



Meeting of the BBC Board

MINUTES

21 March 2019
BBC Studios, 1 Television Centre, London, W12

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 14 February Board Meeting
3. Executive Reports
4. Editorial Guidelines – Post Consultation Approval
5. Over 75's Licence Fee Concession Consultation
6. Annual Plan and Budget
7. UK Routes to Market
8. Ofcom Commercial Rates of Return
9. Board and Committee Evaluation
10. Committee Reports
11. Other Business
12. 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 Studios
- Tanni Grey-Thompson Non-executive Director
- Ken MacQuarrie Director, Nations and Regions
- Ian Hargreaves Non-executive director
- Tom Ilube Non-executive director
- Steve Morrison Non-executive director
- Nicholas Serota Non-executive director
- Elan Closs Stephens Non-executive director
- Ashley Steel Non-executive director

Apologies: None

With

- Phil Harrold Company Secretary
- Jo Clarke Secretariat Manager
- David Jordan Director, Editorial Policy and Standards (items 1-4)
- James Purnell Director, Radio and Education (items 1-4)
- Fran Unsworth Director, News and Current Affairs (items 1-4)
- Bob Shennan Director, Radio (items 1-4)
- Gautam Rangarajan Director, Strategy (items 1- 8)
- Glyn Isherwood Group Finance and Operations Director (items 1-8)
- Clare Sumner Director, Policy (items 5-7)
- Bal Samra Commercial Director (item 7)
- Tom Fussell CFO, BBC Studios (item 7)
- Balram Veliath Director, Quality, Risk and Assurance (item 9)

1. Apologies and Conflicts of Interest

1.1 There were no apologies for this meeting.

2. Minutes from the 14 February Board

2.1 The minutes from the 14 February Board meeting were approved.

2.2 The Board noted the Matters Arising.

3 Executive Reports

3.1 The Director-General reported that the BBC's comprehensive Brexit coverage was continuing to attract large audience numbers. BBC News had also provided wide-ranging coverage of the Christchurch shooting in New Zealand and the devastating cyclone in Mozambique.

3.2 The Board noted that the Scotland Channel had drawn good audiences and a positive response following launch. Directors commended the work of the teams involved.

3.3 The Board discussed industry events at which the BBC had taken part. The Director-General had given a speech to the Enders conference, which set out the BBC's strategy and vision for iPlayer in the future, and the Chairman had put the BBC's view on regulation of public service broadcasting at the Oxford Media Convention. The potential Britbox deal with ITV had also been announced.

3.4 The Board noted that the 10.35 BBC Three programme slot had launched with a strong performance from *Fleabag*. There had been no significant impact on News audiences. *Newsnight* had introduced a new presenter line-up featuring Emily Maitliss and Kirsty Wark.

3.5 The Board noted that a new four-year broadcast deal to show the FA Cup until 2025 had been agreed with the Football Association. From the 2021/22 season the new deal would have more FA Cup matches than ever before on the BBC, with up to eighteen live matches across the competition per season. Directors asked that their thanks be passed on to the Director of Sport and her team.

- 3.6 The Director of Radio and Education provided an update on audience performance. Podcasts such as *That Peter Crouch Podcast* were performing well, including among less traditional audiences.
- 3.7 The Director, News and Current Affairs, provided an update on the performance of BBC News with audiences. Interest in Brexit was driving an improved performance for News among younger viewers and boosting traffic to BBC News online, with the website and app seeing 42.9m UK browsers in the week commencing 14th January. The Board noted that BBC News had won five awards at this year's Royal Television Society Awards, highlighting the strength of its specialist reporting and analysis with awards for Chris Cook, Emily Maitliss, Africa Eye and the Grenfell Tower reporting.
- 3.8 The Director of Nations and Regions provided an update on audiences and activity in the Nations and Regions. The Board noted that there had been strong viewing figures for Six Nations Rugby – particularly in Wales where share of viewing reached 82 % for the final match. In other programme news BBC One Northern Ireland *True North* documentary *Life on the List* and an interview with BBC Northern Ireland sports presenter Stephen Watson on *Nolan Live* resulted in one hundred and five prospective organ donors coming forward.
- 3.9 The Chief Executive Officer of BBC Studios provided an update on performance at year end. Twenty-three new commissions had been achieved during January and February, including the first commission for Sky and the next set of the Natural History Unit's landmarks for BBC Content. The BBC global channels business was performing well, particularly in the USA with a great year for *Doctor Who*, and *Killing Eve*, which had been commissioned by BBC America.
- 3.10 The Board noted the Editorial Standards Report. The Board noted that the target time for stage two complaints response turnaround times had not been met due to the complexity of some of the complaints. The current list of complaints at the ECU meant that it was not expected that this issue would recur in the near future.
- 3.11 The Board discussed the Operational Performance report. Directors noted progress updates on the NAO's review of BBC pay, which was due to be published in May and the EHRC's investigation into historic pay claims. Director's also noted an update on the arrangements put in place to ensure that Interserve's entry into administration would not impact on service provision. The staff survey had completed and the full results would be circulated to the Board.

HMRC Tax Settlement

- 3.12 The Board considered an update on discussions with HMRC over settling outstanding IR35 tax issues. Directors noted that the NAO were being kept kept across developments and agreed that the Audit Committee should be involved in oversight of the process.

4 Editorial Guidelines – Post Consultation Approval

- 4.1 In June 2018, the BBC Board approved the draft Editorial Guidelines for public consultation. The consultation was held from Thursday 4 October 2018 to Monday 19 November 2018. Following this consultation, the Guidelines had been updated to take account of feedback, amendments requested by BBC output Divisions, who had been consulted simultaneously, and the Editorial Guidelines and Standards Committee. The Editorial Guidelines and Standards Committee had subsequently approved the draft for submission to the Board.
- 4.2 The Chairman of the Editorial Guidelines and Standards Committee provided the Board with a summary of the revision process the Editorial Guidelines had undergone. Directors noted the key changes which had been made as a result of the consultation, which had been made largely to reflect changes in technology and media usage; these included greater clarity around staff and presenters' use of social media.
- 4.3 The Board approved the revised Editorial Guidelines for publication and requested that the plan for the roll-out of the Guidelines and associated training programme return to a future meeting of the Board.

5. Over 75's Licence Fee Concession Consultation

- 5.1 The Board discussed the approach and work that needed to be followed up after the closure of the BBC's consultation. No decisions were taken and no options were ruled out. There was broad agreement that the initial criteria of fairness, financial impact and feasibility were helpful (subject to anything further emerging from the consultation) and should be evidenced further. Directors noted that detailed analysis of the public and stakeholder consultation responses would come to the meeting in April.

6. The Annual Plan and Budget

- 6.1 The Annual Plan and 2019/20 Budget had first been discussed at the February meeting of the Board and both returned to this meeting for final approval.
- 6.2 The Board discussed the Annual Plan. Directors considered that it reflected the BBC's strategic objectives over the year, although the aims for News would benefit from being drawn out with greater clarity. The Board approved the Annual Plan and delegated sign-off of the final draft to the Chairman and Director-General.
- 6.3 The Board considered the Budget for 2019/20, noting the amendments which had been made to reflect discussion at the previous meeting.

6.4 The Board approved the 2019/20 Budget.

7 Routes to Market

[Paragraphs 7.3 and 7.4 have been redacted for commercial confidentiality]

Group strategy

7.1 The Board noted a paper providing an overview of BBC Group's routes to market strategy.

UKTV Acquisition

7.2 A number of papers were presented to the Board outlining the deal terms for the BBC's acquisition of UKTV and associated transactions with Discovery, and the due diligence which had been undertaken on the proposition.

7.5 Having agreed that the decision on UKTV remained within the agreed financial parameters the Board approved the acquisition of UKTV and the associated transactions with Discovery, subject to the KPMG fairness opinion. Directors agreed that a commercial stretch plan should be developed for UKTV alongside the proposed deal plan and brought back to a future Board meeting.

8 Ofcom Commercial Rates of Return

8.1 The Board was asked to consider the Commercial Rates of Return ("CRRs") to submit to Ofcom. Guidance from Ofcom indicates that these CRRs should be seen as a floor to reported profitability.

8.2 The Board approved the Commercial Rates of Return to submit to Ofcom.

9 Board and Committee Evaluation

9.1 Internal Audit had undertaken Board member surveys and supporting assurance work to assess the effectiveness of the BBC Chairman, the full Board, and the sub-committees of the Board. The surveys used an established set of questions to assess the design and operating effectiveness of the Board and its committees. The surveys obtained members views on five specific areas: composition and behaviours, agendas

and papers, Board meetings, communication and reporting, and business understanding.

- 9.2 The Board discussed the findings from the survey, which were predominantly positive. An action plan addressing the small number of areas needing improvement would be produced by the Secretariat.

10 Committee Reports

- 10.1 The Chairman of the Audit Committee reported on the most recent meeting of the Audit Committee. Items for discussion had included the internal audit plan for the year, the quarterly risk report and scrutiny of critical projects.
- 10.2 The Chairman of the Editorial Guidelines and Standards Committee reported on the most recent meeting. In addition to signing-off the revised Editorial Guidelines the Committee had discussed the Terms of Reference for Ofcom's Review of News and Current Affairs and had approved the Election Guidelines for the upcoming local elections.
- 10.3 The Chairman of the Northern Ireland Committee reported on the most recent meeting of the Committee. Items for discussion included audience performance and an update on regulatory targets.
- 10.4 The Chairman of Remuneration Committee reported on the most recent meeting of the Committee. Items for discussion had included an update on the Gender Pay Gap and the BBC Studios remuneration scheme.
- 10.5 The Chairman reported on the most recent meeting of the Nominations Committee. The Board approved the nomination of Fran Unsworth, Director, News, to serve on the Editorial Guidelines and Standards Committee and the Northern Ireland Committee as of 1 April 2019.

11 Other Business

- 11.1 The Board formally approved the following items:
- The BBC's Annual Tax Statement
 - An investment case for security services re-procurement
 - A review of, and plan for, audience engagement sessions.
 - An information sharing protocol between the BBC's public service and commercial arms.
 - An update for noting on the BBC's contestability requirements
 - A revised financial delegation framework

- Renewal of the contract with PPL.

12 AOB

12.1 There was no other business.

Approved by the Board: _____ (Chairman)

_____ (Date)