



Meeting of the BBC Board

MINUTES

24 May 2018
Broadcasting House, London

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 26 April Board Meeting
3. Executive Reports
4. Performance Review
5. Content and Regulatory Approvals
6. Maida Vale Development Update
7. Commercial Operations
8. Commercial Review: Terms of Reference
9. E20: Project Re-base
10. Finance and Operations
11. Distribution
12. Committee Reports
13. 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
- Charlotte Moore Director, Content (items 1-5)
- James Purnell Director, Radio and Education (items 1-4 and 6)
- David Jordan Director, Editorial Policy and Standards (items 1-3)
- Gautam Rangarajan Director, Strategy (items 1-4)
- Craig Holleworth Head of Business, Content (item 5)
- Clare Sumner Director, Policy (items 5, 8 and 11)
- Alan Davey Controller, Radio Three (item 6)
- Rhona Burns Finance and Operations Director, Radio and Education (item 6)
- Mark Linsey Director, Studios (item 7a)
- David Moody Director, Strategy, BBC Studios (item 7b)
- Glyn Isherwood Group Finance and Operations Director (items 8-10)

- Richard Dawkins COO, Content (item 9)
- Sarah Jones Group General Counsel (item 10b)
- Bob Shennan Director, Radio (item 10b)

BOARD MINUTES – 24 MAY 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 that Tim Davie, CEO BBC Studios, would leave the room for the discussion on content approval.

2. Minutes from the 26 April Board

- 2.1 The minutes from the 26 April Board meeting were approved, subject to an amendment to paragraph 7.

3. Executive Reports

- 3.1 The Director-General presented a number of regular Executive Reports to the Board. These included reporting on performance, editorial compliance, operations and assurance.
- 3.2 The Director-General reported on the live broadcast of the Royal Wedding that weekend. The BBC audience had peaked at just 14 million people in the UK, with an additional 2.4 million requests for catch-up viewing on iPlayer. The broadcast of the Royal Wedding also delivered BBC America's highest ever audience, with 11 million people tuning in to watch the live coverage.
- 3.3 In other programming highlights the BBC had done exceptionally well at this year's BAFTA's, with a resulting seventeen trophies. Winners came from right across our output, including *This Country*, *Three Girls*, *Peaky Blinders*, Rio Ferdinand's documentary *Being Mum and Dad* and special recognition for Kate Adie and John Motson.
- 3.4 The year-end target for BBC sign-in was exceeded by 1.7 million as weekly sign-in users settled at 10.7 million.
- 3.5 The BBC noted that the most recent RAJAR figures showed that reach was steady to BBC radio services. Young audiences continued to be a challenge, but listening to podcast programmes was increasing. Directors noted that the *Biggest Weekend* would take place across the country that weekend.

- 3.6 The Board discussed the editorial compliance and complaints report. Directors noted that the turnaround time for complaints responses at stage 2 were below target. This was due to a complex complaint which had required numerous separate responses.
- 3.7 The Deputy Director-General provided the Board with updates on finance and assurance matters, including ongoing pay reviews and the performance of the BBC's strategic contracts and major projects.
- 3.8 The Board noted that there had been two major security incidents in Afghanistan. Directors expressed their concern and support for the family of a BBC journalist, Ahmad Shah, in Khost Province who had been killed. In the second incident a secondary device, which was detonated amongst a group of journalists in Kabul had resulted in the death of seven other foreign journalists. The situation was being monitored closely.

4 Performance Review

- 4.1 The Board considered the performance of the BBC in preparation for consideration of the Annual Report.
- 4.2 The Board discussed the performance of the BBC's output against the public purposes. Overall, it had been a strong creative year, in which good progress had been made against the purposes, but structural changes in the media and broadcast market continued to create challenges among some audience groups, including youth audiences.
- 4.3 As a result of discussion, Directors agreed that the executive should come back to the Board with a plan of how to better serve youth audiences across all of the BBC's services, and how best to signpost those programmes across the BBC's network of services. The Board also requested a session on audience perceptions of impartiality at a future Board meeting and a breakdown of BAME/C2DE audience data under the fourth purpose.
- 4.4 The Board agreed that the full draft Annual Report would be considered at an extraordinary meeting before final sign-off at the June Board.

5. Content and Regulatory Approvals

[paragraphs 5.2-5.3 redacted for commercial confidentiality]

Programme Investment

- 5.1 The Board considered the proposed programme investment noting that *EastEnders* was a cornerstone of early evening programming on BBC, and drew in audiences who were otherwise low consumers of BBC Services.
- 5.4 The Board approved the programme investment required for *EastEnders*. Directors delegated authority to the Director-General to approve the final deal terms within the constraints agreed by the Board.

Changes to Content Availability in BBC iPlayer

- 5.5 In February, the BBC Board agreed to an ambitious, long-term vision for iPlayer including extended series availability with returning series full boxsets and selective resurfacing of archive; a revitalised content mix with more appeal to young audiences; and a new rights and funding model that enabled the BBC to deliver this.
- 5.6 The Board noted the content plans for iPlayer over 2018/19, which provided for extended availability on some selected new and returning series, and for those selected returning series making previous series available as box sets.
- 5.7 The Board approved the BBC's materiality assessment that the 2018/19 plans were not material, with the final assessment to Ofcom to be cleared with the Executive.

6. Maida Vale Development Update

(paragraph 6.2 redacted for commercial confidentiality)

- 6.1 In March 2018, the Board received a briefing paper setting out the options to refurbish, rebuild or relocate the BBC's studios at Maida Vale which, in their current state, were no longer a viable base for the BBC performing groups. An alternative option was to move to a three studio purpose built facility to be constructed by the London Legacy Development Corporation (LLDC) at their new cultural quarter at Stratford, East London. This public facing development at Stratford would allow the BBC to build on

the Olympic Legacy and engage a young and diverse community. At its meeting in March the Board requested that the Executive investigate the Stratford option further with a view to reducing the costs and exploring the public value benefits.

- 6.2 The Board noted that the costs of Stratford had been reduced since March.
- 6.3 The Board discussed the revised proposal, which Directors agreed had improved considerably since the original case had been presented, which helped address questions of affordability at a time of heavily constrained finances.
- 6.4 The Board was clear that there was a significant opportunity to develop a more public-facing approach to its Orchestras and performing groups. The Stratford site would work well in terms of offering public value benefits, such as providing music and performance outreach to the local community.
- 6.5 The Board approved the Stratford option but tasked the team to reduce costs further where possible and to develop a full proposal around reinventing the BBC Orchestras for a new generation.
- 6.6 The Board delegated authority to the Deputy Director-General and the Director, Radio & Education, to approve Heads of Terms with LLDC subject to the agreed deal parameters set out in the paper.

7. Commercial Operations

(paragraph 7.3 redacted for commercial confidentiality)

BBC Studios Merger

- 7.1 The Board considered a presentation which provided an update on progress with the integration of BBC Worldwide and BBC Studios. Directors agreed that the project was on track to deliver its objectives of a reinvigorated creative culture, organisational synergies and a high level of staff engagement, which would also provide benefits for the BBC public service. The Board commended the team for its work on the merger.

UKTV Update

- 7.2 The Board noted an update on ongoing discussions with Discovery regarding the future of UKTV.

7.4 The Board noted that the sub-group would meet ahead of the June meeting of the Board.

8 Commercial Review Terms of Reference

8.1 The Framework Agreement (Clause 29) sets out that the BBC must “carry out and publish two or more detailed periodic reviews on whether the commercial activities carried out by the BBC through commercial subsidiaries...meet the commercial criteria”. The first such review is required to be completed by 31 December 2018. This paper set out a proposal for the Terms of Reference of the review, which would report to the Board.

8.2 The Board discussed the proposed terms of reference. Directors agreed that responsibility for oversight of the review should be delegated to the Chairman, the Deputy Director-General and Steve Morrison, non-executive Director. The Board would review the work at regular intervals.

9 E20 Project Re-base

(paragraphs 9.2-9.5 were redacted for commercial confidentiality)

9.1 The E20 project is to rebuild the *EastEnders* standing set after thirty-three years' operation which was necessary to maintain the production values of the programme and to support the future editorial development of the programme. Its current business case was approved in October 2015.

10 Finance and Operations

Corporate Health and Safety Performance

10.1 The Board agreed to postpone this paper until its June meeting.

- 10.2 The Board approved a mandate enabling the executive to help resolve historic disputes about the tax and National Insurance Contributions (“NIC”) due on fees paid by the BBC to its on-air presenters.

11 Distribution

Distribution Policy: Post Consultation

- 11.1 The Board approved the final Policy which had been amended to take account of the consultation responses and the draft Statement setting out the BBC’s position and the consultation responses.

IP Glidepath: TV Platforms

- 11.2 The Board approved the final terms of a Digital UK and Freeview funding agreement and authorised entering into a binding five-year agreement with other Digital UK shareholders.
- 11.3 The Board agreed to delegate approval of the final terms of a new five-year YouView shareholder agreement to the Deputy Director-General and Chief Product and Technology Officer, subject to terms being consistent with the parameters set out in the paper.
- 11.4 The Board noted that more work was to be done on the potential for other platform options, which would return to the Board in due course.

12 Committee Reports

- 12.1 The Chair of the Wales Committee reported on the outcomes of the committee’s latest meeting. Items on the agenda had included the Terms of Reference, audience performance and an update on Central Square, Cardiff.
- 12.2 The Chair of the England Committee reported on the most recent meeting. The meeting had included visits to audiences in a Leeds school and a local faith community centre. Priorities for the coming year had been agreed upon.
- 12.3 The Chair of the Fair Trading Committee reported on the most recent meeting. Items on the agenda included an update from the NAO on its regularity review, the quarterly management report and the retendering of the Fair Trading audit.
- 12.4 The Chairman reported on a meeting of Nominations Committee. The Committee had agreed that Nicholas Serota would become Chairman of Remuneration Committee as of

the 31st July. Nominations Committee also proposed that Simon Burke's term of appointment should be extended for a period of three months until 3 July 2019 to allow him to oversee the completion of the Annual Report; the Board approved the extension.

13. AOB

- 13.1 The Board formally approved the appointment of Catherine Claydon as the independent trustee of the BBC Pension Board.