



From the Director-General

21 October 2022

Baroness Stowell
Chair, House of Lords Communications Committee

by email

Dear Tina,

We welcome and thank your Committee for the report on *Licence to change: BBC future funding*. As ever the Committee has produced original and thought-provoking work that rightly should inform our thinking.

The Committee's important recommendations need to be taken in to account going forward. We welcome the challenge for the BBC to lead the debate on the future. This will require confident and clear proposals from us which we are currently working through.

It is vital that there is a well-informed debate about the future of the BBC and how it delivers for UK audiences. We agree this must come first before any consideration of the best way to fund the BBC. And the public must be at the heart of the debate.

The BBC is a universal public service with a unique public mission to inform, educate and entertain – the breadth of what we do is different to any other media organisation. An informed debate needs to fully recognise the value of universality, what it allows the BBC to deliver for audiences, for our broader media sector, and for the UK.

As the Committee recognises, the BBC World Service is a unique part of our offer, we are the only public service broadcaster to operate locally, nationally, and globally reaching half a billion people per week. How the BBC World Service is funded is an important part of this debate.

As the Chair said when he gave evidence to your Committee, the Board is overseeing a detailed strategy review of the BBC which will take some time. Our strategy must meet the needs of our audiences in an increasingly digital and global competitive market. And we recognise too, as your report outlines, that there will be a need for hard choices.

As you will be aware we are already responding to these challenges. We are delivering on our strategy to provide great value to audiences, including our key priorities on impartiality, great content, technology and how to deliver commercial growth. Our Across the UK plans means the BBC's engine room is outside London stimulating economic growth. And our recent Digital First proposals ensure the BBC meets consumer demand; building on the success of the iPlayer, BBC Sounds and News online.

When the question of the best way to fund the BBC is tackled it is critical that we consider five key principles which we started to discuss with your Committee. In our view these five principles help underpin the existence of the BBC as a national and global asset for the future:

- Does it deliver the Mission? – providing a universal public service in the UK, to inform, educate and entertain. Everybody uses and benefits from our trusted impartial news, quality British content, and education services.
- Does it safeguard impartiality and independence? – championing free democracy in the UK and globally. Operating without fear of or favour to political or commercial interests.
- Does it provide a sustainable financial model? – supporting a BBC to innovate and modernise to meet new audience demands. Enabling the BBC to be ambitious, operate at scale in a global digital marketplace.
- Does it help the creative economy grow? – enabling the BBC to invest and work in partnership to grow the world-leading UK creative industries, develop British talent and export British content and services globally. Creating a strong UK brand valued across the world.
- Does it deliver fair value for audiences? – ensuring a system that is fair for our audiences, offering good value versus the market and is widely supported.

I look forward to continued dialogue with you and the Committee as we all work to secure the future of the BBC and to deliver a great value universal offer to inform, educate and entertain.

Meanwhile, I am conscious of the feedback that you want to see the BBC taking a lead in terms of our future strategy. I can assure you that we are very much focussed on how we need to evolve and reform to ensure that we remain relevant. I suggest that we book in some time to update you on the work that we are doing. To that end, I have asked my office to fix a meeting with you so we can discuss these important issues.

Best wishes,

Tim Davie

Director-General