



Meeting of the BBC Board

MINUTES

17 October 2019
Broadcasting House, London, W1A 1AA

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising from the 16 September Meeting
3. Executive Reports
4. Strategy and budget
5. Delivering the Strategy
6. Britbox
7. BBC Local News Partnership
8. Committee Reports
9. AOB

ATTENDANCE

Present

- David Clementi Chairman
- Tony Hall Director-General
- Tim Davie Chief Executive Officer, BBC Studios
- Shirley Garrood Non-executive director
- Tanni Grey-Thompson Non-executive director
- Ian Hargreaves Non-executive director
- Tom Ilube Non-executive director
- Ken MacQuarrie Director, Nations and Regions
- 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

With

- Phil Harrold Company Secretary
- Chris Sandford Senior Advisor, Office of the DG and Chairman
- Bob Shennan BBC Managing Director (items 1-6)
- Glyn Isherwood Group Finance and Operations Director
- David Jordan Director, Editorial Policy and Standards (items 1-3)
- Charlotte Moore Director, Content (1-4)
- James Purnell Director, Radio & Education (items 1-4)
- Gautam Rangarajan Director, Strategy (items 1-4)
- Kerris Bright Chief Customer Officer (item 4)
- Helen Thomas Director, England (item 5)
- Bal Samra Commercial Director (item 6)
- Reemah Sakaan Group SVOD Launch Director, ITV (item 6)
- Jessica Cecil Senior Project Director (item 7)

1. Apologies and Conflicts of Interest

1.1 There were no apologies or new conflicts of interest to be declared.

2. Minutes from the 16 September Board Meetings

2.1 The minutes from the 16 September were approved.

2.2 The Board noted the Matters Arising.

3. Executive Reports

Board report

3.1 The Director-General reported on the recent Executive Complaints Unit ruling in relation to *BBC Breakfast*. The background to the ruling was discussed and the Director-General explained his reasons for overturning the original decision. The issue had highlighted the need to look at what lessons could be learned about the complaints process and Chris Banatvala, an independent media consultant, had been asked to review the process, reporting to the Editorial Guidelines and Standards Committee.

3.2 It was noted that the issue had also exposed questions about the BBC's culture that needed to be addressed. Whilst progress was being made in relation to the development of BAME and other diverse staff. There was a need to assess the impact of schemes and actions introduced in recent years across all areas of diversity and inclusion, including class. A number of recent appointments had been made in this area and there was now an opportunity to continue to deliver on the commitments already made.

3.3 The Director-General briefed the Board on the pay grievance process and resolution of pay cases. Work continued to seek to close cases as quickly as possible, but it was noted that a number of the remaining cases were complex and involved issues from a number of years ago. The Board requested regular updates on the closure of cases.

3.4 Considering other recent issues, the Board noted that iPlayer performance had been strong over the summer and that the launch event for the autumn had been well-received. The new David Attenborough series promised to be a landmark for Sunday evenings. Two reports from Ofcom were due to be published the next week and the Board would be updated on these in due course. And it was noted that an Extinction Rebellion protest had blocked entrances to the BBC earlier in the month.

- 3.5 The Director, Content, provided an update on performance. The summer was usually a quiet period, but there had been successes on iPlayer such as the release of *Peaky Blinders* box sets and the longer window of availability for *Killing Eve*. *RuPaul's Drag Race* was a key play for young audiences and early numbers were positive for iPlayer views. It was also noted that the upcoming *His Dark Materials* would be a key returning title and would have a lot of additional content built around the broadcast.
- 3.6 The Director, Radio and Education, provided an update on performance. Recent weeks had seen experiments with release patterns for podcasts on BBC Sounds, which were providing positive results and learnings. BBC Sounds had also met its signed-in user target for the year and was on track for its young audiences target too. Performance in Children's was stable and the Board were briefed on an incident that had resulted in the early ending of a Radio 1Xtra live event.
- 3.7 The Director, News and Current Affairs provided an update on performance. Brexit had continued to dominate over the summer and *Brexitcast* had now been given a broadcast slot on a Thursday. Election planning continued to be undertaken and the publication of Ofcom's review of news and current affairs was expected the next week. The recent *We Are Stoke* season continued the programme of bringing BBC News into underserved communities. And it was noted that recent investigative work in Africa had been very impressive and links to examples would be shared with the Board.
- 3.8 The Director, Nations and Regions, provided an update on audiences and activities. The Troubles season in Northern Ireland had performed very strongly, particularly within the nation. It was a clear example of the value of public service broadcasting. The second series of *Keeping Faith* was performing well on iPlayer and requests for content made in Scotland were up significantly year on year. A recent hearing at the Welsh Assembly Select Committee was noted.
- 3.9 The Chief Executive Officer, BBC Studios provided an update on performance. Trading for the year was on track and UKTV was delivering well. A new President of Distribution had been appointed and strong hires had been made into Head of Genre roles in production.
- 3.10 The Board noted the Editorial Standards Report and that the complaints website was due to be updated shortly, allowing users to retain the same complaint number throughout the process.
- 3.11 The Board considered the Operational Performance Report, which included updates on the BBC's critical projects and outstanding pay queries. It was noted that no further deterioration in the licence fee funding risk was anticipated. The potential for an election was being factored in to in-year budget planning. An update on the project to

introduce a new database in the Licence Fee Unit would be provided at the next meeting.

EHRC update

- 3.12 The Board noted an update on progress with the Equality and Human Rights Commission's review into pay cases.

4 Strategy and budget

Audience value of the BBC

- 4.1 The Board received a presentation on research that defined how audiences derive value from the BBC. This showed that the perception of value among audiences was a driver of trust and love for the BBC, along with views on the licence fee.
- 4.2 It was noted that there were a number of important drivers that made up value which included the frequency of use, time spent with the BBC, the number of platforms used and the perception that the BBC was 'relevant for me'. Overall there was a challenge in terms of value with younger audiences, but declines were also being seen in older audiences too.
- 4.3 To address these challenges, it was noted that detailed insight was being developed into priority areas, with divisions being supported by data to help them unlock more value from the BBC's portfolio. A set of performance indicators had been developed, aligned to the drivers, and draft targets for 20/21 were in development.
- 4.4 Discussing the research, the Board agreed it was important to consider the work alongside the budget. There was also a need to consider the overall branding of the BBC and how the brand and the BBC's services could be optimised to deliver against the strategic aims.

Strategic Plan and First Look Budget

- 4.5 The Board moved on to consider a first look at the draft budget and strategic plan for 2020-2022. Scenario planning was underway to consider a longer horizon but, for the short term, it was felt that the overall strategic aims were still the right ones, noting the need to ensure that all services were geared toward driving the most value possible.
- 4.6 The Board discussed the impact on the budget of the final step-down of DWP funding for over-75s licences. This led to increased risk within the early stages of the budget and so a prudent approach was proposed to manage risk in the next year. It was noted that

the planning assumptions in the budget were made on the basis of the best current understanding of licence fee collection rates. A deficit and further cash draw down was planned in 2020/21 and options to mitigate the risk of this were being considered, including through the property portfolio and in options as part of the capital budget.

- 4.7 Discussing the plan, the Board noted the current levels of risk and asked that the next iteration of the plan should look at options for both the downside and upside of the risks anticipated. The Board also requested more work to define options that would allow further investment in content in the coming year, supporting delivery of the strategic priorities. This could include work to analyse possible duplication of spend between network and nations for content, noting the need to ensure that the nations had scope to produce programming that would appeal to local audiences first and foremost.
- 4.8 It was noted that any risks in the plans would need to be fully stress-tested. The Board noted the proposals and asked for the next discussion on the budget to include options for how to release additional investment for content and priorities, aligned to the metrics and targets for audience value that had been defined.

5. Delivering the strategy

News 2020

- 5.1 The Board were briefed on plans to change the operating model in Network News and to remove duplication in the coverage of stories. It was noted that News served certain audiences well but needed to work harder to meet the needs of others.
- 5.2 The proposed plan would reduce the number of commissioning points in News and would create central, multi-skilled teams with specific expertise from which programmes could commission stories. The changes would lead to savings from reduction in duplication. Additional changes to scope were also being considered, based on audience data.
- 5.3 In discussion, the Board noted that this would be a significant and potentially challenging cultural shift within News, though it was agreed that change was necessary. Balance needed to be achieved to allow programmes to demonstrate distinctiveness but also to ensure that the lessons learned from recent pilot schemes were implemented.
- 5.4 The Board noted that implementation plans were being drawn up and these would come back to the Board for further discussion.

Local Radio strategy

- 5.5 The Board then discussed the strategic plans for the delivery of changes to Local Radio. These had been developed with a view to ensuring that the service continued to reflect local audiences and the different rural and urban areas they represented. The old approach to stations had been in place for 50 years and it made sense to look to adapt the service to fit with modern audiences.
- 5.6 Discussing the plans, the Board noted that there was an aim to introduce greater flexibility for stations in terms of the output they provided. This could mean shared shows at certain times, but also greater focus on specific audiences at others. The plans would look at the branding and focus of some stations and would also seek to ensure that a strong pipeline for new talent was in place. News provision would not reduce, but would be surrounded by different forms of content in different areas.
- 5.7 The Board noted the outline plan and asked that more detail on implementation be brought to a further meeting. It was also agreed that the England Committee should look in detail at the proposals at its next meeting. All Board members would be invited to attend that meeting, should they wish.

6 Britbox

- 6.1 The Board received a presentation on the development of the BritBox UK joint venture with ITV. The product was due for launch in the coming month and would focus on providing the best British content to audiences. It was noted that a lot of new streaming services were being launched, but BritBox filled a distinctive role that audiences had an appetite for. It was agreed that an opportunity existed with older audiences who were moving to streaming services in larger numbers and the Board were given a demonstration of the user interface that would be in place at launch.

7 BBC Local News Partnership

- 7.1 The Board received an update on the work to develop the Local News Partnership. The paper set out changes that had been made to the plans since the last discussion at the Board, including the opening up of the scheme to eligible publications that served minority communities. Steps had also been taken to ensure the company was limited by guarantee and, as such, operated at an arm's length from the BBC.
- 7.2 The Board noted the funding approach set out and that discussions with other possible funders were ongoing. The expansion to publications covering minority communities was welcomed and it was clarified that the material produced under the partnership was

largely text based. Eligible organisations were required to comply with the BBC's Editorial Guidelines inasmuch as they related to the text being produced.

- 7.3 The Board noted the update and asked for a further briefing in the New Year.

8 Committee Reports

- 8.1 The Chair of the Audit and Risk Committee reported on the most recent meeting. Discussion had included the findings of recent audits and assurance on risk management in BBC Studios.

- 8.2 The Chair of the Northern Ireland Committee updated the Board on the last meeting. This had included a discussion on recent audience trends, the Belfast Broadcasting House redevelopment project and work to digitise the BBC's archive.

- 8.3 The Chair of the Scotland Committee briefed the Board on the last meeting. The Scotland Channel was performing well, including with young and underserved audiences. This was due to a number of factors including scheduling and marketing.

- 8.4 The Chair of the Editorial Guidelines and Standards Committee reported on the recent meeting. Election Guidelines had been discussed alongside work on audience selection.

E20 material for Public Accounts Committee

- 8.5 The Committee approved a report on the E20 programme that would be submitted to the Public Accounts Committee, following their review of the project.

9 AOB

- 9.1 The Board noted that Christopher Saul would be discussing his annual Board review with members over the coming weeks.