



## Meeting of the BBC Board

### MINUTES

25 February 2021  
Held Via Video Conference

#### ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
3. Committee Reports
4. Executive Reports
5. Licence Fee 2022
6. Ofcom's Public Service Broadcasting Review
7. BBC Three
8. Budget 2021/22
9. Annual Plan: Outline Draft
10. Commercial Matters
11. AOB

## **ATTENDANCE**

### Present

- Richard Sharp                      Chairman
- Tim Davie                            Director-General
- Shirley Garrood                    Non-executive director
- Tanni Grey-Thompson            Non-executive director (items 1-6 and 8 onwards)
- Ian Hargreaves                    Non-executive director
- Tom Ilube                            Non-executive director
- Charlotte Moore                    Chief Content Officer
- Steve Morrison                    Non-executive director
- Nicholas Serota                    Non-executive director
- Elan Closs Stephens              Non-executive director
- Leigh Tavaziva                    Group Chief Operating Officer
- Fran Unsworth                     Director, News and Current Affairs (item 3 onwards)

Apologies: There were no apologies

### With

- Phil Harrold                        Company Secretary
- Jo Clarke                            Secretary to the Board
- Gautam Rangarajan                Group Director, Strategy and Performance (items 4-9)
- Kerris Bright                        Chief Customer Officer (item 4b)
- Clare Sumner                        Director, Policy (items 5, 6 and 7)
- Fiona Campbell                     Controller, BBC Three (item 7)
- Glyn Isherwood                     Chief Financial Officer (item 8)
- Tom Fussell                         CEO, BBC Studios (item 9)
- Sophie Garnham                    Commercial Rights and Business Affairs (item 9a and 9b)
- David Moody                        Director, Strategy, BBC Studios (item 9b)

**1. Apologies and Conflicts of Interest**

- 1.1 There were no apologies for this meeting.
- 1.2 The Board welcomed the new Chairman to his first meeting. Board members took part in an introductory session discussing the future of the BBC.

**2. Minutes and matters arising**

- 2.1 The minutes from the 11 February meeting were approved.
- 2.2 The Board noted the Matters Arising paper and updates on the actions from the last meeting.

**3. Committee Reports**

- 3.1 The Chair of the Editorial Guidelines and Standards Committee reported on its most recent meeting. The Committee had approved the draft Election Guidelines which were now available online and considered criteria for Party Election Broadcasts, which were in line with the approach of Ofcom and the Electoral Commission. The Committee had also discussed complaints volumes, which had been rising in recent years and were increasingly impacted by social media campaigning. A review of operational handling was being conducted and the matter would return to EGSC and the Board if any changes to the BBC's Complaints Framework were required. The Committee was updated on the implementation of the recommendations arising from Chris Banatvala's work on the Complaints Framework and processes in 2019. The Committee noted that the vast majority of recommendations had been fully implemented and that the Executive had committed to plans to deal with the outstanding actions.
- 3.2 The Chair of the Remuneration Committee reported on its most recent meeting. Items for discussion had included the BBC Studios corporate incentive scheme design 2021/22 and a first look at a number of papers related to the Annual Report and Accounts including the Remuneration Report and updates on the BBC Pay Gaps with regard to gender, BAME, disability, and LGBTQ+. The Board noted that regarding incentive schemes in the commercial side of the business it would be important to monitor how they were implemented and to consider how poor performance might be addressed.
- 3.3 The Chair of the Commercial Holdings Board reported on its most recent meeting. BBC Studios had met its performance targets for the period. The Board had discussed and approved the commercial plan associated with the BBC Group's submission to the Department for Digital, Culture, Media and Sport for the Licence Fee settlement and the draft Budgets for the commercial subsidiaries. Representatives of the National Audit

Office had joined the meeting for discussion of the 2021/22 Commercial Holdings Group audit plan.

#### **4. Executive Reporting**

- 4.1 The Director-General opened the Executive reporting section of the meeting. Solid progress was being made on the value for audiences strategy across the BBC. *The Serpent* had continued to grow to become the most viewed programme on iPlayer since *Normal People*. Musicals weekend had been very popular and had brought a record number of accounts to Radio 2 on Sounds, with a 60% increase in requests week on week and the highest daily requests on record demonstrating what could be achieved with greater collaborative working across the organisation. The launch of the Headroom campaign on mental health was a big achievement for Content and delivered real public service, both online and across platforms.
- 4.2 Roll-out of the *Safeguarding Impartiality* training was progressing well and was on track to reach the full cohort of people by the summer.
- 4.3 A number of operational reforms were well underway. The re-structure of the senior leadership team in News had been announced and publication of the BBC's workforce Diversity and Inclusion plans and 50/20/12 workforce commitments was about to take place.
- 4.4 The Board discussed the update on performance against metrics. iPlayer had achieved its best performance ever against all metrics and its growth among young adults had more than compensated for the decline in their linear TV viewing. The Board discussed changes in media consumption habits due to the lockdown and the impact of low programme stock on performance.
- 4.5 The Board noted an update from the Director, News and Current Affairs. Interest in the pandemic and vaccine roll-out was very high. The 6.30 regional news programmes were attracting very high audiences and there had been an uptake in the use of interactive features such as the postcode tracker. The foreign language services overall had seen a 20% year on year increase in listeners, notably, the Burmese service had seen an increase of 80%.
- 4.6 The Board noted the Finance update.
- 4.7 The Board noted the Operations update, which included risk and critical project reporting. Lateral flow tests had been introduced on some sites and the feedback from staff had been positive.
- 4.8 The Board noted the Editorial Standards Report. In future the Board would receive a fuller report on a quarterly basis.

### *Over 75's Licence Fee Policy Implementation*

- 4.9 The Board noted an update on the implementation programme for the over 75's licence fee policy. The programme continued to perform ahead of targets.

### *Financial Approval Delegation Framework*

- 4.10 Following the appointment of the Chief Operating Officer (COO) the Group Financial Delegation Framework had been updated to transfer the Chief Financial Officer's delegated authorities to the COO in the investments and disposals frameworks for Public Service and the commercial entities, and the sales deal framework, for the commercial entities.
- 4.11 The Board approved the updated Financial Delegation Framework.

## **5. Licence Fee 2022**

- 5.1 The Board discussed the 2022 licence fee review submission to the Department for Digital, Culture, Media and Sport.

## **6 Ofcom's Public Service Broadcasting Review**

- 6.1 The Board discussed the draft submission to Ofcom's consultation on the future of public service broadcasting. The Board approved the document for submission to Ofcom.
- 6.2 The Board noted that Ofcom had recently launched a further review looking at the relationship between public service broadcasters and the production sector. The BBC's submission would come to the March Board for approval.

## **7 BBC Three**

- 7.1 The Board considered a paper which set out the rationale for the re-launch of BBC Three as a broadcast TV channel. The paper also contained information on the plan and process for re-launch including the acquisition of content and rights, the EPG slot, distribution capacity and regulatory approvals required.
- 7.2 The Board discussed the paper. Directors noted that in terms of opportunity costs other approaches to achieving the objective of attracting younger viewers to the BBC had been explored and modelled but none were as effective within the available budget. Directors also noted that the broadcast model would maximise the value of shows which

were already being made for BBC Three online and be more likely to draw younger viewers into iPlayer. In addition, a significant proportion of the target audience in lower income groups did not live in homes with multiple devices or broadband and the return of BBC Three as a broadcast channel would enable them to access the channel's content.

7.3 The Board approved the proposal to re-launch BBC Three as a broadcast TV Channel. Directors noted that regulatory approvals, including the positioning of the EPG slot would also be required.

7.4 The Board approved the associated public interest test consultation document.

## **8 Budget 2021/22**

8.1 The Board considered the draft BBC Group Budget for 2021/22. It had been prepared in the context of the BBC's projected financial plans for the next three years. Summary budgets for BBC Studios and other commercial subsidiaries had also been included for comment, having already been approved by the Commercial Holdings Board.

8.2 In discussing the Budget Directors acknowledged that Covid-19 had dramatically affected the plans and finances in 2020/21 and continued to provide a backdrop of economic, financial and operational uncertainty in the Budget year. Directors made a number of suggestions for amendment in the draft Budget and requested that the finance team ensured that it provided a sufficient level of flexibility. The team was also asked to reflect on the level of financial risk and how that is managed in the Budget.

8.3 The Board noted that the Budget for 2021/22 would return to the March Board for approval.

## **9 Annual Plan: Outline Draft**

9.1 The Board noted and agreed the outline draft of the Annual Plan. The full Plan would come to the March meeting of the Board for approval.

## **10. Commercial Matters**

### *Group Routes to Market Strategy*

10.1 The Board noted a paper which provided an update on the BBC Group routes to market strategy and set out a framework for the evaluation of commercial options. Directors noted that the paper also provided context for the accompanying papers from BBC Studios.

### *BritBox UK Update*

10.1 The Board noted an update on BritBox UK.

### *Global News Commercial Model*

10.2 The Board considered a proposal to transfer BBC Global News to BBC Studios, with the World News channel becoming the responsibility of BBC News, operating under the World Service Licence.

10.3 The Board noted that the proposal would deliver a number of benefits. It would provide simplification of the BBC Group structure and commercial operations together with single leadership and joined-up delivery of key global strategies and objectives. The move would also secure a more sustainable future for BBC World News, with editorial, funding and operational responsibility within World Service and commercial elements, such as advertising and distribution, managed by BBC Studios on behalf of the Public Service.

10.4 The Board noted that there would be discussions with Ofcom about the impact of the proposals and also that the fair trading issues were being looked at by the Fair Trading Committee.

10.5 The Board approved the transfer of BBC Global News into BBC Studios.

### *Children's In-House Production*

10.6 The Board considered a proposal to transfer Children's in-house production activity into BBC Studios. The Board discussed the paper noting that the strategic rationale for the move was to optimise the BBC Group's creative, talent and operational arrangements in this genre and best deliver on the overall corporate strategy to deliver value for all. Directors also noted that BBC Studios believed there to be a commercial rationale for the production of Children's and Education content as the creation of intellectual property would increase the value from this content area within the BBC Group.

10.7 The Board noted and agreed the transfer of BBC Children's in-house production into BBC Studios and the accompanying transition plan. The plans would also be subject to regulatory process.

## **11 AOB**

11.1 The Chairman reported on his induction to the organisation and provided his initial thoughts on enhancing the effectiveness of the Board and Nations Committees.

11.2 The Chief Operating Officer outlined her priorities for the future of her Division.

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

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