



Meeting of the BBC Board

MINUTES

22 March 2018
Broadcasting House, Belfast

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 22 February Board Meeting
3. Welcome to BBC Northern Ireland
4. Executive Reports
5. Budget and Annual Plan
6. News Strategy
7. Maida Vale Development Update
8. Northern Ireland Broadcasting House
9. Finance and Operations
10. Committee Reports
11. 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
- 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 directors

There were no apologies

With

- Phil Harrold Company Secretary
- Jo Clarke Secretariat Manager
- James Purnell Director, Radio and Education (items 1-4 and 7)
- Fran Unsworth Director, News and Current Affairs (items 1-4, and 6)
- Peter Johnston Director, BBC Northern Ireland (items 1-3 and 8)
- Gautam Rangarajan Director, Strategy (items 1-6)
- Jean-Paul Petranc Partner, Boston Consulting Group (item 6)
- Alan Davey Controller, Radio Three (item 7)
- Rhona Burns Finance and Operations Director, Radio and Education (item 7)

BOARD MINUTES – 22 MARCH 2018

I. Apologies and Conflicts of Interest

- 1.1 There were no apologies. It was noted that Tanni Grey Thompson would leave the room for the discussion on the Maida Vale Development Update and was not provided with papers for that item.

2. Minutes from the 22 February Board

- 2.1 The minutes from the 22 February Board meeting were approved.

3 Welcome to BBC Northern Ireland

- 3.1 Peter Johnston, Director of BBC Northern Ireland provided an overview of the BBC's activities in Northern Ireland, including its performance with audiences, the development of new and technically exciting services such as *BBC Rewind*, a major archive project, as well as outlining some of the operational challenges. He also introduced the Board to some current and upcoming programme highlights.

4. Executive Reports

- 4.1 The Director-General presented a number of regular Executive Reports to the Board. These included reporting on performance, editorial compliance, operations and assurance.
- 4.2 The Board noted an update on on-going HR issues around pay, the modernisation of terms and conditions, and the use of personal service companies by BBC presenters considered to be freelance. Directors discussed ongoing communications with staff about these issues.
- 4.3 The first quarter of the year had seen tremendous work from local news teams, supported by the Design and Engineering division, in providing a vital service for audiences during the recent snow. An average collective audience of 8.6m for the 6:30pm local news programmes was the highest for five years, and *Reporting Scotland* saw its best audience for six years.

- 4.4 Reporting of the death of Prof. Stephen Hawking generated the highest number of unique browser visits to BBC News Online since the General Election. A high number of these users found their way to BBC News online via social media channels.
- 4.5 The Board noted the BBC's success at the Royal Television Society Awards. The BBC won seventeen awards in all; BBC One was awarded Channel of the Year, whilst BBC Comedy was recognised with three awards for *This Country*. At the RTS Journalism Awards the BBC won eleven of the nineteen awards available.
- 4.6 Directors discussed the first audience engagement session for Board and Executive Committee members, which had been held in Coventry with a diverse group of twenty 20-24 year olds. Directors agreed that it had been an invigorating session and a reminder of the challenges inherent in reinventing the BBC for the next generation.
- 4.7 The Board noted the performance of the BBC's programmes and services with audiences over the period. Among 16-34s, performance continued to be impacted amid intense competition from both traditional and newer providers.
- 4.8 The Board noted the editorial compliance and complaints report. Turnaround times for complaints responses were within target. The Board approved the Election Guidelines which would be published and circulated ahead of the local Election period, which began on 27 March.
- 4.9 The Deputy Director-General provided the Board with updates on finance and assurance matters, including the performance of the BBC's strategic contracts and major projects.
- 4.10 The Board discussed an update on the commercial subsidiaries, which were all projected to make a profit this year. A full overview of the newly merged BBC Studios/Worldwide would come to a later Board meeting. Directors noted that discussions were taking place with Discovery over its purchase of Scripps, the BBC's partner in UKTV, and that the Board would be kept updated as these talks progressed.
- 4.11 The Board considered a set of draft terms of reference for a review looking at the BBC's current transparency measures. Directors fed back their thoughts on the scope of the Review and agreed that this should return to the Board in due course.

5 Budget and Annual Plan

- 5.1 The Board considered the Budget and the Annual Plan for 2018/19.
- 5.2 The Budget had been developed alongside the Annual Plan and reflected input from the Board, which identified the need for a more rapid refocus across the BBC's portfolio

towards priority strategic investments. Work was undertaken to identify funding to support these investments for 2018/19.

- 5.3 The Board approved the Budget for 2018/19 in the context of the three year financial plan outlined in the detailed Budget Book. Directors requested that a review of the budget requirements of the BBC's strategic investments should be scheduled mid-way through the year.
- 5.4 The Board approved the Annual Plan. Directors noted that a management plan which would set out the how the Annual Plan would be implemented would return to a later meeting of the Board.

6. News Strategy

- 6.1 The Board considered a presentation outlining some of the key issues and challenges for BBC News, both in terms of audience performance and perception, and in delivering services as cost effectively as possible.
- 6.2 The Board noted that although BBC News was the largest news organisation in the UK, ahead of competition on TV & Radio and online, consumption was dropping among some segments of the audience, particularly the young and lower income households. Notably, within 16-24s, time spent with BBC Radio and TV news had dropped by approximately 20% compared to 2013, whereas online consumption was flat. This was in line with market trends across the industry. However, given the BBC's mission and public purposes, and its strategic priority to reinvent BBC services for a new generation, there was a need to re-consider how BBC News could do more to reach those audiences currently underserved by the BBC, including those on lower incomes, the young, and audiences outside of London and the South East.
- 6.3 The Board discussed the presentation. In developing future proposals, Directors considered that it was critical to focus on the BBC's core values regarding its News offer, and to explain and promote its commitment to impartiality and factual accuracy in a way which would reach and engage underserved audiences. It was agreed that it would be useful to get the input of a younger and more diverse range of voices in developing the strategy. As a first step, the Board requested that the strategy be shared with the Next Generation Committee.

7. Maida Vale Development Update

[paragraphs 7.2-7.3 re-dacted for commercial confidentiality]

- 7.1 The Board considered an update on the development of the Maida Vale site and options for housing the BBC's performing groups in the future.

8. Northern Ireland Broadcasting House

- 8.1 The Board had first considered a proposal for an investment in the technology and Broadcasting House in Belfast in January this year. At that meeting Directors requested further information about the project relating to the level of contingency costs, the relationship of Broadcasting House to the wider development of the Linen Quarter of the city, assurances that value for money initiatives had been fully explored, and that best practice accessibility guidelines had been adopted in planning changes to the building.
- 8.2 The Board noted that the building currently required major work to ensure its long-term sustainability and to address critical deficiencies that incurred higher running costs and restricted modern ways of working.
- 8.3 The Board discussed the enhanced business case for the technology and building transformation. Directors noted the savings which would be delivered by phasing the technology spend during the project programme, and the substantial contingency allowance, which could reduce the cost of the development on completion should it not be required.
- 8.4 Directors agreed that as well as accommodating all of BBC NI's Belfast-based staff and enabling them to work in a much more collaborative way, the investment would also create a much more accessible building with improved and new audience areas. The plans would also establish a 'technology centre of excellence', allowing BBC NI to take advantage of new and evolving technologies to stay ahead of audience demand in the digital age and to test new approaches for the whole BBC.
- 8.5 The Board approved the investment case and requested that the development of Northern Ireland Broadcasting House be added to the critical projects portfolio to ensure ongoing Board oversight.

9 Finance and Operations

Publication of the BBC's Tax Strategy

9.1 Board approved a statement on the BBC's Tax Strategy for publication.

Provision of Security Guarding Services

9.2 The Board gave approval to commence a procurement and tender process for the provision of security services and manned guarding across BBC premises in the UK.

10 Committee Reports

10.1 The Chair of the Remuneration Committee reported on the outcomes of the committee's latest meeting. Items on the agenda had included the Quarterly Management Report and the requirements for end of year reporting.

10.2 The Board approved a paper from Nominations Committee proposing that the Nations Committees should be chaired by the relevant Nations members from the 1 April. The Board thanked Geraldine Reilly, Business Manager, Nations and Regions for her help in supporting the work of the Committees to date.

10.3 The Chair of the Fair Trading Committee reported on the latest meeting. Items on the agenda had included progress with implementing the requirements of the new Ofcom Operating Licence and an update on regulatory complaints.

11. AOB

11.1 The Board noted that the revised Editorial Guidelines would now come to a later meeting.