

Annex 3

Invitation to submit evidence



DCMS 18/99

27 January 1999

NEWS RELEASE

BBC funding review panel invites evidence

The review panel looking at the future funding arrangements of the BBC today highlighted the areas on which it would be taking written evidence.

The panel has invited written submissions on the following areas:

- whether, in order to support the BBC's public service output, the licence fee needs to be supplemented;
- ways in which funding to support the BBC's public service output could be extended from other new sources;
- how to secure an appropriate balance between the BBC's public and commercial services;
- the mechanisms under which it is ensured that the BBC is trading fairly and openly in commercial markets; and
- the current structure of the concessionary licence scheme and possible alternative structures (including the funding of such structures).

Views are also sought on possible mechanisms for funding the BBC in the longer term, ie post-2006, particularly in the light of technological development.

The review is proceeding on the basis that the licence fee is sustainable at least until the review of the BBC's Charter due in the run up to 2006.

The panel will decide, having reviewed written submissions, whether to take oral evidence. Respondents should not assume therefore that there will be an opportunity to give oral evidence and should give all the evidence they would wish the panel to see in writing.

All responses, unless otherwise indicated, may be published in due course. Respondents are therefore requested to confine confidential material where practicable to clearly marked annexes.

Notes to editors

1. This news release is issued on behalf of the independent review panel.
2. The review is not intended to be an extensive review of the BBC's purpose and governance; it is the Government's intention to carry out such a review in 2003-04 when the issue of Charter renewal is approached. Nor has the panel been asked to consider alternatives to the licence fee as the main source of BBC funding. The review is therefore starting from the position that the licence fee is sustainable, at least until Charter review. Similarly, issues relating to the content of programmes is outside the scope of the review. The intention is that the review should focus, within the existing framework, specifically on a number of closely defined issues, including ways in which funding to support public service output can be extended from other sources, regulation of the BBC fair-trading commitment and the current concessionary arrangements. The full terms of reference which the panel has been asked to consider is attached.
3. The Secretary of State for Culture, Media and Sport announced details of the review in his speech to the Royal Television Society Autumn Symposium on 14 October 1998 and membership of the review panel on 12 January. Details can be found in PN 256/98 and 4/99 respectively.
4. Views should be submitted no later than Wednesday 31 March to the panel's secretary, Paul Heron, at the Department for Culture, Media and Sport, Room 410, 2-4 Cockspur Street, London SW1Y 5DH.

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The precise terms of reference for the review are as follows:

The review panel will:

- i. against an expectation that the licence fee will remain the principal source of funding for public services for the Charter period:
 - consider ways in which funding to support public service output can be extended from other sources; and
 - take a forward look at other possible mechanisms for funding the BBC in the longer term, particularly in the light of technological development;
- ii. consider how to secure an appropriate balance between the BBC's public and commercial services, and review the mechanisms under which the fair-trading commitment as to commercial services is delivered;
- iii. consider the current structure of the concessionary licence scheme and whether a suitable alternative structure could be available.

The review panel will report no later than the end of July to the Secretary of State, who will then consult on the panel's findings.