

**FOREIGN AND COMMONWEALTH OFFICE AND
THE BRITISH BROADCASTING CORPORATION**

**BROADCASTING AGREEMENT FOR THE PROVISION
OF THE BBC WORLD SERVICE**

1. This Agreement defines the relationship between the Foreign and Commonwealth Office (FCO) and the British Broadcasting Corporation (BBC) for the provision of the BBC World Service as required by the Agreement between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation (July 2006).
2. This Agreement outlines the principles under which the BBC World Service will be provided by the BBC, for which Grant-in-Aid funding will be provided by the FCO. It also outlines the accountability arrangements between the BBC and the FCO and the process for implementing the provisions in the July 2006 Agreement with the Department for Culture, Media and Sport.
3. Arrangements relating to the application and administration of the Grant-in-Aid and additional income of the BBC World Service and agreement on related matters are set out in a separate Financial Memorandum between the FCO and the BBC.

THE FOREIGN AND COMMONWEALTH OFFICE

4. The Secretary of State for Foreign and Commonwealth Affairs (hereafter referred to as the Foreign Secretary) is responsible for the foreign policy of the United Kingdom. The mission statement of the Foreign and Commonwealth Office is to work for a better world, better Britain.
5. The FCO funds the BBC through a Grant-in-Aid to provide the BBC World Service. The ambit of the FCO Request for Resources expressly includes a Grant-in-Aid to the BBC in respect of the World Service for broadcasting.
6. With respect to the BBC World Service, the FCO is responsible for agreeing with the BBC objectives and appropriate performance measures.

THE BRITISH BROADCASTING CORPORATION

7. The British Broadcasting Corporation exists to serve the public interest and its main object is the promotion of its public purposes. The responsibilities of the BBC are set out in its Royal Charter (October 2006, Cm 6925) and the July 2006 Agreement between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation (Cm 6872). Clause 64 of this Agreement states that the BBC must provide the World Service.
8. The BBC Trust is the sovereign body of the BBC; it sets the overall strategic

direction of the BBC and performs its role in the public interest. The BBC's Executive Board is responsible for delivering the BBC's services in accordance with the priorities set by the Trust and is responsible for all aspects of operational management of the Corporation.

9. The BBC is independent in all matters concerning the content of its output, the times and manner in which this is supplied and the in the management of its affairs. The BBC's Editorial Guidelines, Values and Standards are set by the BBC Trust and apply to the BBC World Service.
10. The BBC is obliged under the July 2006 Agreement with DCMS to set the objectives, priorities and targets for the BBC World Service with the Foreign Secretary and to obtain the written approval of the Foreign Secretary for the opening or closure of any language service.
11. Operationally, the BBC World Service is located within the BBC's Global News division, which aims to be the world's best known, most creative, and most respected voice in international news. The Director World Service, through the Director Global News, is responsible to the Director-General and the BBC Executive Board for the effective management and delivery of the BBC World Service.

KEY PRINCIPLES FOR THE PROVISION OF THE BBC WORLD SERVICE

12. Six agreed key principles underpin the relationship between the FCO and the BBC and the provision of the BBC World Service:
 - i. as with the rest of the Corporation, the BBC World Service has full editorial and managerial independence and integrity;
 - ii. the FCO will define the external broadcasting services it requires clearly through robust objectives and performance measurements;
 - iii. the BBC will decide the most effective and efficient way of delivering the services;
 - iv. the BBC will be provided with stable funding, based on a medium term agreement with Government;
 - v. the BBC World Service is permitted to generate additional income on its grant-funded activities (with all proposals being first subject to compliance with the BBC's own Fair Trading Guidelines), and any surplus will be used for Grant-in-Aid purposes, subject to FCO approval;
 - vi. the BBC will obtain audit assurance that there has been no material subsidy between Grant-in-Aid and Licence Fee funds.

PLANNING AND ACCOUNTABILITY

Strategic Planning and Review

13. The BBC will produce and agree with the FCO a strategic Three Year Plan for the provision of the BBC World Service. The Plan will outline how the BBC will deliver the agreed objectives and reach the agreed target audiences. As part of this plan the BBC and the FCO will agree performance measurement targets for the BBC World Service.
14. The BBC Chairman and FCO Ministers will meet annually to review performance of the BBC World Service against the Three Year Plan and to consider future audience and strategic priorities.
15. At a working level, the FCO and the BBC World Service will annually agree performance targets based on agreed objectives and reporting methods and will review performance and medium term priorities. The BBC World Service will advise the FCO on the competitive broadcasting environment and the effectiveness and efficiency with which it can reach audiences in different markets.
16. The FCO and BBC World Service management will meet regularly, including at quarterly intervals at Director level, and conduct reviews focussing on finance and specific regions. These contacts may be used to review BBC World Service plans and performance, both by region and globally. The BBC World Service regions and FCO geographical commands will maintain a regular dialogue which will inform the BBC World Service of FCO thinking on the region concerned and the FCO about BBC World Service activities.

Accountability

17. The BBC Trust will establish an Operating Agreement for the BBC World Service, through which it exercises its oversight of the BBC World Service. The Trust will also undertake regular independent reviews of BBC World Service output and report the outcomes of any review to the FCO.
18. The BBC Executive Board is accountable for the operational delivery of the BBC World Service.
19. The BBC World Service will commission a rolling programme of research to assess its impact across target audiences. This will use outside agencies and will be independently validated. It will include where possible comparisons with relevant competitors. In any one year this programme will cover a representative range of target audiences. It will aim to review key target audiences at least every three years.
20. The BBC will report on the performance of the BBC World Service in its Annual Review, which will incorporate audited financial statements.

ARRANGEMENTS FOR REVIEW

21. This Agreement succeeds the previous Agreement signed in June 2005 and takes effect from date of signature. It will be reviewed at least every three years.

For and on behalf of the Secretary of State for Foreign and Commonwealth Affairs

For and on behalf of the British Broadcasting Corporation

Dated

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