



## Meeting of the BBC Board

### MINUTES

27 April 2017  
Broadcasting House, London

#### ITEMS OF BUSINESS

1. Chairman's Introduction
2. Executive Reports/Board Pack
3. General Election Briefing
4. Content Regulation and the Interim Complaints Framework
5. Children's Investment
6. Committee Membership
7. Establishing the Board: Governance and Regulations
8. AOB

## ATTENDANCE

### Present

- David Clementi            Chairman
- Tony Hall                 Director-General
- Anne Bulford             Deputy Director-General
- Simon Burke              Non-executive director
- Tim Davie                 Chief Executive Officer, BBC Worldwide
- Tanni Grey Thompson    Non-executive director
- Ian Hargreaves            Non-executive director (item 1)
- Tom Ilube                 Non-executive director
- Ken MacQuarrie          Director, Nations and Regions
- Steve Morrison            Non-executive director
- Nicholas Serota           Non-executive director
- Ashley Steel              Non-executive director

### With

- Phil Harrold              Company Secretary
- Jo Clarke                 Secretariat Manager
- James Harding            Director, News and Current Affairs (item 1)
- Mark Linsey               Director, BBC Studios (item 1)
- Charlotte Moore          Director, Content (item 1)
- James Purnell             Director, Radio and Education (item 1 and 4)
- David Jordan              Director, Editorial Policy and Standards (item 1-3)
- Gautam Rangarajan       Director, Strategy (item 2)
- Ric Bailey                 Chief Advisor, Editorial Policy (item 2)
- James Heath              Director, Policy (item 4)

### **Apologies**

No apologies were received.

## BOARD MINUTES – 27 APRIL 2017

### I. **Chairman's Introduction**

- I.1 In his opening remarks the Chairman referenced a call which he had made welcoming directors to the new BBC Board on 4 April.
- I.2 He reminded directors that this new Board represented a new era in BBC governance. For the first time the BBC had a single governing body with clear responsibility for all of the BBC. For the first time accountability for all of the BBC activities was clear and unambiguous – it rested in one set of hands. Whilst exhilarating, it also represented a huge responsibility. Under the new Charter, Board directors were fully accountable for the BBC and could not point the finger of responsibility in any other direction.
- I.3 The Chairman added that directors were all familiar with the mission and five public purposes of the BBC. These five public purposes provided the fundamental core of the BBC. The Board needed to demonstrate how it planned to fulfil those purposes: the Annual Plan when published would provide that commitment looking forward; and the Annual Report and Accounts would report on the extent to which those commitments had been met.
- I.4 The second major change to the BBC's governance structure was a change in the regulatory structure. The BBC now had a single regulator, Ofcom, and the respective responsibilities were clear. The relationship started with a high degree of mutual respect.
- I.5 The Chairman asked directors to recognise that this was an auspicious moment in the history of the BBC. It was the Directors of the BBC, both executive and non-executive alike, who were now responsible for the Corporation. Whilst there were many challenges ahead, so also there were tremendous opportunities:
- the BBC had a history of serving the nation, and huge audiences abroad, that no other broadcaster could match;
  - it had a reputation, both in News and in entertainment that no other broadcaster could match;
  - it had a range of services, on radio, TV and online, unequalled by any other broadcaster; and
  - it had a team of skilled managers and programme makers that the organisation could be proud of.
- I.6 The Chairman added that there would be future discussions about the increasing worldwide competition, and the scope and resources of some of those competitors. But it was important not to underestimate the BBC's strengths, the bond that it had

with its viewing and listening public, and the wish of millions that the corporation should continue to succeed.

## **2. Executive Reports**

- 2.1 The Director-General presented a number of regular Executive Reports to the Board. These included reporting on performance, editorial compliance and operations and assurance. It was agreed that the content and format of reporting would be reviewed later in the year to ensure that the most appropriate performance measures and information continued to be presented to the Board.
- 2.2 Directors noted the updates on significant areas of focus including progress with the strategy on commercial routes to market; production in the Nations and Regions; the launch of BBC Studios and the implementation of contestability in production.
- 2.3 Directors discussed the audience performance data, with particular regard to the challenges posed by 16-34 audiences who were increasingly spending more time with online services. Directors noted that new surveys were being developed which would provide more accurate data for content accessed through mobiles, tablets and on social media.
- 2.4 The Board discussed the editorial report. As well as providing compliance reporting, the report updated directors on the work being done to ensure that the audibility of programmes was of a high quality. There would be an extra review of sound quality using a domestic set prior to signing off the production. Directors also noted that the current complaint levels and turnaround times for responses were within the targets.
- 2.5 The Board discussed the assurance reporting, which included the BBC's regular financial reporting and updates on risk, critical projects and HR.

## **3. General Election Briefing**

- 3.1 The Director-General introduced the Board with a wide-ranging briefing about the upcoming General Election. The briefing consisted of a presentation on impartiality and public perceptions of it; a briefing on how BBC News covered elections and the process for approving the 2017 General Election editorial guidelines and the party election broadcasts.
- 3.2 The Board discussed the latest data on public trust in BBC News and opinion on its impartiality compared with the wider news market, noting that the top-line results were due for publication later in the year. Directors discussed what editorial measures could be taken to ensure that the BBC retained its position as most trusted

broadcaster, despite an increasingly fragmented political landscape. It was clear that ensuring that a range of views were accessible across all services and helping the audience assess the use of facts through brands such as *Reality Check*, which would move to television bulletins during the campaign, was helpful.

- 3.3 The Board noted the planned approach to coverage of the General Election by BBC News. Given the BBC's public purposes it was clear that coverage of the policy choices available to voters should take priority over coverage of events on the campaign trail. It was also important to enable the public to question MP's for themselves. The format for *Question Time* specials was an effective way of doing this, and popular with audiences.
- 3.4 Directors discussed the importance of engaging young people with the campaign and democratic process more widely. The Board noted that audience research indicated that debates engaged young audiences more than other types of coverage, and that young people tended to engage more readily with others of their age group when it came to political debate.
- 3.5 Directors noted the process for dealing with editorial complaints by political parties during the election campaign, which ensured that they would be addressed rapidly.
- 3.6 The Board considered the draft Election Guidelines and the criteria for party election broadcasts. Directors noted that Ofcom set the party election broadcast criteria for General Elections. The Board would need to approve the final Election Guidelines, but the political parties would have the opportunity to comment first.
- 3.7 The Board agreed to delegate responsibility to a group of the Board consisting of the Chairman, the Director-General and non-executive director Ian Hargreaves, to approve the final Election Guidelines once the consultation was complete.

#### **4 Content Regulation and the Interim Complaints Framework**

- 4.1 The Board noted the steps taken to establish the complaints framework under Ofcom content regulation as required by the new Charter and Agreement. Article 20(g) of the Charter stated that the Board must set "a framework within which the BBC must handle complaints". The interim arrangements section of the Charter specified that, "The BBC must set and publish, following consultation with the public, a final framework for complaints handling within six months of the Effective Date", which would be 3 October 2017. The published framework was provided as an annex.
- 4.2 The Board approved the interim complaints framework, with the proviso that the final version should be clearer that the Board was regularly briefed on the substance of complaints and the performance of the complaints process itself. The full and final

version of the Framework would return to the Board for further discussion and approval before it was released for consultation in the summer.

## **5 Children's Investment**

- 5.1 In response to changes in the way that children access content and how they spend their media time, the BBC's former Executive Board had previously approved an increase in the proportion Children's budget spent on online services. This increase was reflected in the 2017/18 Budget.
- 5.2 The Board noted the background to the strategic decision. The provision of Children's services was of key importance to the BBC and the measures reflected the commitment made in the *British, Bold, Creative* vision document during Charter renewal.
- 5.3 The Board noted that under the Charter and Framework Agreement, the BBC had a responsibility, in the first instance, for considering the impact of certain proposed changes to the BBC's public service activities. In particular, the BBC was required to consider whether proposed changes were material and any material changes were to be subject to a Public Interest Test (PIT). The Agreement defined a material change to public service activity as:
- the launch of a new UK public service; or
  - a change to a public service activity which may have a significant adverse impact on fair and effective competition.
- 5.4 The Board considered the materiality assessment which accompanied the proposal. The assessment considered whether the planned changes to the BBC Children's online products were material. The assessment concluded that the proposed changes to Children's online investment were not material.
- 5.5 The Board approved the materiality assessment and concluded that the investment in Children's online services did not require a Public Interest Test.

## **6 Committee Membership**

- 6.1 The Charter allows for the establishment of committees of the Board, the number, remit and composition of which are a matter for the Board itself, with the proviso that no committee of the Board shall include anyone who is not a member of the Board or an employee of the BBC.
- 6.2 The Board considered the Chairman's proposed committee structure. In addition to the Audit and Risk Committee, Nominations Committee and Remuneration Committee

which were required by the Charter, the structure included two additional committees to deal with Fair Trading issues and Editorial Guidelines and Standards.

- 6.3 The Board approved the proposed committees. The Board also approved the proposed initial membership and chairmanship of each committee.
- 6.4 The Board also considered an initial proposal to establish a Committee for each of the UK's Nations. Directors discussed the proposed remit of such a group, should these committees be established. The Board considered that given the unitary structure of the new Board, the role of the Committees would need to be clearly and unambiguously drawn to ensure that their powers and remit did not infringe on the Board's responsibilities as a whole. The Board requested that the remit of the proposed committees should be refined further and return for further discussion prior to the summer.

## **7 Establishing the Board: Governance and Regulations**

- 7.1 Article 33 of the Charter provides the power for the Board to make regulations "about the transaction of the business and affairs of the BBC"; these regulations must be made at a meeting of the Board. At this meeting the Board considered the Board's Standing Orders; the Board's Code of Practice; the Delegation Framework and Matters Reserved for the Board; and the Signing Authority and Legal Proceedings Protocol. The draft Standing Orders, Code of Practice and Delegation framework and Matters Reserved for the Board had been available to Directors after the Chairman's initial welcome call on 4 April.
- 7.2 The Board approved the Standing Orders of the Board as a regulation of the Board.
- 7.3 The Board approved the Board Code of Practice as a regulation of the Board.
- 7.4 The Board approved the Delegation Framework and Matters Reserved for the Board as a regulation of the Board.
- 7.5 The Board approved the Signing Authority and Legal Proceedings Protocol as a regulation of the Board.
- 7.6 As a separate matter, the Board also considered a Financial Delegation Framework which specified responsibility for approval of different levels of financial spend. The Board approved the delegation framework subject to additional controls on approvals for unbudgeted spend. A revised Financial Delegation Framework would return to the May Board meeting.

**8 AOB**

8.1 There was no other business raised.

Approved by the Board: \_\_\_\_\_ (Chairman)

\_\_\_\_\_ (Date)