



Meeting of the BBC Board

MINUTES

17 September 2020
Held Via Video Conference

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
 - a) Minutes from the 8 July, 16 July, 26 August and 2 September meetings
 - b) Matters Arising
3. Executive Reports
 - a) Board Report, with quarterly finance, commercial and operations addendum
 - b) Over 75s implementation update
 - c) Covid-19 update
4. EHRC update
5. Three-year budget planning
6. World Service
 - a) World Service risks and compliance overview
 - b) World Service Distribution Services Contract extension
7. Returning to production - Strictly Come Dancing
8. The April 2022 Licence Fee process
9. Committee Reports
 - a) Report from the Audit and Risk Committee
10. AOB

ATTENDANCE

Present

- David Clementi Chairman
- Tim Davie Director-General
- Shirley Garrod Non-executive director
- Tanni Grey-Thompson Non-executive director
- Tom Ilube Non-executive director
- Ken MacQuarrie Director, Nations and Regions
- Charlotte Moore Chief Content Officer
- Steve Morrison Non-executive director
- Nicholas Serota Non-executive director
- Elan Closs Stephens Non-executive director
- Ashley Steel Non-executive director
- Fran Unsworth Director, News and Current Affairs

Apologies:

- Ian Hargreaves Non-executive director

With

- Phil Harrold Company Secretary
- Chris Sandford Secretariat
- Glyn Isherwood Chief Operating Officer
- Bob Shennan Group Managing Director (items 1-3)
- Gautam Rangarajan Group Director of Strategy and Performance (items 1-3, 5 and 8)
- James Purnell Director, Radio & Education (items 1-3)
- David Jordan Director, Editorial Policy and Standards (items 1-3)
- Kerris Bright Chief Customer Officer (item 3b)
- Peter O'Kane Chief Technology and Product Officer (item 3b)
- Sarah Jones Group General Counsel (item 4)
- Jamie Angus Director, World Service (item 6)
- Ralph Lee Director of Content, BBC Studios (for item 7)
- Kate Phillips Commissioning Controller, Entertainment (for item 7)
- Suzy Lamb Managing Director, BBC Studios (for item 7)
- Clare Sumner Director, Policy (item 8)

1. Apologies and Conflicts of Interest

- 1.1 Ian Hargreaves was an apology for this meeting. The Chairman also welcomed Charlotte Moore to her first meeting as a member of the Board.

2. Minutes and matters arising

- 2.1 The minutes from the 8 July, 16 July, 26 August and 2 September meetings were approved.
- 2.2 The Board noted the Matters Arising paper and updates on the actions from the last meeting.

3. Executive Reports

- 3.1 The Director-General reported to the Board on his first weeks in the new role, which had seen him hold sessions in bases around the UK and also lead discussions with a number of different groups of staff and stakeholders. Clear priorities had been set and the key was now to put plans in place to deliver on these. In the coming weeks there would be a focus on issues around impartiality and also on the work leading toward the 2022 licence fee settlement discussions. The recent publication of the Annual Report and Accounts was noted. It was noted that live international cricket had returned to the BBC and that iPlayer had seen a record first half of the year. The *Last Night of the Proms* had attracted much attention and the broadcast itself was well delivered.
- 3.2 The Chief Financial Officer gave an update on finances and revenue. There was now greater clarity on costs to the end of the year and licence fee income projections were positive, against the budget set out at the start of Covid-19. Collection of over 75s licences was now being tracked and reported. Headcount was down year on year, with the recruitment freeze having an impact, as well as the ongoing voluntary redundancy round.
- 3.3 The Director, Strategy and Performance discussed audience data and reporting, including against the four priorities announced by the Director-General. Finding ways to ensure audience value was critical and scores here remained under pressure. New data showed that performance with under-16s during Covid-19 had been strong, but the period had also seen rapid growth for competitors. In the coming months, the executive reporting to the Board would be reshaped to focus reporting on the priorities and on audience value metrics.

- 3.4 The Board noted that News scores for trust and impartiality were still up and that there was evidence that online habits for users were being retained. Across TV more broadly, performance levels were still holding up despite Covid-19 impacts on production.
- 3.5 The Chief Content Officer, provided an update on operations and performance. There had been strong performance in the period from dramas like *The Salisbury Poisonings*, *A Suitable Boy* and *I May Destroy You*. Box sets, including acquisitions, had also been performing well on iPlayer. Covid-19 still provided challenges in terms of content production, but these were issues that were being seen across the industry. There were strong shows and launches to come in the next period, including the new series of *Top Gear*, and it was important to create events around these to keep driving linear performance.
- 3.6 The Director, Radio and Music, provided an update on operations and performance. The reporting for this period showed positive performance with 16-34s during the lockdown period. Some radio usage was returning to more normal daily patterns and streaming use continued to grow. BBC Sounds was focused on reaching its next audience target and had recently announced the launch of a Radio 1 Dance stream.
- 3.7 The Director, News and Current Affairs, provided an update on operations and performance. Global services were continuing to perform well during Covid-19 and online audiences were also strong. It was noted that the team in Beirut had all been affected in some way by the recent explosion and tribute was paid to them for the way they had responded to it. The implementation of change plans in News was now underway. New commitments on diversity and on the use of racially offensive language were being made following the response to a recent report broadcast on *Points West* and the News Channel. It was noted that updated guidance on this was due to be issued in the next month.
- 3.8 The Director, Nations and Regions provided an update on operations and performance. Cardiff Central Square was now broadcasting live, which was a significant achievement for the teams involved. Work was underway to phase key productions back into operation and local lockdowns were being dealt with as they arose. The Board were also briefed on the ongoing reporting of public health messages, including statements being made on this by ministers and devolved administrations across the UK.
- 3.9 The Chief Financial Officer provided an update on operations and performance in BBC Studios. Productions were restarting and Britbox continued to perform well in the US market. UKTV was also performing well, but facing industry-wide pressures in the advertising market.
- 3.10 The Board noted the Editorial Standards Report. The complaints system continued to be under pressure due to higher than usual volumes of complaints. The handling of these would be discussed and brought back to the Board later in the year. It was also agreed

that further discussion on new guidance on social media and impartiality should come to the Board for a detailed discussion at the next meeting.

Over 75s implementation update

- 3.11 The Board noted an update on implementation of the over 75s licence fee programme. Systems were performing well and the teams had handled a high percentage of the total expected requests in the first five weeks. Revenue impacts were being tracked and it was noted that there were still a number of households to be contacted under the agreed plan. The impacts of Covid-19 had been mitigated and tech releases continued as planned. The Board welcomed the update and the work on implementation so far.

Covid-19 update

- 3.12 The Board were briefed on the latest response to Covid-19, where local lockdowns and positive tests for staff were being dealt with in a consistent way. As infection rates were rising it had been agreed that current working arrangements for staff would continue until at least the end of the year and this had been communicated widely. Measures to make buildings Covid-secure would also remain in place and there was a focus on work to ensure as many productions as possible were back up and running in a safe way.
- 3.13 The Board were also briefed on the plans to address the findings of a recent review of the impacts of Covid-19 and the lessons that could be learned from it. These would include actions around technology, workplaces and broader ways of working.

4 EHRC update

- 4.1 The Board were updated on progress with the EHRC's review of historic pay practices in the BBC. An updated draft of the report had been received and this was being considered. The main themes of the report were summarised for the Board and it was noted that no findings of unlawful activity on the part of the Commission were made.
- 4.2 The timetable to publication was discussed, as was the plan for a BBC response. It was noted that interested Board members would have the chance to review the final draft report at the point at which this was considered by the Director-General.

5 Three-year budget planning

- 5.1 The Board considered a paper setting out a plan for developing the BBC's three-year budget. This included forecast licence fee income and draft audience objectives for the period. The paper showed the wider financial context and also set out the level of flexibility in spend over the period, noting potential uncertainties around the economic

climate and discussions around the level of the licence fee. The paper was tabled for early consideration and input by the Board into the process.

- 5.2 Discussing the paper, it was noted there was a need to look at cash over the period and seek to move away from an overall deficit position as in recent years. It would also be important to consider a wide range of scenarios around income. It was noted that licence fee evasion and inflation rates were being tracked and modelled into the planning. Work on the budget would continue through the rest of the year before coming to the Board again in the new year.

6 World Service

a) World Service risks and compliance overview

- 6.1 The Board were briefed on the core risks in the World Service and the processes in place to mitigate these, along with the operational and financial issues faced in delivering news and information services around the world. Core areas of focus included safety and security of staff; issues around press freedom in certain countries; and funding pressures. The division worked closely with Internal Audit to manage key risks and to review financial and other controls across the major international bureaux.
- 6.2 Discussing the paper, the Board noted that there was good management capacity in place and whistleblowing procedures were rigorous, though there was a need for ongoing training of staff in compliance processes, including those hired locally. It was noted that plans to reach more audiences globally would not rely on additional services being created, so it was felt that capacity to manage risks would be adequate within the current structures. The Board noted the paper and the assurances given.

b) World Service Distribution Services Contract extension

- 6.2 The Board approved a proposal to extend the contract for World Service distribution over AM radio services for a five year period, to April 2027.

7. Returning to production – *Strictly Come Dancing*

- 7.1 The Board were given a presentation on the work to ensure that productions, including *Strictly Come Dancing*, were able to return safely in light of Covid-19. It was seen as critical to get such shows back on screen and there were additional processes and measures being put in place to make this possible. There were extra costs in doing so, but this was something that was being seen across the whole industry.

- 7.2 Discussing the work on *Strictly Come Dancing*, the Board noted that a huge amount of work had been undertaken by the production team to adapt to the filming requirements. Small bubbles and weekly testing had been put in place and measures were being taken to have a small amount of audience members for some recordings, where possible. A number of highlight shows had also been made, to be shown ahead of the shorter than usual series starting in full. It was noted that similar arrangements were in place across international versions of the show, including *Dancing with the Stars* in the US, and best practice was being shared across different production teams.

8 The 2022 Licence Fee process

- 8.1 The Board discussed the issues and possible timetable for the 2022 licence fee settlement process. The BBC would set out a clear vision of the services the BBC would provide and how these supported both the public and the wider creative industries in the UK.
- 8.2 The Board noted the update and would return to the issue at future meetings. The Board also noted an update on government proposals to decriminalise non-payment of the licence fee which had been consulted on. The Board were also updated on the latest position regarding the verification review that was required under the Charter.

9 Committee Reports

- 9.1 The Chair of the Audit and Risk Committee reported on its most recent meeting. This had been a regular quarterly meeting of the Committee and the discussion had focused on the information security risk, as well as reviewing the recent work of internal audit and discussing a review of the effectiveness of the NAO, as external auditor.

10 AOB

- 10.1 There was no other business.