest test on the proposed change;
 - (b) the BBC has determined that the public interest test is satisfied; and
 - (c) Ofcom determine that the BBC may carry out the proposed change.
- (6) For the purpose of this clause, a material change means any change to the non-service activities which may have a significant adverse impact on fair and effective competition.

17. Public Interest Test

- (1) The BBC must be satisfied that-
 - (a) the proposed material change to the non-service activities contributes, directly or indirectly, to the fulfilment of the Mission and the promotion of one or more of the Public Purposes;
 - (b) it has taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition which is not necessary for the effective fulfilment of the Mission and the promotion of the Public Purpose; and
 - (c) the public value of the proposed change justifies any adverse impact on fair and effective competition,(‘the public interest test’).
- (2) In carrying out the public interest test, the BBC must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.
- (3) Where the public interest test is satisfied and the BBC would like to implement the proposed material change, the BBC must publish the proposed change and send a copy to Ofcom.

18. Material changes

- (1) Where the BBC has published a proposed change, Ofcom must assess whether the change is a material change.

- (2) Where Ofcom decide that a proposed change is a material change, Ofcom must notify the BBC and proceed to make a determination under clause 20 having carried out a competition assessment under clause 19 or a shorter (less than 6 months) assessment which considers the elements of clauses 19(3)(a) to (d). Ofcom must act expeditiously and must normally commence an assessment immediately. They may only delay the commencement of an assessment where there are reasonable grounds to do so.
- (3) Where Ofcom has notified the BBC that they do not consider that a proposed change is a material change, the BBC may carry out the proposed change.
- (4) Where a period of six weeks has elapsed since the publication of the proposed change, and Ofcom has not notified the BBC as to whether it considers the proposed change is a material change, the BBC may carry out the proposed change.
- (5) Where Ofcom consider the information published by the BBC under clause 17(3) does not enable them to carry out an assessment, they must, as soon as possible, require the BBC to provide such additional information as may be necessary.
- (6) Where Ofcom consider that a change to the non-service activities is a material change and the BBC has failed to publish the proposed change to them, Ofcom may direct the BBC-
 - (a) to carry out a public interest test and, if the test is satisfied, publish the proposed change; or
 - (b) to stop carrying out the change in accordance with such directions as Ofcom consider appropriate.

19. Competition assessment

- (1) Ofcom may carry out a competition assessment of a proposed material change to the non-service activities.
- (2) Where Ofcom decides under clause 18(2) to carry out a competition assessment, they must complete the assessment and make a determination under clause 20 within six months of the decision. Ofcom may allow for a longer period in exceptional circumstances.
- (3) In carrying out a competition assessment Ofcom must-
 - (a) review the procedures the BBC has followed in carrying out a public interest test;
 - (b) review the BBC's assessment of the public value of the proposed change to the non-service activities;
 - (c) assess any adverse impact of the proposed change on fair and effective competition; and
 - (d) assess whether the public value of the proposed change justifies any adverse impact on fair and effective competition.

- (4) In carrying out the competition assessment, Ofcom must consider the scale and likelihood of any public value relative to the scale and likelihood of the any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.

20. Determination by Ofcom

- (1) Where Ofcom considers that a proposed change published by the BBC under clause 17 is a material change, Ofcom must determine-
- (a) the BBC must reconsider any element of the public interest test or the BBC must follow such further procedures, as Ofcom consider appropriate;
 - (b) the BBC may carry out the proposed change to the non-service activities;
 - (c) the BBC may carry out the proposed change in accordance with such modifications to the activity, or subject to such conditions, Ofcom consider appropriate; or
 - (d) the BBC may not carry out the proposed change.
- (2) Ofcom may only reach a determination under paragraph(1)(c) or (d) following a competition assessment under clause 19.

21. Competition review

- (1) Ofcom may carry out a competition review of a non-service activity where there are reasonable grounds to believe that the carrying out of a non-service activity is having a significant adverse impact on fair and effective competition.
- (2) Ofcom may require the BBC to carry out an assessment following such procedures as Ofcom consider appropriate to consider the public value of a non-service activity and adverse impacts on fair and effective competition.
- (3) If in carrying out a competition review Ofcom find that there is a significant adverse impact on fair and effective competition, Ofcom must assess whether the public value of the activity justifies any adverse impact (both current and future) on fair and effective competition.
- (4) In carrying out the competition review, Ofcom must consider the scale and likelihood of any public value relative to the scale and likelihood of any adverse impact on fair and effective competition. It is recognised that the determination will require qualitative assessments to be made and that direct comparison of factors relating to public value and factors relating to risks to fair and effective competition may not be possible.
- (5) Having had regard to the competition review Ofcom may determine-
- (a) the BBC may continue to carry out the non-service activity; or
 - (b) the BBC may carry out the activity in accordance with such modifications to the activity service, or subject to such conditions, Ofcom consider appropriate.

22. Operating Framework - Non-Service Activities

- (1) The Operating Framework must set out how Ofcom will regulate the non-service activities (including carrying out competition assessments, competition reviews and making determinations under clauses 18 to 21 and the procedures to be followed). This must include the following matters-
 - (a) how Ofcom will assess whether a proposed change to a non-service activity is a material change;
 - (b) the procedures for carrying out a competition assessment and making a determination (including timing and requirements for consultation);
 - (c) the circumstances in which Ofcom will carry out a competition assessment and how Ofcom will carry out an assessment; and
 - (d) the circumstances in which Ofcom will carry out a competition review and how Ofcom will carry out a review.
- (2) The Operating Framework may include further requirements that Ofcom consider appropriate to protect fair and effective competition.

COMMERCIAL ACTIVITIES

23. Commercial activities

- (1) The BBC may carry out commercial activities in accordance with this clause.
- (2) “Commercial activities” means activities which-
 - (a) fit with the Mission and the Public Purposes;
 - (b) are not funded by licence fee revenue whether directly or indirectly; and
 - (c) are undertaken with a view to generating a profit (regardless of whether the profit generated will or may be used to fund the fulfilment of the Mission or promotion of the Public Purposes). This means that something can be a commercial activity even if it also fulfils the Mission or promotes the Public Purposes, if it is done with a view to generating profit.
- (3) In paragraph (2), “commercial activities” include participation by subsidiaries of the BBC in joint ventures or other forms of commercial partnership with persons or bodies other than the BBC or a subsidiary within the BBC’s commercial arm.
- (4) The BBC as a corporation must not directly undertake any commercial activities and they must be provided through one or more commercial subsidiaries.
- (5) In carrying out the commercial activities, the BBC must be satisfied that all of the following criteria are met-
 - (a) the activities must fit with the Mission and the Public Purposes;
 - (b) the activities must exhibit commercial efficiency;
 - (c) the activities must not jeopardise the good reputation of the BBC or the value of the BBC brand; and

- (d) the activities must not, as a result of the relationship of the activity with the UK Public Services, trading activities or non-service activities, distort the market or create an unfair competitive advantage, (“the commercial criteria”).
- (6) In carrying out the commercial activities, the BBC must comply with the trading and separation rules in the Operating Framework.
- (7) Where the commercial activity consists of participation in a joint venture or other form of commercial partnership with a person or body other than the BBC or a subsidiary within the BBC’s commercial arm, the BBC must use its best endeavours to ensure that-
 - (a) the participation complies with the commercial criteria; and
 - (b) any services provided, or activities undertaken, by way of or through the venture or partnership meet the commercial criteria.
- (8) A commercial activity is to be considered to fit with the Mission and the Public Purposes if-
 - (a) it is appropriate to be carried on in association with the fulfilment of the Mission and the promotion of the Public Purposes (albeit through the separate framework required by this paragraph); and
 - (b) it is connected, otherwise than merely in financial terms, with the ways in which the BBC fulfils its Mission and promotes the Public Purposes.
- (9) A commercial activity does not cease to be considered to fit with the Mission and the Public Purposes just because the activity includes activities which in themselves do not meet the requirements of paragraph (8), provided such activities support or enable other activities that do meet those requirements.
- (10) The BBC may make changes to the commercial activities in accordance with this clause.
- (11) The BBC must prepare and publish a policy setting out how it will consider material changes to the commercial activities, including whether or not a change is potentially material, and how it will consult with interested parties where appropriate. The policy must set out the assessment it will carry out and the procedures it will follow to consider whether the commercial criteria have been met. Such assessments and procedures must be proportionate to the nature of the change.
- (12) The BBC may only make a material change to the commercial activities where-
 - (a) the BBC has carried out a commercial test on the proposed change;
 - (b) the BBC has determined that the commercial test is satisfied; and
 - (c) Ofcom determine that the BBC may carry out the proposed change.
- (14) For the purposes of this clause, a material change means-
 - (a) the carrying out of a new type of activity as a commercial activity (for example, an activity previously carried out as a UK Public Service, non-service activity or trading activity); or

(b) a significant change to the BBC's commercial arm, where there is a significant risk that the change may, as a result of the relationship of the activity with the UK Public Services, trading activities or non-service activities, distort the market or create an unfair competitive advantage.

24. Commercial test

- (1) The BBC must be satisfied that the proposed material change meets the commercial criteria ("the commercial test").
- (2) Where the commercial test is satisfied and the BBC would like to implement the proposed material change, the BBC must publish the proposed change and send a copy to Ofcom.

25. Material changes

- (1) Where the BBC has published a proposed change, Ofcom must assess whether the change is a material change.
- (2) Where Ofcom decide that a proposed change is a material change, Ofcom must notify the BBC and proceed to make a determination under clause 27 having carried out an assessment under clause 26. Ofcom must act expeditiously and must normally commence an assessment immediately. They may only delay the commencement of an assessment where there are reasonable grounds to do so.
- (3) Where Ofcom has notified the BBC that they do not consider that a proposed change is a material change, the BBC may carry out the proposed change.
- (4) Where a period of six weeks has elapsed since the publication of the proposed change, and Ofcom has not notified the BBC as to whether it considers the proposed change is a material change, the BBC may carry out the proposed change.
- (5) Where Ofcom consider the information published by the BBC under clause 24(2) does not enable them to carry out an assessment, they must, as soon as possible, require the BBC to provide such additional information as may be necessary.
- (6) Where Ofcom consider that a change to the commercial activities is a material change and the BBC has failed to publish the proposed change, Ofcom may direct the BBC-
 - (a) to carry out a commercial test and, if the test is satisfied, publish the proposed change; or
 - (b) to stop carrying out the change in accordance with such directions as Ofcom consider appropriate.

26. Trading and separation assessment

- (1) Ofcom may carry out an assessment of whether a proposed material change to the commercial activities meets the requirements of clause 23(5)(d).

- (2) In carrying out an assessment Ofcom must assess whether the proposed change, as a result of the relationship of the activity with the UK Public Services, trading activities or non-service activities, is likely to distort the market or create an unfair competitive advantage.

27. Determination by Ofcom

Where Ofcom considers that a proposed change published by the BBC under clause 24 is a material change, Ofcom must determine-

- (a) the BBC may carry out the proposed change to the commercial activities;
- (b) the BBC may carry out the proposed change in accordance with such modifications to the activity, or subject to such conditions, Ofcom consider appropriate in order to comply with the trading and separation rules (see clause 28(1)); or
- (c) the BBC may not carry out the proposed change.

28. Operating Framework

- (1) The Operating Framework must include requirements Ofcom consider appropriate to ensure that the commercial activities do not, as a result of their relationship with the UK Public Services, trading activities or non-service activities, distort the market or gain an unfair competitive advantage (“the trading and separation rules”). This may include requirements-
- (a) to ensure appropriate separation between the BBC and its commercial subsidiaries including by requiring that-
 - (i) the commercial activities are carried out in accordance with normal market principles, including making a commercial rate of return; and
 - (ii) the relationship between the BBC and its commercial subsidiaries are at arm’s length on commercial terms.
 - (b) to ensure appropriate transparency as to the relationship between the BBC and its commercial subsidiaries including-
 - (i) the provision by the BBC to Ofcom of financial reports; and
 - (ii) the publication by the BBC of information to demonstrate that the relationship of the commercial activities with the UK Public Services, trading activities and non-service activities meet the trading and separation rules without jeopardising the ability of the commercial subsidiaries to operate effectively in the market.
- (2) The Operating Framework must set out how Ofcom will regulate the commercial activities (including carrying out assessments and making determinations under clauses 26 and 27) and the procedures to be followed. This must include the following matters-
- (a) how Ofcom will assess whether a proposed change to the commercial activities is a material change;
 - (b) the procedures for carrying out an assessment and making a determination (including timing, requirements for consultation where appropriate); and

- (c) the circumstances in which Ofcom will carry out a trading and separation assessment and how Ofcom will carry out an assessment.

29. BBC reviews of commercial activities

- (1) The BBC must carry out and publish two or more detailed periodic reviews on whether the commercial activities carried out by the BBC through commercial subsidiaries specified in paragraph (3) meet the commercial criteria.
- (2) In carrying out a periodic review, the BBC must set and publish measures and targets for those measures for each subsidiary to assess whether the activity exhibits commercial efficiency subject to not jeopardising the ability of the subsidiaries to operate effectively in the market.
- (3) This clause applies to any major commercial subsidiary including-
 - (a) BBC Worldwide Limited (company number: 1420028);
 - (b) BBC Global News Limited (company number: 4514407);
 - (c) BBC Studioworks Limited (company number: 3593793); and
 - (d) any new subsidiary of significant size (particularly any such subsidiary established to carry out the activity of making television programmes).
- (4) The first review must be completed by 31st December 2018.

30. Ofcom reviews of commercial activities

Where a new commercial subsidiary of the BBC of significant size is established to carry out the activity of making television programmes, Ofcom must, within two years of its establishment, consider whether to carry out a review on whether the activity the subsidiary carries out meets the requirements of the trading and separation rules.

TRADING ACTIVITIES

31. Trading activities

- (1) The BBC may carry out trading activities in accordance with this clause.
- (2) Trading activities mean the following activities which are commercial in nature but are not to be treated as commercial activities-
 - (a) the selling of assets or of excess capacity in the BBC's resources held for use by the UK Public Services (including any capacity on a television multiplex service that is under the BBC's control);
 - (b) the provision of facilities and services which are ancillary to the provision of the UK Public Services and in respect of which any charge is imposed primarily for the purpose of recovering the costs or expenses of the provision, even if other factors (for example, rounding the charge for convenience) make a profit likely;
 - (c) licensing or otherwise disposing of rights in anything created for the purposes of the UK Public Services or the World Service;

- (d) sub-licensing or otherwise disposing of rights which are not required for the promotion of the Public Purposes and which were acquired incidentally by the BBC as part of a larger package of rights which, as a whole, was acquired only because the package included rights which were required for the promotion of the Public Purposes;
 - (e) trading or other activity between the BBC and the BBC's commercial arm, or between different parts of the BBC's organisation; and
 - (f) securing up-front investment from third parties in BBC content.
- (3) In carrying out the trading activities, the BBC must comply with the requirements, in the Operating Framework, to protect fair and effective competition.

32. Operating Framework

The Operating Framework must set out how Ofcom will regulate the trading activities and the procedures to be followed (including such requirements Ofcom consider appropriate to protect fair and effective competition).

THE WORLD SERVICE

33. The World Service

- (1) The BBC must provide the World Service.
- (2) The World Service consists of the broadcast or other distribution of output, and the delivery of services, in English and other languages, aimed primarily at users outside the UK, and is defined in the World Service Licence issued under clause 34.
- (3) The BBC may also transmit World Service output in the UK.
- (4) The BBC 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 setting the budget for the World Service (subject to paragraph (5)) and 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 World Service Licence and to the interests of the public); and
 - (c) for assessing the performance of the World Service.
- (5) The budget for the World Service must be at least £254 million for each of the financial years from 2017/18 to 2021/22.
- (6) Taking account of the strategy and the budget it has set, the BBC will agree with the Foreign Secretary-
 - (a) objectives, priorities and targets for the World Service;
 - (b) the languages in which the World Service is to be provided; and

- (c) any changes to the matters mentioned in sub-paragraphs (a) and (b) including the start of a new service in a language not currently served or ceasing entirely to provide services in a particular language.
- (7) For the purposes of paragraph (6)(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.
- (8) Without limiting the ability of the BBC and the Foreign Secretary to agree other objectives under paragraph (6), the objectives for the World Service must contribute to the fulfilment of the Mission and the promotion of the Public Purposes including providing high-quality news coverage, current affairs and factual programming to international audiences, firmly based on British values of accuracy, impartiality, and fairness.
- (9) In addition to the specific provisions of paragraphs (4) to (8), 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 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 Framework Agreement the BBC may generate other sources of income for the World Service.
- (10) The BBC should ensure that it always has such information regarding international developments and conditions in countries outside the UK, and must consult with the Foreign Secretary to obtain from him such information, as it considers it needs to help it plan and prepare the provision of the World Service.
- (11) The BBC must set, publish, review periodically and observe guidelines designed to maintain high standards of editorial integrity and ensure high quality in the World Service, having regard to the editorial guidelines applying to the UK Public Services (see paragraph 2 of Schedule 3) to the extent the standards are relevant to the circumstances of the World Service.
- (12) Clause 36 makes provision about how the BBC may, by mutual agreement, accept UK Government funding for defined projects connected with the World Service.
- (13) Expenditure on the World Service, or some part of it, or activities connected with it, may be classified by the UK Government as Official Development Assistance (ODA). The Treasury is responsible for forecasting in each financial year the level of

expenditure to be classified as ODA for purposes of the OECD Development Assistance Committee led by DfID based on the level of the previous year. The BBC must provide early warning of changes that are likely to affect this forecast and must provide, when requested, such information as the Treasury, DfID and FCO requires for this purpose.

- (14) The BBC may make adjustments to the budgets and spending of the World Service, independently based on editorial judgements and the requirement to fulfil the World Service remit as set in the World Service Licence. Nothing that the UK Government does, either to notify World Service spending as ODA or to make future forecasts about ODA notification, may in any way constrain that independence.

34. The World Service Licence

- (1) The BBC must set and publish a licence for the World Service under this clause.
- (2) Subject to paragraphs (3) to (5), it is for the BBC decide the form and contents of the 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 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 33.
- (4) The 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; and
 - (c) contain such other matters relating to the World Service as the BBC considers appropriate.
- (5) The licence must make provision about making World Service output available within the UK, where the BBC has decided to do so under clause 33(3).

35. 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 37 of the Charter) and elsewhere as appropriate.
- (2) The Chair of the Board of the BBC and the Foreign Secretary (or their nominated representatives) will meet at least annually to review the performance of the World Service against the objectives, priorities and targets agreed under clause 33 (including discussing a written report from the BBC on the performance of the Service against those objectives, priorities and targets and giving consideration to whether they should be changed).

- (3) The BBC 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 licence.
- (4) The BBC may at its discretion also conduct more frequent reviews of particular aspects of the World Service.
- (5) The BBC must publish any review carried out under this clause.
- (6) In conducting reviews the BBC must take appropriate account of the views of the public in the United Kingdom and of people across the world who make up the actual or intended audience of the World Service.
- (7) In carrying out a periodic review under article 51 of the Charter, Ofcom must have regard to the performance of the World Service in contributing to the fulfilment of the Mission and the promotion of the Public Purposes.

36. 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-
 - (a) consistent with clause 33 (World Service) (and especially clause 33(9)(a) and (12)) and the World Service 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 clause 49 (licence fee funding) and clause 52 (compensation for free television licences)). Any sum paid to the BBC shall not be counted towards the budget for the World Service under clause 33(5).

THE SPECIFIED ACTIVITIES

37. Specified activities

The BBC must carry out the specified activities set out in clauses 38 to 48.

38. Wales

The BBC must continue to support the provision of output in the Welsh language in Wales.

39. Partnership and funding model for S4C services

- (1) The BBC must provide funding to the S4C Authority (“S4C”) for the purpose of providing the S4C Services in accordance with this clause.
- (2) The BBC and S4C must have the shared aim of working together to observe and safeguard the independence of both, and to make the best use of such funding in the interests of audiences (and in particular those who speak Welsh), so far as is consistent with their respective obligations under the Charter, this Agreement and relevant legislation.
- (3) The amount payable by the BBC to S4C under this clause is-
 - (a) in each of the financial years from 2017/2018 to 2021/2022, £74,500,000; and
 - (b) in each of the financial years from 2022/2023 to 2027/2028, an amount to be determined pursuant to the process referred to in paragraph (4).
- (4) Following the completion of the review of S4C¹, the Secretary of State, following consultation with the BBC and S4C, must set out the process for determining the amounts to be paid under paragraph (3)(b) to be included in this Agreement.
- (5) The BBC must agree with S4C accountability arrangements under which S4C regularly gives the BBC such assurance as the BBC may reasonably require that funding provided by the BBC under this clause is being used properly and efficiently in the provision and broadcasting or other distribution of the S4C Services.
- (6) The BBC and S4C must also agree arrangements which continue the wider strategic partnership between the BBC and S4C. The BBC and S4C may from time to time review and, where appropriate, revise these arrangements and the arrangements referred to in paragraph (5).
- (7) 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.

40. Scotland

- (1) The BBC must continue to support the provision of output in the Gaelic language in Scotland.
- (2) Through its partnership with MG Alba, the BBC must continue to provide a television service supporting MG Alba’s function of securing that a wide and diverse range of high-quality programmes in Gaelic are broadcast or otherwise transmitted so as to be available to persons in Scotland.

¹ The S4C review was announced on 3 February 2016: <https://www.gov.uk/government/news/uk-government-protects-funding-for-welsh-broadcaster-s4c--2>

41. Northern Ireland

The BBC must continue to support the provision of Irish language and Ulster-Scots output on television, radio and online in Northern Ireland.

42. BBC Monitoring

- (1) BBC Monitoring must be provided in accordance with the Monitoring Agreement agreed between the BBC and any one of Her Majesty's Principal Secretaries of State or a person acting on behalf of the Crown, 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.
- (2) 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.
- (3) BBC Monitoring is provided in the public interest and for the benefit of users, including-
 - (a) the BBC's news services; and
 - (b) the UK Government and other public authorities.
- (4) The Monitoring Agreement shall govern the specification, management, operation, performance monitoring, dispute handling and funding of the services to be provided; and the Agreement made under this clause in place of the scheme dated 21st March 2013 must be agreed so as to take effect on the Effective Date.
- (5) Without limiting the scope of what other matters may be included in it, the Monitoring Agreement must specify the monitoring services to be provided out of the budget set and funded by the BBC under this clause ("the core services"); and must-
 - (a) define the position of BBC Monitoring within the BBC's overall strategy;
 - (b) provide that the BBC is responsible for approving the high-level strategy for BBC Monitoring and the budget for the core services;
 - (c) provide that no sums paid to the BBC under clauses 49 (licence fee funding) and clause 52 (compensation for free television licences) 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
 - (d) make provision for agreeing changes to the core services and for the resolution of disputes between the Cabinet Office 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 Monitoring Agreement 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

the Cabinet Office 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 BBC 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.

(10) In this clause-

“monitoring services” means the activities of monitoring and recording media output and the provision of related services, as mentioned in paragraph (2); and

references to “media output” include-

- (a) 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);
- (b) text or pictures in any print medium; and
- (c) the output of any news agency.

43. Local television

(1) The BBC must continue to comply with the arrangements for supporting the provision of local television services by local media companies pursuant to clause 95A of the 2006 Agreement (“the 2011 arrangements”). In particular, the arrangements-

- (a) must continue to include provision for direct financial support to be given by the BBC or by support in kind, or by a combination of such methods (subject to paragraphs (2) and (3));
- (b) must continue to ensure that-
 - (i) local television services supported under the arrangements meet the needs of members of the public in the localities they serve;
 - (ii) value for money overall is secured; and
 - (iii) the support is provided and used consistently with the BBC’s other obligations, including in a manner that promotes its Mission and one or more of the BBC’s Public Purposes; and
- (c) must not-
 - (i) require the BBC to agree support arrangements separately with individual local media companies, decide which local media companies to support in any locality, or 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; or

- (ii) 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.
- (2) Insofar as the arrangements make provision for the BBC to give assistance by meeting capital costs to support local television services-
 - (a) the cost to the BBC of such support must not exceed £25 million, including-
 - (i) any sums duly paid under the funding agreement made on 8 July 2013 between the BBC and Comux UK Ltd (company number 07967418); and
 - (ii) any other sums which according to that funding agreement fall to be counted within the sum of £25 million; and
 - (b) the BBC shall not be obliged to meet any capital cost incurred after 31st July 2017.
- (3) Insofar as the arrangements make provision for the BBC to give assistance by acquiring from a local media company content which has been included in a local television service provided by that company with a view to using it in BBC services-
 - (a) the cost to the BBC shall not exceed £15 million including any sums already paid under the 2011 arrangements;
 - (b) such support shall be available to a local media company only during the period of three years immediately following the date on which they first began to provide the local television service from which it is proposed to acquire content; and
 - (c) the BBC's obligation to acquire content under the arrangements ends on 31st March 2020.
- (4) For the purposes of this clause-
 - (a) "local media company" means a body corporate which-
 - (i) holds a licence to provide one or more local television services; and
 - (ii) began to provide such service on or before 31st July 2017; and
 - (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 which falls within a description of service included in an order under section 244 of the Communications Act 2003 (local television).

44. Digital TV Coverage

- (1) The BBC must continue (subject to paragraph (4)) to ensure UK households can continue to receive the UK Public Television Services in digital form through a television aerial in accordance with the Coverage Plan.
- (2) For the purposes of paragraph (1), whether a service is available to a household does not depend on whether the equipment necessary to enable the service to be viewed is in fact installed at the premises occupied by the household.

- (3) “Coverage Plan” means the plan drafted by the BBC setting out how it broadcasts its TV services after digital switchover, with full technical details of the digital TV transmission network approved by the Secretary of State for Culture, Media and Sport on 31st October 2008.
- (4) The BBC may amend the Coverage Plan only with the approval of the Secretary of State.
- (5) The Secretary of State must consult Ofcom before approving an amendment to, or replacement of, the Coverage Plan.
- (6) The Secretary of State may, by a direction, require the BBC to alter any Coverage Plan, but must not do so without first consulting the BBC and Ofcom.

45. Digital Radio

- (1) The BBC shall continue to use all reasonable endeavours to support the transition from analogue to digital radio.
- (2) The BBC must use all reasonable endeavours to co-operate promptly and in good faith, with-
 - (a) commercial radio operators and holders of licences to provide radio multiplex services;
 - (b) any department of the UK Government involved in the planning or implementation of digital radio switchover; and
 - (c) any other persons notified to the BBC for the purposes of this clause by the Secretary of State.
- (3) Following a notification to the BBC from the Secretary of State about the intention to set a digital switchover date, the BBC and the Secretary of State must make an agreement (for example, by amending this Agreement) covering the following areas-
 - (a) to ensure that substantially the same proportion of households in the UK that, at the date of this Agreement, receive BBC national radio services in analogue form by means of terrestrial broadcasting (that is to say, through a radio aerial in the home), can receive those services in digital form, subject to a full value for money assessment by the BBC;
 - (b) to ensure enhancements are made to the coverage of BBC local radio services in digital form, subject to value for money, whilst continuing to provide the analogue local radio services in analogue form by means of terrestrial broadcasting where this provides value for money;
 - (c) for the BBC to work in partnership with commercial radio operators in relation to the joint provision of information to the public about digital radio switchover;
 - (d) to develop appropriate arrangements for supporting the most vulnerable listeners who would be at most risk of losing access to the BBC’s radio services after switchover; and
 - (e) to make specific provision for additional funding needed by the BBC in relation to any requirements agreed under sub-paragraphs (a) to (d).

- (4) The BBC is not required to commence any activity agreed under paragraph (3) before the nomination of the digital switchover date by the Secretary of State.
- (5) The BBC must consult Ofcom on any technical and coverage planning requirements resulting from the activities agreed under paragraph (3)(a) and (b).
- (6) For the purposes of this clause, “digital switchover date” means a date nominated by the Secretary of State under section 97A of the Broadcasting Act 1990.

46. Radio Spectrum

- (1) The BBC must secure the efficient use of the radio spectrum that is available for use by the BBC or its contractors.
- (2) The Secretary of State may direct the BBC to grant to any public service broadcaster the right to use any capacity on a television multiplex service (within the meaning of Part 1 of the Broadcasting Act 1996) that is under the BBC’s control (subject, where applicable, to compliance with any need to obtain a new or revised licence from Ofcom for that purpose), where it appears appropriate to do so-
 - (a) in the interests of public service broadcasting in the UK; or
 - (b) in pursuance of any international obligation of the UK.

47. BBC’s general duty to co-operate in achieving 700 Mhz DTT clearance programme

The BBC must use all reasonable endeavours to co-operate promptly and in good faith with the 700MHz DTT Clearance programme with-

- (a) public service broadcasters and holders of licences to provide television multiplex services within the meaning of Part 1 of the Broadcasting Act 1996;
- (b) any department of UK Government involved in the planning or implementation of the 700MHz DTT Clearance Programme;
- (c) Ofcom; and
- (d) any other person notified to the BBC for the purposes of this clause by the Secretary of State.

48. Broadband roll-out and use

- (1) The BBC must pay to the Secretary of State:
 - (a) £80 million in the financial year 2017/2018;
 - (b) £20 million in the financial year 2018/2019; and
 - (c) £10 million in the financial year 2019/2020.
- (2) The amounts set out in paragraph (1) must be used by the Secretary of State to enable and encourage the provision and use of broadband infrastructure and of services provided by means of such infrastructure, in a manner that supports the BBC’s Mission and Public Purposes.
- (3) Any sum unspent by the Secretary of State in a financial year may be retained and carried forward to the next financial year.

- (4) Where any amount is not used for the purpose in paragraph (2), the Secretary of State must pay to the BBC out of money provided by Parliament a sum equal to the underspent amount except where the Secretary of State and the BBC agree the amount should be used for another purpose.

THE FUNDING OF THE BBC

49. Licence fee funding and other finance

- (1) The Secretary of State must pay to the BBC out of money provided by Parliament sums equal to the whole of the net Licence Revenue or such lesser sums as the Secretary of State may, with the consent of the Treasury, determine.
- (2) The BBC may use sums paid to it under paragraph (1) to fund any activities properly carried on by the BBC except-
- (a) those carried on for the purposes of any commercial activity, any services of a description mentioned in paragraph (6), or any service (apart from the World Service) aimed primarily at users outside the UK;
 - (b) any which are carried on for the purposes of a television, radio or online service which is wholly or partly funded by advertisements, subscription, sponsorship, pay-per-view system or any other alternative means of finance, unless the Secretary of State has given prior written approval.
- (3) For the purposes of paragraph (2)(b)-
- (a) whether an activity is carried on for the purposes of a television, radio or online service which is funded in any of the ways described in that paragraph depends on whether the service is a UK Public Service or within the scope of the World Service Licence;
 - (b) the activity of complying with the BBC's duty under section 58(1) of the Broadcasting Act 1990 is not to be regarded as an activity carried on for any of those purposes.
- (4) In paragraph (2)(b), the reference to "any other alternative means of finance" does not include the use of funds derived from-
- (a) the commercial activities;
 - (b) voluntary payments of the licence fee, legacies or other donations;
 - (c) the Open University;
 - (d) any co-production arrangement; that is, an arrangement whereby BBC output is created, commissioned or otherwise obtained by the BBC in co-operation with one or more appropriate third parties, and where funding is provided in exchange for broadcasting, publishing or other rights in the material;
 - (e) any not for profit cultural, arts, sports, educational and science bodies or other similar organisations but only where the funding is compatible with a statement of policy published by the BBC;
 - (f) co-funding by not for profit bodies for output in minority languages and other limited circumstances, but only where compatible with a statement of policy published by the BBC;
 - (g) competition prizes and other awards made available or funded or provided by any one or more third parties but only where compatible with a statement of policy published by the BBC;
 - (h) the BBC recovering the costs of the following events: The Proms, Proms in the Park, Cardiff Singer of the Year, Young Musician of the Year; and other similar events which contribute to the BBC's Mission and Public Purposes,

- from the proceeds of ticket sales, in line with a statement of policy that is agreed with the Secretary of State; or
- (i) in the following circumstances-
 - (i) the funds are derived from any other arrangement under which any activity, facility or event-
 - a. featured (in whole or part) in BBC output, or
 - b. used (in whole or part) to support the creation of BBC output, is carried on or provided with support from, or in co-operation with, any one or more third parties so as to share the costs of carrying out, providing, using or mounting the activity, facility or event; and
 - (ii) the use of the funds is compatible with a statement of policy published by the BBC.
- (5) Nothing in paragraph (2)(b) is-
 - (a) to affect any spending in carrying out the specified activities (see clauses 38 to 48);
 - (b) to prevent the provision of output provided by the organisations mentioned in paragraph (4) in the UK Public Services where that output may have been funded (in whole or in part) by a commercial body; or
 - (c) to prevent the BBC receiving reasonable costs from organisations for the provision of output provided by such organisations in the UK Public Services.
 - (6) Paragraphs (2) to (5) enable the BBC to work collaboratively and in partnership with other organisations (see article 13 of the Charter). In particular, these provisions allow the BBC to use alternative means of finance together with net Licence Revenue to fulfil the Mission and promote the Public Purposes.
 - (7) Where the BBC performs any services at the request of any department of the UK Government (save for under clause 42 (BBC Monitoring) or clause 67 (defence and emergency arrangements)) the Minister in charge of the department concerned must pay to the BBC such sums as the Treasury may authorise for those purposes.
 - (8) Sums payable to the BBC under paragraph (1) or (7) of this clause must be paid in instalments and at intervals determined by the appropriate Minister and any adjustment between the parties shall be made as soon as conveniently possible.
 - (9) Any account certified by a member of the Senior Civil Service in the Department for Culture, Media and Sport of any sum due to the BBC under paragraph (1) shall for all purposes be final and conclusive in the absence of manifest error.
 - (10) The BBC shall deliver to the Secretary of State or other Minister (as the case may require) accounts of its expenditure of sums paid to it under paragraph (7). Such accounts shall cover such periods and be delivered at such times as the appropriate Minister may direct.
 - (11) Sums paid to the BBC under this clause must be used and administered by the BBC in accordance with any terms and conditions attached by the paying Minister with the consent of the Treasury or by Parliament.
 - (12) In this clause, “net Licence Revenue” means the amounts paid by the BBC into the Consolidated Fund under section 365 of the Communications Act 2003, less the expenses incurred by or on behalf of the Secretary of State in relation to the administration of the television licensing system.

- (13) In this clause, “sponsorship” and “subscription” are to be interpreted congruently with the definitions of “sponsored material” and “subscription service”, respectively, in clause 50.

50. Subscription services and sponsored material

- (1) The BBC may provide a subscription service, and may develop, test and pilot such a service, with the approval of the appropriate Minister. Any such service does not amount to a charge for the purposes of paragraph 1 of Schedule 3 and may amount to a material change for the purposes of clause 7 (UK Public Services).
- (2) The BBC must not, without the prior approval of the appropriate Minister, include any sponsored material in any of its services.
- (3) Paragraph (2) does not apply to arrangements with third parties to use funds as allowed by clause 49(4).
- (4) In this clause-

“the appropriate Minister”-

- (a) in the case of any service provided for the purposes of the World Service, or any sponsored material proposed to be included in any such service, means the Foreign Secretary, and
- (b) in any other case, means the Secretary of State;

“material” means a programme or an item of online content;

“relevant costs”, in relation to any material, means the costs of producing that material or making it available to the viewers, listeners or users of any service in which it is included;

“sponsored material” means any material that has some or all of its relevant costs met by a person, other than the BBC or the producer of the material, with a view to promoting their own or another’s name, trade mark, image, activities or products or any other direct or indirect interest; and

“subscription service” means a television, radio or online service provided in the UK Public Services or World Service, by virtue of which the BBC (or any company in which the BBC holds shares, whether they are held directly or through the intermediary of one or more other bodies corporate) receives, from persons to whom the service is supplied, money or other valuable consideration in respect of the supply of the service (or any particular component of it) to them.

51. Review of verification processes

- (1) The BBC must carry out a review of the benefits, costs and feasibility of introducing a process to verify the users of on-demand programme services provided by the BBC. The review must consider whether such a verification process would-
- (a) facilitate the more effective enforcement of the requirement to hold a TV licence; and
- (b) facilitate portability of on-demand programme services allowing licence fee payers to access such services when they are temporarily outside the United Kingdom.

- (2) The BBC must provide the findings of the review to the Secretary of State as soon as practicable and in any event no later than 31st December 2020.

52. Compensation for free television licences

- (1) This clause applies in any financial year prior to 1st April 2020 in which the BBC issues to any person a TV licence for which, in accordance with regulations made under section 365(1) of the Communications Act 2003, no fee is payable (referred to in this clause as a “free TV licence”).
- (2) In each such year, the Secretary of State must pay to the BBC out of money provided by Parliament-
- (a) in the financial year 2017/2018-
 - (i) such sum or sums as the Secretary of State, having regard to evidence presented by the BBC, is satisfied is equivalent to the total amount which persons in the United Kingdom to whom the BBC has issued free TV licences would have paid to the BBC in respect of their TV licences but for their entitlement to free TV licences; and
 - (ii) a sum or sums in respect of the administrative costs incurred by the BBC in issuing free TV licences, calculated on such basis as may be agreed between that Secretary of State and the BBC.
 - (b) £468 million in the financial year 2018/2019; and
 - (c) £247 million in the financial year 2019/2020.
- (3) Any account certified by the Secretary of State of any sum due to the BBC under this clause shall for all purposes be final and conclusive in the absence of manifest error.
- (4) Sums paid to the BBC under this clause shall be used and administered by the BBC in accordance with any terms and conditions attached by the Secretary of State with the consent of the Treasury or by Parliament.
- (5) For the purpose of this clause, “Secretary of State” means the Secretary of State for Work and Pensions.

53. Borrowing, giving security, etc.

- (1) The Consolidated Net Borrowings of the BBC must not at any time exceed the sum specified in a direction given by the Secretary of State.
- (2) The Consolidated Net Borrowings of the BBC’s commercial arm must not at any time exceed either of the following-
- (a) the sum specified in a direction given by the Secretary of State; or
 - (b) three times the commercial arm’s EBITDA in the preceding financial year.
- (3) The BBC must put in place arrangements to ensure compliance with the requirements in paragraphs (1) and (2), which must include-
- (a) arrangements for formal testing of compliance at least annually or on such dates as the Secretary of State may direct; and
 - (b) arrangements for reporting on compliance at the end of the accounting period used for the purposes of articles 37 and 38 of the Charter (annual report and accounts).

- (4) Compliance with the requirements of paragraphs (1) and (2) is to be determined by reference to the BBC's accounting policies used to prepare the annual audited accounts. Where definitions in the policies differ from those set out in paragraph (12), the definitions in paragraph (12) must be applied.
- (5) The Secretary of State may, by further direction, change the sum for the time being specified for the purposes of paragraph (1) or (2).
- (6) The Secretary of State may also, by direction-
- (a) impose separate requirements (including separate borrowing limits) on the BBC or its commercial arm for capital and current indebtedness, as defined in the direction;
 - (b) alter or add to the requirements on the BBC's commercial arm set out in paragraphs (2) and (3), which includes power to alter or add to definitions that apply to the interpretation of those paragraphs; and
 - (c) impose a requirement on the BBC to comply with a Schedule of Repayments.
- (7) The Secretary of State must consult the BBC before imposing a requirements under paragraph (6)(c).
- (8) No direction under this clause shall affect the validity of any borrowing outstanding at the time it is given (which, in particular, the BBC may therefore continue to repay according to the terms of the borrowing, including any terms of repayments).
- (9) The BBC must make proper provision-
- (a) for repaying its borrowings according to the Schedule of Repayments; and
 - (b) for replacing or renewing any property of the BBC.
- (10) The BBC must not guarantee or underwrite any liabilities of its commercial arm.
- (11) References in this clause to "the BBC" include a reference to any subsidiary of the BBC that is not part of the commercial arm.
- (12) For the purposes of this clause—

"Cash Balances and Short Term Investments" means the aggregate of the following—

- (a) actual cash balances held;
- (b) investments in money market funds and bank deposits; and
- (c) certificates of deposit, commercial paper or government securities rated A1/P1 and with a duration to maturity of less than one year.

"Consolidated Net Borrowings" means, without double counting, the aggregate amount of all obligations for or in respect of Indebtedness for Borrowed Money (after accounting for the fair value of any currency hedges covering financial indebtedness) less Cash Balances and Short Term Investments held;

"EBITDA" means, for any accounting period in the relevant annual audited accounts, operating profit before Specific Items after adjusting for the fair value gain or loss on

any currency hedge covering financial indebtedness and adding back any amount attributable to amortisation or depreciation;

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with BBC accounting policies used to prepare the annual audited accounts, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with those policies, in force prior to 1 January 2017, have been treated as an operating lease);

“Indebtedness for Borrowed Money” means any indebtedness, excluding intercompany indebtedness and balances for or in respect of–

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; and
- (d) finance leases.

“Specific Items” means items eligible in accordance with BBC accounting policies used to prepare the annual audited accounts and IAS 1 guidance notes (or any subsequent versions of this guidance); and

“Schedule of Repayments” means a document setting out how the BBC must reduce its Consolidated Net Borrowings, over a time period determined by the Secretary of State.

54. Inspection of accounts

- (1) The BBC must at all reasonable times upon demand-
 - (a) allow any of the persons mentioned in paragraph (2) to examine or inspect any of the accounts of the BBC;
 - (b) furnish any of those persons with all forecasts, estimates, reconciliations, information and documents which may be required, in such format as may be required, with regard to the financial transactions and engagements of the BBC.
- (2) The persons are the Secretary of State, the Comptroller and Auditor General, the Foreign Secretary and any person nominated by any of them to act on their behalf for the purposes of this clause.

55. Value for money examinations

- (1) The Comptroller and Auditor General may carry out examinations into the economy, efficiency and effectiveness with which the BBC has used its resources in discharging its functions.
- (2) The BBC must, unless the Comptroller and Auditor General agrees otherwise, ensure that each relevant subsidiary enters into or accedes to one multi-party agreement with the Secretary of State to the effect that-

- (a) the accounts of the subsidiary must be open to the examination or inspection of the Comptroller and Auditor General; and
 - (b) the Comptroller and Auditor General may carry out examinations into the economy, efficiency and effectiveness with which the subsidiary has used its resources in discharging its functions.
- (3) Clause 54 (in relation to the BBC) and the agreement made with the Secretary of State pursuant to paragraph (2) (in relation to the relevant subsidiaries) are agreements requiring the accounts of the BBC and the relevant subsidiaries to be open to the inspection of the Comptroller and Auditor General for the purposes of section 6(3)(d) of the National Audit Act 1983 (meaning that the Comptroller and Auditor General may carry out examinations into the economy, efficiency and effectiveness with which the BBC and its relevant subsidiaries have used their resources in discharging their functions in accordance with that Act (“value for money examinations”) and has a right to obtain documents and information from the BBC and the relevant subsidiaries).
- (4) The BBC must provide, and must ensure that the relevant subsidiaries provide, the Comptroller and Auditor General with access at all reasonable times to any of the documents set out in paragraph (5) for the purpose of value for money examinations and with any assistance, information or explanation which the Comptroller and Auditor General requires in relation to any of those documents.
- (5) The documents are-
 - (a) those held or controlled by a person who is or has been in receipt of a grant from the BBC or a relevant subsidiary and which relate to the grant paid; and
 - (b) those held or controlled by a person who has or had a contractual obligation to supply goods or services to the BBC or a relevant subsidiary either directly or under a subcontract in relation to a main contract with the BBC or a relevant subsidiary, and which relate to the contractual obligation.
- (6) By virtue of section 6(2) of the National Audit Act 1983, nothing in this Framework Agreement or the agreement made pursuant to paragraph (2) shall be construed as entitling the Comptroller and Auditor General to question the merits of the policy objectives of the BBC or a relevant subsidiary in respect of which a value for money examination is carried out.
- (7) For the purposes of section 6(4) of the National Audit Act 1983, the activities of the BBC and the relevant subsidiaries in relation to which the Comptroller and Auditor General is to have functions under this clause and the agreement made pursuant to paragraph (2) do not include the activity of the BBC and the relevant subsidiaries of making editorial or creative judgements concerning the output and services. This means that the Comptroller and Auditor General will not be entitled to question the merits of any editorial or creative judgement made by the BBC or the relevant subsidiaries.
- (8) Where an issue about the meaning of editorial or creative judgement arises it shall be for the Comptroller and Auditor General to determine the meaning having consulted

the BBC or a relevant subsidiary. The BBC must agree and maintain a memorandum of understanding with the Comptroller and Auditor General setting out how the Comptroller and Auditor General will interpret the meaning of editorial and creative judgement. The memorandum of understanding must make provision for how matters such as the nature and creative remit of the UK Public Services and World Service, decisions on individual items of output relating to commissioning, scheduling and talent should be treated and how sensitive information would normally be handled. This must cover journalistic and editorial judgements and such commercial information as may be agreed to be sensitive. The memorandum of understanding must also include procedures for resolving any disagreement.

- (9) The Secretary of State must lay before Parliament any response of the BBC to the Public Accounts Committee in relation to any inquiry by that Committee into value for money examinations.

COMPLAINTS

56. Procedures for handling complaints

- (1) The BBC must set and publish procedures for the handling and resolution of complaints of its and the commercial arm's compliance with its obligations under the Charter, this Framework Agreement and the Operating Framework.
- (2) In particular, the BBC must establish and maintain procedures for the handling and resolution of complaints about the observance of content standards in the UK Public Services and the World Service. The obligation to observe editorial guidelines in paragraph 2 of Schedule 3 is not a specified requirement (see clause 59(c)). This means that the BBC will consider a complaint about the content standards of a UK Public Service against whether the BBC has observed the editorial guidelines set under paragraph 2 of Schedule 3 whereas Ofcom will consider the complaint against whether the BBC has observed the standards set by Ofcom under paragraph 3 of Schedule 3.
- (3) Before setting the procedures, the BBC must consult Ofcom, so far as the procedures relate to relevant complaints, and the public.
- (4) The procedures-
 - (a) must provide that a complaint must normally in the first instance be resolved by the BBC;
 - (b) must give information on how complainants can be expected to be treated by complying with at least the following-
 - (i) the public must know about their right to complain and how;
 - (ii) making a complaint must be straightforward and accessible;
 - (iii) complaints must be considered and resolved effectively;
 - (iv) handling of complaints must be timely; and
 - (v) a complaint must be handled in a proportionate manner; and

- (c) must give clear guidance explaining-
 - (i) how the complaints system (including references to Ofcom) works;
 - (ii) the remedies and sanctions that the BBC and Ofcom have the power to apply;
 - (iii) where relevant, the availability of other methods of redress in relation to the type of issues raised by the complainant or prospective complainant; and
 - (iv) how complainants will be notified of the resolution of the complaint (and informed of Ofcom's function of considering relevant complaints under clause 57) and provided with an explanation appropriate to the nature of the complaint.
- (5) Paragraph (4)(a) does not apply to complaints relating to the Fairness Code (see paragraph 4 of Schedule 3). For such complaints, the BBC may determine a complaint in the first instance but must refer any complaint to Ofcom for consideration and adjudication if the complainant requests.
- (6) The BBC must retain records of its handling of relevant complaints for a period determined by Ofcom having consulted the BBC.
- (7) The BBC must provide reports to Ofcom in relation to relevant complaints it has received in such form and at such intervals as Ofcom may determine.
- (8) The BBC must publish information about the operation and effectiveness of the procedures in relation to relevant complaints in such form and at such intervals as Ofcom may determine.
- (9) For the purposes of this Agreement, "relevant complaint" means a complaint that the BBC has failed to comply with a specified requirement.

57. Consideration of complaints by Ofcom

- (1) Ofcom must set and publish procedures for the handling and resolution of relevant complaints-
 - (a) referred to them in the following circumstances-
 - (i) if a complainant is not satisfied with the resolution of a complaint by the BBC;
 - (ii) if a complainant considers, following the resolution of a complaint by the BBC, that the imposition by Ofcom of a sanction, where available, against the BBC may be appropriate;
 - (iii) if BBC has failed to resolve a complaint within the time period set in the procedures under clause 56; or
 - (b) where they have intervened under paragraph (2).
- (2) Ofcom may, in exceptional circumstances, intervene at an earlier stage to handle and resolve a relevant complaint which has not been resolved by the BBC.
- (3) Before setting the procedures, Ofcom must consult the BBC and the public.

- (4) The procedures-
- (a) must give information on how complainants can be expected to be treated by complying with at least the following-
 - (i) the public must know about their right to make a complaint and how;
 - (ii) making a reference must be straightforward and accessible;
 - (iii) references must be considered and resolved effectively;
 - (iv) handling of references must be timely; and
 - (v) a complaint must be handled in a proportionate manner; and
 - (b) must give clear guidance explaining-
 - (i) how the complaints system works;
 - (ii) the remedies and sanctions Ofcom have the power to apply;
 - (iii) where relevant, the availability of other methods of redress in relation to the type of issues raised by the complainant or prospective complainant; and
 - (iv) how complainants will be notified of the resolution of the complaint and provided with an explanation appropriate to the nature of the complaint.

58. Ofcom investigations

- (1) Ofcom may carry out such investigations as they consider appropriate to determine compliance with a specified requirement.
- (2) Ofcom must set and publish procedures for the carrying out such investigations.
- (3) Before setting the procedures, Ofcom must consult the BBC and the public.

59. Specified requirements

The specified requirements (see article 49 of the Charter) are-

- (a) any requirement imposed on the BBC in the Operating Framework including under clauses 6 to 32 (regulatory frameworks for the UK Public Services, non-service activities, commercial activities and trading activities);
- (b) any regulatory condition imposed on the BBC in an operating licence;
- (c) the regulatory obligations in Schedule 3 (except paragraph 2 (editorial guidelines));
- (d) article 47 of the Charter; and
- (e) clauses 56(6) to (8) (complaints).

60. Online material

- (1) Ofcom must consider and give an opinion, including such recommendations as they consider appropriate, on whether the BBC has observed the relevant editorial guidelines on the content of online material in the UK Public Services.
- (2) Ofcom and the BBC must enter into an arrangement including provision for-
 - (a) the respective roles of the BBC and Ofcom in handling complaints;
 - (b) the circumstances in which Ofcom will consider a complaint;

- (c) the relevant editorial guidelines that apply to paragraph (1);
 - (d) subject to paragraph (3), the meaning of online material; and
 - (e) setting and publishing procedures for the handling of complaints.
- (3) Online material excludes programmes provided in an on-demand programme service.

GENERAL OBLIGATIONS

61. Making the UK Public Services widely available

- (1) The BBC must do all that is reasonably practicable to ensure that viewers, listeners and other users (as the case may be) are able to access the UK Public Services that are intended for them, or elements of their content, in a range of convenient and cost effective ways which are available or might become available in the future. These could include (for example) broadcasting, streaming or making content available on-demand, whether by terrestrial, satellite, cable or broadband networks (fixed or wireless) or via the internet.
- (2) In complying with paragraph (1) BBC may-
- (a) impose reasonable conditions under which it will make its output and services available to third parties (in accordance with the policy in clause 62); or
 - (b) impose a verification process in relation to the ways in which on-demand programme services are accessed.
- (3) Any condition imposed under paragraph (2)(a) must not adversely impact fair and effective competition and be fair, reasonable and non-discriminatory.
- (4) Any change in the means by which the UK Public Services are made available may amount to a material change for the purposes of clause 7 (UK Public Services).
- (5) In the case of services primarily designed for viewers, listeners or other users in particular parts of the UK, in addition to seeking to reach those people the BBC must, where it is cost effective and beneficial to do so, make those services available to viewers, listeners or other users more widely.

62. BBC strategy and policy for distribution

- (1) The BBC must develop and publish a strategy and policy for the distribution of the UK Public Services. The BBC must distribute its output and services according to that strategy and policy.
- (2) The policy under this clause must-
- (a) set out how the BBC will fulfil its obligations under clause 61 (making UK Public Services widely available);
 - (b) include the reasonable conditions under which the BBC will make its output and services available to third parties, for example in order to secure appropriate prominence, attribution, quality and value for money;

- (c) ensure the BBC can only limit the distribution of its output and services to third parties via the BBC's own services or platforms where it is satisfied this is reasonable and in the public interest; and
 - (d) ensure that it acts on a fair, reasonable and non-discriminatory basis.
- (3) Before publishing the policy, the BBC must consult with-
 - (a) the public; and
 - (b) Ofcom.

63. Promotion

- (1) The BBC must ensure that the promotion of any output of a UK Public Service or any such service in the UK Public Services focuses on output contributing substantially to the fulfilment of the Mission and promotion of the Public Purposes.
- (2) The BBC must publish information on such promotion including-
 - (a) the number of minutes of promotions in each UK Public Service;
 - (b) the time of day of such promotions; and
 - (c) such other information it considers would be in the public interest to publish.

64. Scheduling

The BBC must, in the overall scheduling of programmes in the UK Public Television Services, have regard to-

- (a) the views and interests of the audience; and
- (b) any potential adverse impact on fair and effective competition.

65. Research and development

- (1) The BBC must ensure that it conducts research and development activities geared to the fulfilment of the Mission and the promotion of the Public Purposes and which aim to maintain the BBC's leading role in research and development in broadcasting and other means for the distribution and consumption of audio, visual and audiovisual material and other content, and in related technologies.
- (2) In carrying out its function under paragraph (1), the BBC must pay particular attention to supporting and engaging actively in national and international forums for the development of "open standards" (that is to say, technologies where opportunities to participate in their creation are made widely available, free of charge or on terms that are fair, reasonable and non-discriminatory).
- (3) These activities should be conducted both within the BBC and, as much as possible, in co-operation with suitable partners, such as university departments and businesses which are active in relevant fields of research and development or the practical application of the fruits of such research and development.
- (4) The BBC must keep its research and development activities under review, and must (in particular) ensure that an appropriate balance is struck between-

- (a) the potential for generating revenue through commercial exploitation of its intellectual property, and
 - (b) the value that might be delivered to the public and the UK economy by making new developments widely and openly available.
- (5) The BBC must undertake a review of its research and development activity and spend which must include-
 - (a) a cost benefit analysis (which includes an analysis of the value delivered for the public and the creative and wider economy);
 - (b) a qualitative assessment of the success achieved as a result of the investment in research and development activity, taking into consideration at least the previous Charter period, and up to the date of the review; and
 - (c) consideration of objectives for the future, and potential ways in which the BBC may be able to improve collaboration with others to deliver increased value for the public as a result of this work.
- (6) The BBC must undertake the review, and publish its findings thereafter, as soon as reasonably practicable and in any event not later than 31st December 2020.

66. Broadcasting and network resilience

- (1) The BBC must take all reasonable steps to minimise the risk of the loss of, or a significant disruption to, the broadcast and distribution of BBC radio and television services including cyber security risks to BBC operations.
- (2) The BBC must review its approach to broadcast and distribution, network and cyber security resilience on a regular basis.

67. Defence and Emergency Arrangements

- (1) Any UK Government Minister-
 - (a) may request that the BBC broadcast or otherwise distribute any announcement; and
 - (b) may, if that Minister has requested that the announcement be broadcast or otherwise distributed on television or by means of an online service, request that the BBC accompany that announcement with a visual image (moving or still) of anything mentioned in the announcement.
- (2) If it appears to any UK Government Minister that an emergency has arisen, that Minister may request that the BBC broadcast or otherwise distribute any announcement or other programme.
- (3) A request under paragraph (1) or (2) must be made in writing, and the BBC-
 - (a) must comply with the request in the timescales specified by the Minister;
 - (b) must meet the cost of doing so itself; and
 - (c) may, when broadcasting or distributing the announcement or other programme, announce that it is doing so pursuant to such a request.

- (4) The Secretary of State may give the BBC a direction in writing that the BBC must not broadcast or otherwise distribute any matter, or class of matter, specified in the direction, whether at a time or times so specified or at any time.
- (5) The BBC may, if it wishes, announce that such a direction has been given, varied or revoked.

68. Investigation of electromagnetic interference

The BBC must make reasonable arrangements for the investigation, at the BBC's expense, of complaints of interference by electromagnetic energy affecting domestic television and radio reception within the UK.

69. Archive

- (1) The BBC must make arrangements for the maintenance of an archive, or archives, of films, sound recordings, other recorded material and printed material which is representative of the sound and television programmes and films broadcast or otherwise distributed by the BBC.
- (2) Those arrangements-
 - (a) must ensure that every such archive is kept safely, to commonly accepted standards; and
 - (b) must give the public reasonable opportunities to visit the archives and view or listen to material kept there, with or without charge (as the BBC thinks fit).
- (3) In making those arrangements, the BBC must consult such bodies as are engaged in maintaining sound, television and film archives as it considers appropriate which are not established or conducted for profit.
- (4) The BBC must not destroy, sell or otherwise dispose of any material that it has broadcast or otherwise distributed which it decides not to preserve in any archive without first offering that material, free of charge, to such bodies as are engaged in maintaining sound, television and film archives as it considers appropriate.
- (5) Where the BBC's offer is accepted by any body or bodies, the BBC must transfer the material to that body or those bodies.

70. Film

The BBC must develop and publish a film strategy that must-

- (a) contribute to the fulfilment of the Mission and the promotion of the Public Purposes; and
- (b) support British film by both investing in film production and promoting, through exhibition and coverage, British film on television and online.

GENERAL MATTERS

71. Approvals and directions

- (1) Where, under or by virtue of this Agreement, any act or thing is required to be done with the approval of any UK Government Minister-
 - (a) any approval must be given in writing; and
 - (b) any approval may be revoked or varied (in which case sub-paragraph (a) applies as it applied to the giving of the original approval).
- (2) Where, under or by virtue of this Agreement, any UK Government Minister has power to give a direction to the BBC-
 - (a) any direction must be given in writing; and
 - (b) the power includes a power to revoke or vary the direction (subject to any conditions or limitations that are applicable to the power concerned).

72. Non-Assignment

The BBC must not, without the prior approval of the Secretary of State, assign or otherwise dispose of any of its rights or obligations under this Agreement.

73. Contracts (Rights of Third Parties) Act 1999

- (1) The parties do not intend any of the terms of this Agreement to be enforceable by a third party under section 1 of the Contracts (Rights of Third Parties) Act 1999.
- (2) This clause is not intended to affect any ability of third parties to take other action which might be open to them in respect of a breach of this Agreement (see, for example, article 56 of the Charter).

INTERPRETATION

74. Introduction

To enable this Agreement to be drafted in language which is not too cumbersome or complex, it relies on various principles or rules of interpretation which are explained below. These need to be borne in mind when reading the Agreement. However, they need to be used with common sense: they do not apply where the context requires otherwise.

75. Definitions and interpretation

In this Agreement:

“analogue form” are such of the BBC’s principal radio services that are, at the date of this Agreement, broadcast by means of AM or FM in analogue form (whether or not they are also broadcast in digital form at that time);

“BBC” means the British Broadcasting Corporation;

“BBC One” means the UK Public Television Service known as BBC One;

“BBC Two” means the UK Public Television Service known as BBC Two;

“the BBC’s commercial arm” means all subsidiaries of the BBC which play a role in the carrying out of the commercial activities (see clause 23);

“broadcast” means broadcast by wireless telegraphy and wireless telegraphy has the same meaning as in the Wireless Telegraphy Act 2006.

“the Charter” means the Royal Charter for the continuance of the BBC for the period ending on 31st December 2027;

“commercial activities” has the meaning given to it in clause 23;

“the Foreign Secretary” means Her Majesty’s Principal Secretary of State for Foreign and Commonwealth Affairs;

“functions” includes both powers and duties;

“group accounts” means the accounts required to be prepared under article 38(1)(c) of the Charter;

“local radio services” means any analogue local radio service that may also be broadcast in digital form and which the BBC provides designated for local audiences in England”;

“Mission” means the mission set out in article 5 of the Charter;

“700MHz DTT clearance programme” means the spectrum clearance programme run by Ofcom to clear TV services from spectrum between 694 and 790 MHz (known as the ‘700MHz band’);

“Ofcom” means the Office of Communications established under the Office of Communications Act 2002;

“Parliament” means the Parliament of the United Kingdom;

“performance measures” means the measures determined by the BBC and Ofcom under articles 20(3)(d) and 46(4) of the Charter.

“principal radio services” means-

- (a) such of the radio services listed in Schedule 1 as the BBC may provide at any given time; and
- (b) any radio service that the BBC provides at that time designed for audiences across the UK (with or without national versions or regional variations) or principally for audiences in a nation of the UK;

“Public Purposes” means the purposes set out in article 6 of the Charter;

“public service broadcaster” means the holder of a licence to provide any Channel 3 service or Channel 5 (as defined in Part 3 of the Communications Act 2003); the Channel 4 Television Corporation; and S4C;

“relevant subsidiary” means an entity that, in accordance with International Financial Reporting Standards, is controlled by the BBC and falls to be included in consolidated group accounts; and includes a subsidiary that is established or otherwise becomes a relevant subsidiary after this Framework Agreement comes into force;

“S4C” means the authority whose name is, by virtue of section 56(1) of the Broadcasting Act 1990, Sianel Pedwar Cymru;

“the Secretary of State” means Her Majesty’s Principal Secretary of State for Culture, Media and Sport;

“the United Kingdom” means the United Kingdom of Great Britain and Northern Ireland;

“the UK” is to be taken to mean, for these purposes only, the United Kingdom, together with the Channel Islands and the Isle of Man;

“the UK Government” means Her Majesty’s Government in the United Kingdom;

“the UK Public Broadcasting Services” means those UK Public Services which consist of television programme services and radio programme services;

“The UK Public On Demand Programme Services” means those UK Public Services the principal purpose of which is the provision of programmes comparable in form and content to programmes normally included in television and radio programme services, and access to which is on demand, and UK Public On Demand Programme Service means any of those services;

“the UK Public Television Services” means those UK Public Services which consist of television programme services, and “UK Public Television Service” means any of those services.

76. Gender and number

- (1) Words importing the masculine gender include the feminine, and vice versa.
- (2) Words in the singular include the plural unless the context requires otherwise.

77. Continuity of powers and duties

Where this Agreement confers a power or imposes a duty it is implied, unless the contrary intention appears, that the power may be exercised, or the duty is to be performed, from time to time as occasion requires.

78. Power to make different provision for different cases

In exercising any function under this Agreement, any person may make different provision for different cases or purposes.

79. References relate to whatever time is relevant

- (1) Any references to the holder of any office is to be read as referring to the holder of that office for the time being, that is to say, at the relevant time rather than the date on which this Agreement was made.
- (2) Similarly, references to anything else are to be read as relating to whatever falls within the reference at whatever time is relevant.

80. Implied power to amend

Any power conferred on any person under this Framework Agreement to make any document, however expressed, implies the power, exercisable in the same manner and subject to the same conditions or limitations, to revoke, amend or re-make any document made under the power. For example, the power conferred on Ofcom to set an operating licence under clause 13 includes the power to amend any licence set and in doing so Ofcom must consult the persons in clause 13(5).

81. References to legislation

- (1) References to particular legislation should be read as referring to that legislation as amended or re-enacted from time to time.
- (2) In relation to the Isle of Man or the Channel Islands references to any Act are references to that Act as extended to the Isle of Man or the Channel Islands.

82. Headings

Headings and parts are for convenience only and are not necessarily a reliable guide to the precise interpretation of the substantive text to which the heading relates. For example, to be useful, headings often have to oversimplify, or to be selective in what aspects of the actual content they flag up.

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	}	Karen Bradley
affixed to this deed is authenticated as the	}	(L.S)
corporate seal of the Secretary of State	}	
for Culture, Media and Sport by-	}	

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

Lord Hall of Birkenhead CBE
Director-General

Rona Fairhead
Chairman

SCHEDULE 1 - SOME TRANSITIONAL MATTERS

PART 1 - UK PUBLIC SERVICES

1. List and description of the UK Public Services

- (1) The BBC must maintain and publish a list of the UK Public Services setting out the name of the service, the type of service and a brief description of the service.
- (2) The list on the date on which this Agreement is made must consist of the services listed in paragraph 2.
- (3) A material change to the UK Public Services (see clause 7) may require the list to be amended.

2. Existing services

- (1) As television services designed for audiences across the UK-
 - (a) BBC One: a mixed-genre channel, with versions for Scotland, Wales and Northern Ireland and variations for English regions and the Channel Islands, providing a very broad range of programmes to a mainstream audience;
 - (b) BBC Two: a mixed-genre channel, with versions for Scotland, Wales and Northern Ireland, carrying a broad range of programmes for a mainstream audience, but with a particular focus on factual programmes, innovative comedy and drama;
 - (c) BBC Four: a channel providing an intellectually and culturally enriching alternative to mainstream programming on other BBC channels;
 - (d) CBeebies: a channel providing a range of programming to educate and entertain very young children;
 - (e) CBBC: a mixed-schedule channel for pre-teen children;
 - (f) BBC News: a rolling news channel providing news, analysis and other informational programmes;
 - (g) BBC Parliament: a channel providing substantial live coverage of debates and committees of the UK's Parliaments and Assemblies, and other political coverage; and
 - (h) 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.
- (2) As radio services designed for audiences across the UK-
 - (a) Radio 1: principally a popular music service aimed at young audiences, with a commitment to the best new music, but also containing significant speech output;
 - (b) 1Xtra: a service of contemporary black music, with a focus on new and live music, alongside significant speech output for young audiences;
 - (c) Radio 2: a service providing a broad range of popular and specialist music, and speech output including news, current affairs and factual programming;

- (d) Radio 3: a service centred on classical music, alongside other music and art forms and speech output, and with a strong focus on live and specially recorded music;
 - (e) Radio 4: a speech-based service including news, current affairs, factual programmes, drama, readings and comedy;
 - (f) BBC 4 Extra: a speech-based service offering comedy, drama and readings, mainly from the BBC archive;
 - (g) BBC Radio 5 live: 24-hour coverage of news and sport;
 - (h) BBC Radio 5 live sports extra: a part-time extension to BBC Radio 5 live providing additional live coverage of sporting events;
 - (i) BBC 6 Music: a service of popular music outside the current mainstream, together with speech output which provides context for that music; and
 - (j) BBC Asian Network: a service bringing a wide range of news, music and factual programming to audiences of British Asians.
- (3) As television and radio services designed primarily for audiences in particular parts of the UK-
- (a) BBC Radio Scotland: a radio service available throughout Scotland, with a mixed schedule of music and speech output;
 - (b) BBC Radio nan Gaidheal: a radio service of programming in the Gaelic language in Scotland;
 - (c) BBC Radio Wales: a radio service available throughout Wales, with a mixed schedule of music and speech output in the English language;
 - (d) BBC Radio Cymru: a radio service available throughout Wales with programming in the Welsh language;
 - (e) BBC Radio Ulster and BBC Radio Foyle: a radio service with a mixed schedule of music and speech output, in which BBC Radio Ulster is available throughout Northern Ireland except that at certain times BBC Radio Foyle is provided instead to audiences in the western parts of Northern Ireland;
 - (f) BBC Local Radio: a number of local radio services for audiences in different parts of England and the Channel Islands, providing a mixture of music and speech output; and
 - (g) BBC Alba: a mixed-genre television channel for Gaelic speakers and those interested in the Gaelic language and culture, provided by the BBC in partnership with MG Alba.
- (4) As online services designed for users across the UK, BBC Online: a comprehensive online content service, with content serving the whole range of the BBC's Public Purposes and including the BBC's news and sports websites, BBC iPlayer and BBC Three for younger adult audiences.

PART 2 - REVOKED AGREEMENTS

3. Revoked agreements

The following agreements are hereby revoked by this Agreement-

- (a) the Agreement dated 30th June 2006 between the Secretary of State for Culture, Olympics, Media and Sport² and the BBC, containing provision relating to the BBC and its services;
- (b) the Amendment dated 23rd March 2010 to the Agreement of 30th June 2006 between the Secretary of State and the BBC;
- (c) the Amendment dated 11th February 2011 to the Agreement of 30th June 2006 between the Secretary of State and the BBC; and
- (d) the Amendment dated 13th September 2011 to the Agreement of 30th June 2006 between the Secretary of State and the BBC.

² 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). The functions were then transferred back by the Transfer of Functions (Secretary of State for Culture, Media and Sport) Order 2012 (S.I. 2012/2590).

SCHEDULE 2 - OPERATING LICENCE REGULATORY CONDITIONS

1. Distinctive output and services

- (1) In imposing the regulatory conditions Ofcom must have particular regard to the need for the BBC to secure the provision of distinctive output and services.
- (2) For the purposes of this Schedule, “distinctive output and services” means output and services, taken as a whole, that are substantially different to other comparable providers across each and every UK Public Service both in peak time and overall, and on television, radio and online, in terms of-
 - (a) the mix of different genres and output;
 - (b) the quality of output;
 - (c) the amount of original output produced in the UK;
 - (d) the level of risk-taking, innovation, challenge and creative ambition; and
 - (e) the range of audiences it serves.

2. The first operating licence

- (1) In imposing the regulatory conditions in the first operating licence, Ofcom must seek to increase the current requirements on the BBC as a whole to secure the provision of more distinctive output and services. In particular, Ofcom must-
 - (a) have a presumption against removing any of the current requirements which would result in the provision of less distinctive output and services;
 - (b) consider the case for increasing the current requirements in areas where the BBC has exceeded those requirements or where this would support the provision of distinctive output and services;
 - (c) consider the case for setting requirements in areas where an improvement in performance would secure the provision of distinctive output and services; and
 - (d) consider the need for the BBC to reflect, represent and serve audiences taking into account the needs of the diverse communities of the United Kingdom’s nations and regions.
- (2) In complying with subparagraph (1)(b) and (c) in relation to television services, and in particular BBC One, Ofcom must have particular regard to the desirability of setting or changing requirements-
 - (a) relating to the amount and prominence of genres that provide a particular contribution to the Mission and Public Purposes, are underprovided or in decline across public service broadcasting including:
 - (i) music, arts, religion and other specialist factual content;
 - (ii) comedy; and
 - (iii) children’s programming;
 - (b) to secure an appropriate balance of unique titles and long-running series both in peak viewing time and other times.
- (3) In complying with subparagraph (1)(b) and (c) in relation to radio services, Ofcom must have particular regard to the desirability of setting or changing requirements-

- (a) to improve focus on promoting UK talent, particularly new UK acts, on Radio 1 and Radio 2;
 - (b) to ensure Radio 1 and Radio 2 music output in particular is more distinct from those of other broadcasters, taking into account number of plays not just size of playlist at both peak listening and other times;
 - (c) to increase the amount of news, information, current affairs and social action issues on Radio 1 and Radio 2, particularly at peak listening time; and
 - (d) to broaden sports coverage, to better support sports which currently receive less broadcast coverage.
- (4) In complying with paragraph 1(1) in relation to radio services, Ofcom must consider the case for clearer average age targets for the mainstream radio services.
- (5) In complying with subparagraph (1)(b) and (c) in relation to online services, Ofcom must have particular regard to the desirability of setting or changing requirements-
- (a) to improve provision for news and current affairs; and
 - (b) to improve provision for children's output and education.

3. Third party online material

Ofcom must impose on the BBC the requirements they consider appropriate for ensuring adequate links to material provided by third parties from BBC Online.

4. News and current affairs

- (1) Ofcom must impose on the BBC the requirements they consider appropriate for securing-
- (a) the programmes included in the UK Public Television Services include news programmes and current affairs programmes at what appears to them to be an appropriate level; and
 - (b) the news programmes so included are broadcast for viewing at intervals throughout the period for which the UK Public Television Services are provided.
- (2) The requirements may include such provision as Ofcom consider appropriate, including as to-
- (a) the services which must include news programmes and/or current affairs programmes;
 - (b) the time which must be allocated to the broadcasting of news programmes and current affairs programmes; and
 - (c) the split between peak viewing times and other times.

5. Original productions

- (1) In relation to each of the UK Public Television Services, Ofcom must impose on the BBC the requirements they consider appropriate for securing-
- (a) the time allocated, in each year, to the broadcasting of original productions included in that service is no less than what appears to them to be an

- appropriate proportion of the total amount of time allocated to the broadcasting of all the programmes included in that service; and
- (b) the time allocated to the broadcasting of original productions is split in what appears to them to be an appropriate manner between peak viewing times and other times.
- (2) The proportion determined by Ofcom for the purposes of subparagraph (1)-
- (a) must, in the case of each service, be such proportion as Ofcom consider appropriate for ensuring the service is consistently of a high quality; and
- (b) may, for the purposes of subparagraph (1)(b), be expressed as the cumulative effect of two different minimum proportions, one applying to peak viewing times and the other to other times.
- (3) The requirements may provide that specified descriptions of programmes are to be excluded in determining the programmes a proportion of which is to consist of original productions. In determining whether a programme is of a description of programmes so excluded, regard must be had to any guidance (to be included in the Operating Framework) given by Ofcom.
- (4) For the purposes of this paragraph “original productions”, in relation to the UK Public Television Services taken together, has the same meaning that is specified by order under section 278(6) of the Communications Act 2003 in relation to a licensed public service channel, except that-
- (a) to any extent that such an order makes different provision for different cases, Ofcom will determine which of those cases shall be taken to be relevant for the purposes of this paragraph; and
- (b) to any extent that such an order makes provision in terms which are not apt to apply for the purposes of this paragraph, Ofcom will determine whether, and if so what, necessary modifications are to be made so that such provision may apply, as analogously as practicable, for those purposes.

6. Programming for the nations and regions

- (1) Ofcom must impose on the BBC the requirements they consider appropriate, having regard to the needs of the nations and regions, for securing that-
- (a) what appears to Ofcom to be a sufficient amount of time is given in the programmes included in the UK Public Television Services to what appears to them to be a suitable range of programmes (including regional news programmes) which are of national or regional interest;
- (b) the regional programmes included in the UK Public Television Services are of high quality;
- (c) what appears to Ofcom to be a suitable proportion of the regional programmes included in the UK Public Television Services consists of programmes made in the relevant area;
- (d) the regional news programmes included in the UK Public Television Services are broadcast for viewing at intervals throughout the period for which the services are provided and, in particular, at peak viewing times; and

- (e) what appears to Ofcom to be a suitable proportion of the other regional programmes that are included in the UK Public Television Services consist of programmes broadcast for viewing-
 - (i) at peak viewing times; and
 - (ii) at times immediately preceding or following those times.
- (2) The requirements may include such provision as Ofcom consider appropriate, including as to:
 - (a) the services which must include such programmes;
 - (b) the time which must be allocated to the broadcasting of such programmes; and
 - (c) the split between peak viewing times and other times.
- (3) Ofcom must not, without first consulting the public and the BBC, impose requirements the effect of which would be to allow any of the following-
 - (a) the hours of regional programmes included, in any year, in the UK Public Television Services; or
 - (b) the proportion of regional programmes included, in any year, in the UK Public Television Services which consist of programmes made in the relevant area, to fall, respectively, below the number of hours or, as the case may be, the proportion of programmes, which were included in each such category in the year 2009.
- (4) For the purposes of this paragraph, a programme is of national or regional interest if-
 - (a) it is of particular interest to persons living in any one of the following nations or regions-
 - (i) Northern Ireland;
 - (ii) Scotland;
 - (iii) Wales;
 - (iv) any region of England in relation to which there is a regional variation of the television service concerned; and
 - (b) it is included in the variation of the service that relates to that nation or region.
- (5) For the purposes of this paragraph-

“regional programme” means a programme included in a service with a view to its being of national or regional interest, and “regional news programmes” is to be interpreted accordingly; and

“the relevant area”, in relation to regional programmes, means the nation or region in relation to which those programmes are to be of national or regional interest.

7. Programme making in the nations and regions

- (1) Ofcom must impose on the BBC the requirements they consider appropriate for securing that-
 - (a) what appears to Ofcom to be a suitable proportion of all the network programmes made in the United Kingdom are programmes made in the United Kingdom outside the M25 area;

- (b) what appears to Ofcom to be a suitable proportion of all the network programmes made in the United Kingdom are programmes made in Scotland, Wales and Northern Ireland;
 - (c) the network programmes that are made in the United Kingdom outside the M25 area (taken together) constitute what appears to Ofcom to be a suitable range of programmes;
 - (d) what appears to Ofcom to be a suitable proportion of the expenditure of the BBC on network programmes made in the United Kingdom is referable to programme production at different production centres outside the M25 area;
 - (e) what appears to Ofcom to be a suitable proportion of the expenditure of the BBC on network programmes made in the United Kingdom is referable to programme production at different production centres in each of (i) Scotland, (ii) Wales, (iii) Northern Ireland and (iv) England (outside the M25 area); and
 - (f) the different programme production centres to which the expenditure referred to in paragraphs (d) and (e) is referable constitute what appears to Ofcom to be a suitable range of such production centres.
- (2) A proportion is not to be regarded by Ofcom as suitable for the purposes of a provision of this paragraph if it constitutes less than a significant proportion of the programmes or expenditure in question.
- (3) For the purposes of this paragraph-
- “expenditure”, in relation to a programme, means-
- (a) expenditure which constitutes an investment in or is otherwise attributable to the making of the programme; or
 - (b) 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;

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

“network programmes” means programmes made for viewing on any of the UK Public Television Services, other than programmes made for viewing only on a variation of such a service that relates to one of the following- (a) Northern Ireland, (b) Scotland, (c) Wales, (d) any region of England.

8. Peak viewing and listening time

For the purposes of this Schedule, “peak viewing time” and “peak listening time” in relation to a service means a time determined by Ofcom to be, or to be likely to be, a peak viewing time or peak listening time for that service.

SCHEDULE 3 - REGULATORY OBLIGATIONS FOR THE UK PUBLIC SERVICES

1. No charge to be made for reception of the UK Public Services and associated content

- (1) The BBC must not charge any person, either directly or indirectly, in respect of their reception in the UK, by any means, of-
 - (a) the UK Public Services;
 - (b) any assistance (such as subtitling, signing or audio-description) provided for disabled people in relation to any programme or other item of content included in any such Service;
 - (c) any service relating to the promotion or listing of programmes or any other item of content included in any such Service; or
 - (d) any other service that is ancillary to one or more programmes or items of content so included, and directly related to their contents.
- (2) For the purposes of subparagraph (1), the television licence fee is not to be regarded as a charge for the reception of any UK Public Service.
- (3) Nothing in subparagraph (1) is to be taken to forbid the BBC from recovering from any person the cost to the BBC of providing any service or facility to that person on demand or otherwise at that person's express request.

2. Editorial guidelines

- (1) The BBC must set, publish, review periodically, and observe guidelines designed to secure appropriate standards in the content of the UK Public Services.
- (2) The guidelines must incorporate the more specific obligations set out in paragraphs 3 and 4 of this Schedule (which are not intended to restrict the general scope of subparagraph (1)).

3. Content standards

- (1) In providing the UK Public Broadcasting Services, the BBC must observe the standards set under section 319 of the Communications Act 2003 (Ofcom's "Standards Code"). For the purposes of the requirements in the Standards Code which give effect to section 320 of that Act (special impartiality requirements), the UK Public Services which are radio services will be treated as national radio services.
- (2) In providing the UK Public On Demand Programme Services, the BBC must observe the Standards Code so far as Ofcom determine the standards are relevant to the provision of those on-demand programme services.

4. The Fairness Code

- (1) The BBC must observe the code in force under section 107 of the Broadcasting Act 1996-

- (a) in connection with the provision of the UK Public Broadcasting Services; and
 - (b) in relation to the programmes included in those services.
- (2) In providing the UK Public On Demand Programme Services, the BBC must observe the same code so far as Ofcom determine the standards are relevant to the provision of those on-demand programme services.
- (3) By virtue of Part 5 of the Broadcasting Act 1996, Ofcom must consider and adjudicate on complaints which are made to them and relate-
 - (a) to unjust or unfair treatment in any programme broadcast by the BBC; or
 - (b) to unwarranted infringement of privacy in, or in connection with the obtaining of material included in, such programmes.
- (4) Ofcom must treat complaints which relate to any programme included in a UK Public On Demand Programme Service in the same manner as programmes broadcast by the BBC.

5. Party political broadcasts

- (1) Ofcom must impose on the BBC the requirements they consider appropriate for requiring-
 - (a) the inclusion, in such of the UK Public Services as Ofcom consider appropriate, of party political broadcasts and of referendum campaign broadcasts; and
 - (b) the BBC to observe such rules with respect to party political broadcasts and referendum campaign broadcasts as may be made by Ofcom.
- (2) The requirements imposed by Ofcom for the purposes of subparagraph (1)(b) may, in particular, include provision for determining-
 - (a) the political parties on whose behalf party political broadcasts may be made;
 - (b) in relation to each political party on whose behalf such broadcasts may be made, the length and frequency of the broadcasts; and
 - (c) in relation to each designated organisation on whose behalf referendum campaign broadcasts are required to be broadcast, the length and frequency of such broadcasts.
- (3) Those requirements are to have effect subject to sections 37 and 127 of the Political Parties, Elections and Referendums Act 2000 (only registered parties and designated organisations to be entitled to party political broadcasts or referendum campaign broadcasts).
- (4) Before imposing any requirements for the purposes of subparagraph 1(b), Ofcom must have regard to any views expressed by the Electoral Commission.

- (5) For the purposes of this paragraph-

“designated organisation”, in relation to a referendum, means a person or body designated by the Electoral Commission under section 108 of the Political Parties, Elections and Referendums Act 2000 in respect of that referendum; and

“referendum campaign broadcast” has the meaning given by section 127 of that Act.

6. Programmes to be reserved for independent production

- (1) By virtue of paragraph 1 of Schedule 12 to the Act (quotas for independent productions) the BBC must secure that, in each year, not less than 25 per cent of the total amount of time allocated to the broadcasting of qualifying programmes included in the television broadcasting services provided by the BBC is allocated to the broadcasting of a range and diversity of independent productions.
- (2) Ofcom may designate television broadcasting services for the purposes of paragraph 1(8) of Schedule 12 to the Act.
- (3) The BBC must ensure, in each year, not less than the Relevant Percentage of the total amount of time allocated to the broadcasting of Qualifying Programmes included in BBC One is allocated to the broadcasting of a range and diversity of independent productions.
- (4) The BBC must ensure that, in each year, not less than the Relevant Percentage of the total amount of time allocated to the broadcasting of qualifying programmes included in BBC Two is allocated to the broadcasting of a range and diversity of independent productions.
- (5) The BBC may carry forward to the next year any shortfall for the year in its compliance with the duties imposed by subparagraphs (3) and (4) and thereby increase the percentage applicable for the purposes of those duties to that year.
- (6) The duties imposed by virtue of subparagraphs (3) and (4) are in addition to any Relevant Statutory Duty, and nothing in subparagraphs (3) and (4) shall be interpreted as making or otherwise providing for any designation under paragraph 1(8) of Schedule 12 to the Act (which enables an Agreement of this type to make certain modifications to a Relevant Statutory Duty).
- (7) For the purposes of this paragraph-

“the Act” means the Communications Act 2003;

“independent productions” has the same meaning as in paragraph 1 of Schedule 12 to the Communications Act 2003;

“Qualifying Programmes”, in relation to BBC One or BBC Two, has the meaning which it has in relation to that service for the purposes of paragraph 1 of Schedule 12 to the Act;

“range”, in relation to independent productions, means a range of such productions in terms of cost of acquisition as well as in terms of the types of programme involved;

“Relevant Percentage” means the percentage specified in paragraph 1(1) of Schedule 12 to the Act; and

“Relevant Statutory Duty” means any duty imposed by subparagraph (1) or (4) of paragraph 1 of Schedule 12 to the Act.

7. Television, radio and online production

- (1) The BBC must secure competition between BBC producers and external producers (whether independent producers or not) as follows-
 - (a) in relation to making relevant television programmes-
 - (i) the BBC must secure competition for at least 40% of the in-house guarantee for drama, comedy, entertainment and factual programmes by 31st December 2018, alongside maintaining the existing level of competition;
 - (ii) the BBC will remove the in-house guarantee for children’s, sport and non-news related current affairs programmes by 31st December 2019; and;
 - (iii) the BBC must secure competition for 100% of relevant TV programmes by 31st December 2027;
 - (b) in relation to making relevant radio programmes the BBC must secure competition for at least 60% of Total Relevant Broadcasting Time by 31st December 2022; and
 - (c) the BBC must secure competition for 100% of relevant online material by 31st December 2027.
- (2) In complying with subparagraph (1), the BBC must ensure there is genuine competition between BBC producers and external producers (whether independent producers or not) on a fair, reasonable, non-discriminatory and transparent basis for the right to make relevant television, radio programmes and relevant online material, and must evaluate any such bids on a fair, reasonable and non-discriminatory and transparent basis.
- (3) For the purposes of this paragraph-

“BBC producer” means any in-house producer of the BBC and any commercial subsidiary of the BBC established to carry out the activity of making television programmes;

“EBU material” means material supplied by the European Broadcasting Union;

“external producer” means any producer which is not a BBC producer;

“independent production” has the meaning which it has for the purposes of paragraph 1 of Schedule 12 to the Communications Act 2003 and “independent producer” shall be interpreted accordingly;

“in-house guarantee” means the guaranteed allocation of air time to programmes made by the BBC under clause 56 of the 2006 Agreement;

“network radio” means Radio 1, 1Xtra, Radio 2, Radio 3, Radio 4, BBC 4 Extra, BBC Radio 5, BBC 6 Music and BBC Asian Network;

“relevant online material” all online material included in the UK Public Services except-

- (a) programmes included in the UK Public On Demand Programme Services;
- (b) news and news-related current affairs material; and
- (c) any material where the BBC considers that complying with the obligation in paragraph (1) would not secure value for money;

“relevant radio programmes” means all network radio programmes included in the UK Public Services except-

- (a) news programmes; and
- (b) repeats, continuity, simulcasts, EBU material and autplayed music.

“relevant television programmes” means all television programmes included in the UK Public Services except-

- (a) programmes reserved for independent productions;
- (b) news and news-related current affairs programmes;
- (c) any programme where the BBC considers that complying with the obligation in paragraph (1) would not secure value for money;

“Total Relevant Broadcast Time” means the total amount of time allocated to the broadcasting of relevant radio programmes on the UK Public Broadcasting Services taken together; and

8. Code relating to programme commissioning

- (1) The BBC must draw up and from time to time revise a code of practice setting out the principles that are to be applied when the BBC is, for a purpose connected with the provision of the UK Public Television Services, commissioning independent productions.
- (2) The BBC must-
 - (a) at all times comply with the code of practice which is for the time being in force under this clause; and
 - (b) revise that code to take account of revisions of the guidance issued by Ofcom for the purposes of this paragraph.

- (3) The code must be such as to secure, in the manner described in guidance issued by Ofcom-
- (a) that a reasonable timetable is applied to negotiations for the commissioning of an independent production and for the conclusion of a binding agreement;
 - (b) that there is sufficient clarity when an independent production is commissioned about the different categories of rights to broadcast or otherwise to make use of or exploit the commissioned production that are being disposed of;
 - (c) that there is sufficient transparency about the amounts to be paid in respect of each category of rights;
 - (d) that satisfactory arrangements are made about the duration and exclusivity of those rights;
 - (e) that procedures exist for reviewing the arrangements adopted in accordance with the code and for demonstrating compliance with it;
 - (f) that those procedures include requirements for the monitoring of the application of the code and for the making of reports to Ofcom; and
 - (g) that provision is made for resolving disputes arising in respect of the provisions of the code (by independent arbitration or otherwise) in a manner that appears to Ofcom to be appropriate.
- (4) A draft of the code must be submitted to Ofcom for approval. The code shall have effect only if approved by Ofcom and, if approved, subject to such modifications as they consider appropriate.
- (5) The BBC must also secure that the drawing up a code by virtue of this paragraph is in accordance with guidance issued by Ofcom as to-
- (a) the times when the code is to be drawn up with a view to revision;
 - (b) the consultation to be undertaken before a code is drawn up; and
 - (c) the publication of every code.
- (6) Ofcom-
- (a) must issue guidance for the purposes of this paragraph;
 - (b) must ensure that there is always guidance for those purposes in force;
 - (c) must, before issuing their guidance, consult the providers of licensed public service channels, persons who make independent productions (or persons appearing to Ofcom to represent them), the BBC and S4C; and
 - (d) must publish their guidance in such manner as they think appropriate.
- (7) Guidance issued by Ofcom for the purposes of this paragraph must be general guidance and must not specify particular terms to be included in agreements to which the guidance relates.
- (8) For the purposes of this paragraph-

“independent productions” has the meaning which it has for the purposes of paragraph 1 of Schedule 12 to the Communications Act 2003; and

“licensed public service channel” has the meaning which it has for the purposes of Part 3 of that Act.

9. Code relating to provision for the hearing and visually impaired

- (1) The BBC must, in providing the UK Public Services, observe a code drawn up by Ofcom, giving guidance as to-
 - (a) the extent to which the UK Public Services should promote the understanding and enjoyment by-
 - (i) persons who are hearing impaired;
 - (ii) persons who are visually impaired; and
 - (iii) persons with a dual sensory impairment, of the programmes to be included in such services; and
 - (b) the means by which such understanding and enjoyment should be promoted.
- (2) The code must include provision for securing that the BBC ensures that adequate information about the assistance for disabled people that is provided in relation to the UK Public Services is made available to those who are likely to want to make use of it.
- (3) Before drawing up the code, Ofcom must consult-
 - (a) such persons appearing to them to represent the interests of persons falling within subparagraph (1)(a)(i), (ii) or (iii) of that section as Ofcom think fit; and
 - (b) the BBC.
- (4) Ofcom must publish the code in such manner, having regard to the need to make the code accessible to-
 - (a) persons who are hearing impaired;
 - (b) persons who are visually impaired, and
 - (c) persons with a dual sensory impairment, they consider appropriate.

10. Retention and production of recordings

- (1) The BBC must-
 - (a) in respect of every programme included in any of the UK Public Services retain a recording of the programme in a form, and for a period determined by Ofcom;
 - (b) comply with any request to produce such recordings to Ofcom for examination or reproduction; and
 - (c) comply, to the extent that it is able to do so, with any request to produce to Ofcom a script or transcript of a programme included in any of the UK Public Services.
- (2) Before determining periods for the purpose of this clause, Ofcom must consult the BBC and any other person Ofcom consider appropriate.

11. International obligations

- (1) The BBC must comply with requirements notified to it from time to time by Ofcom under this paragraph.
- (2) The requirements to be notified by Ofcom under this paragraph are those which Ofcom consider appropriate for the purpose of securing that the relevant international obligations of the United Kingdom are complied with in respect of the UK Public Services.
- (3) For that purpose, an international obligation of the United Kingdom is relevant if it has been notified to Ofcom by the Secretary of State for the purposes of this paragraph.
- (4) Before notifying any requirement to the BBC under this paragraph, Ofcom must give the BBC a reasonable opportunity of making representations to them about that requirement.

12. Equal opportunities

- (1) The BBC must make arrangements for promoting, in relation to the persons mentioned in subparagraph (2), equality of opportunity between those who share a relevant protected characteristic and those who do not share it.
- (2) The persons referred to in subparagraph (1) are persons employed in connection with providing any of the UK Public Services or making programmes or other material for inclusion in any of those Services.
- (3) The Secretary of State may, by a direction to the BBC, amend this paragraph by adding any other form of equality of opportunity that the Secretary of State considers appropriate.
- (4) In this paragraph, “relevant protected characteristic” means disability, race or sex as defined in the Equality Act 2010.

13. Training

- (1) The BBC must make arrangements for the training and retraining of BBC staff engaged in connection with providing any of the UK Public Services or making programmes for inclusion in any of those services.
- (2) The training and retraining provided under the arrangements must make an effective contribution to-
 - (a) the fulfilment of the Mission and the promotion of the BBC’s Public Purposes;
 - (b) the preparation and maintenance of a highly-skilled media workforce across the audio-visual industry; and
 - (c) competitiveness and productivity in that industry.

- (3) The BBC must use its best endeavours to work in partnership with others in the audiovisual industry in the planning and provision of training and retraining across that industry.

14. General provisions about arrangements under paragraphs 12 and 13

The BBC must-

- (a) take appropriate steps to make those affected by arrangements made under paragraphs 12 and 13 aware of them;
- (b) review those arrangements; and
- (c) (at least once each year) publish a report on the current operation and effectiveness of the arrangements.

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