



Department for
Digital, Culture,
Media & Sport

Julia Lopez MP
Minister of State for Media, Data
and Digital Infrastructure
1st Floor
100 Parliament Street
London SW1A 2BQ

E: enquiries@dcms.gov.uk

www.gov.uk/dcms

Baroness Stowell of Beeston
Chair, Communications & Digital Select Committee
House of Lords
London
SW1A 0PW

10 November 2022

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Dear Baroness Stowell,

Thank you for your letter regarding the Government's response to the Committee's inquiry into BBC Future Funding. I would like to reiterate that the Committee's report and its analysis of the issues around the BBC's funding are very valuable in informing the Government's ongoing thinking on this issue. We recognise that your inquiry and recommendations were constructive and aimed at supporting the Government and the BBC.

As you will understand, the Government is still preparing to launch the review and therefore decisions around the format and approach to the review have not yet been finalised. However, I am able to provide further detail on the points raised in your letter and outline how the Funding Model Review fits into the Government's roadmap toward the next BBC Charter Period, beginning in 2028.

The BBC Funding Model Review will be one part of the Government's preparations for Charter Review, which is the process where any decision on a new funding model, and on the role and remit of the BBC over the next Charter Period, will be determined. By carrying out the review specifically on funding models, we will be able to approach the formal and full Charter Review process with a strong understanding of the options and their potential impacts on the BBC, the broadcasting sector and audiences.

As with the previous Charter Review, which consulted on a number of options for funding the BBC and resulted in the decision to close the iPlayer loophole, the Government will carry out a formal public consultation on any changes to the BBC's funding model as part of the broader Charter Review process. This would enable a full public debate on the options ahead of any decision being made, supported by the findings of the Funding Model Review.

We also recognise the importance of Parliament being able to debate any changes to the BBC's funding model. The BBC's Charter sets out the requirement for parliamentary scrutiny to take place as part of Charter Review and we expect there will be other opportunities for parliamentary debate in addition to this.

Any final decision on the BBC's funding model over the next Charter Period would only be made following the public and parliamentary engagement that must take place as part of Charter Review.



We recognise that any move to a new funding model would require time to implement, and that the BBC would need sufficient time to prepare to adapt to any changes in role and funding model. We are beginning the process of looking at the BBC's funding model soon, while there are five years remaining of the BBC's current Charter, so that there is sufficient time to make a decision in advance of the next Charter Period.

Finally, the Government recognises that moving the BBC to a new funding model may have an impact on the market, and therefore we commit to publishing an assessment of the market impact of any decision. This may be published either alongside the outcomes of the Funding Model Review or as part of Charter Review. We have not determined whether these will be independent or Government-led studies at this stage.

I hope that this overview of how the Funding Model Review fits into the Government's overall roadmap towards the next Charter Period provides reassurance on your concerns.

With best wishes,

A handwritten signature in black ink that reads "Julia". The signature is written in a cursive, flowing style.

Julia Lopez MP
Minister of State
Minister for Media, Data and Digital Infrastructure