



Meeting of the BBC Board

MINUTES

21 September 2017
Television Centre, London

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 20 July Board Meeting
3. Executive Reports/Board Pack
4. Diversity Briefing
5. Distribution
6. iPlayer Update
7. Commercial Update
8. Policy Briefing: Commercial Material Changes
9. Governance
10. 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 Worldwide
- 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
- Ashley Steel Non-executive director
- Elan Closs Stephens Non-executive director

With

- Phil Harrold Company Secretary
- Jo Clarke Secretariat Manager
- Mark Linsey Director, Studios (item 3-4)
- James Purnell Director, Radio and Education (item 3-4)
- Charlotte Moore Director, Content (item 3-4)
- David Jordan Director, Editorial Standards (items 3-4)
- Gautam Rangarajan Director, Strategy (item 3-5)
- Matthew Postgate Chief Technology Officer (items 5-6)
- Kieran Clifton Director, Distribution (item 5)
- Neelay Patel Director, Product and Systems (item 6)
- Clare Sumner Director, Policy (item 8)
- Sarah Jones Group General Counsel (item 9)

Apologies: None

BOARD MINUTES – 21 SEPTEMBER 2017

1. Apologies and Conflicts of Interest

- 1.1 There were no apologies. Directors noted the interests declared in relation to items on the agenda.

2. Minutes from the 20 July Board

- 2.1 The minutes from the 20 July Board meeting were approved.

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 opened the session by briefing the Board on three reports on fair pay related issues that were due to be published in the coming weeks. These were: a review by PwC looking at pay across the World Service and Network News now that the two areas had been operationally integrated; the BBC's formal, statutory report on the gender pay gap, which would include analysis of the average pay differential between men and women at the BBC, according to specific Government criteria, and would be accompanied by a management response, and an equal pay audit, which would be undertaken independently by PwC and Eversheds and which would look across the organisation to identify any discrepancies in pay among employees who were doing like-for-like work.
- 3.3 The Board noted that Ofcom aimed to publish the BBC's final Operating Licence by the end of the month.
- 3.4 The Board discussed some of the key programme highlights of the summer including this year's *Proms* season, which reached over 14 million television viewers; the *Panorama* film exposing abuses at the Brook House detention centre, and the *Gay Britannia* season marking 50 years since the partial decriminalisation of gay sex.
- 3.4 The Board noted the audience performance from June and July. The lack of sport onscreen had impacted year-on-year television performance in reach and time spent

per head, and that together with a lighter news agenda had also affected the performance of BBC Online in July, after a strong performance in June.

- 3.5 The Board discussed the editorial compliance and complaints report. Complaints volumes had fallen significantly since the General Election and response times were within target.
- 3.6 The Deputy Director General provided the Board with updates on headcount management, workplace issues and operational projects. The Board discussed the Health and Safety investigation into a fall from height that took place at Elstree Studios in 2014. The Board noted that a full Health and Safety Report would come to the meeting on an annual basis.
- 3.7 The Board approved a delegation to the Deputy Director General to finalise the upcoming facilities management contract.

4. Diversity Briefing

- 4.1 The Board were presented with a briefing on the BBC's Diversity strategy, on-screen and off, and its performance against targets and divisional plans.
- 4.2 The Board noted that in 2014 a number of initiatives had been announced to accelerate movement towards greater diversity at the BBC; this included setting 2017 targets for ethnicity and disability. As a result of this, there were a number of immediate successes, including: the early achievement of the target for at least 1% of all employees to be apprentices; ensuring that at least 50% of all local radio breakfast presenters were women; the recruitment of over 30 black Asian and ethnic minority (BAME) interns in association with Creative Access and the creation of a high level leadership programme for BAME talent, working with Clore.
- 4.3 In April 2016 a new 2016-2020 Diversity and Inclusion strategy was launched which introduced new and ambitious targets and made a public commitment that by 2020 the BBC would have:
- a workforce at least as diverse as any other in the industry;
 - met portrayal targets that covered a much wider range of diversity than any other broadcaster, with a bigger impact for audiences across a wider range of programmes.
- 4.4 The Board discussed the performance of the strategy, and noted recent successes. Directors agreed that more needed to be done to improve levels of female and BAME representation at the most senior levels and that there was also a need to increase the representation of women in Design and Engineering. Directors considered a number of

initiatives around leadership development, succession planning and recruitment that could help to address those issues.

- 4.5 The Board noted what more was being done on screen, to meet the BBC's portrayal targets and to better serve all audiences; notable examples were particularly to be found in Children's, News and Sport. Directors discussed the success of the Assistant Commissioning scheme in Television and the need continue to expand the on-screen portrayal of disability.

5. Distribution

- 5.1 The Board considered a presentation on the long-term distribution choices for the BBC, with particular regard to the increasing popularity of internet delivered services among audiences and the implications of that for the BBC in the future.
- 5.2 The Board discussed the critical principles that inform the BBC's distribution strategy. Key among these was universality: the requirement to deliver services to all audiences across the UK and affordability, ensuring value for money for licence-fee payers. However, the ability to offer its services with public service curation and functionality, maintain a direct relationship with audiences, provide high quality, innovative services and ensure the proper attribution of content would also be important to the BBC in an environment where content was increasing delivered through internet services and social media.
- 5.3 The Board discussed the current distribution platforms used by the BBC, and how closely they aligned with the BBC's strategic ambitions for the services it provides to audiences in future. Directors also discussed some of the difficulties for distribution across the country, particularly in the Nations and Regions, and where broadband access was poor.
- 5.4 The Board noted that the BBC's Distribution Strategy and Policy would come to a future meeting, prior to being published for public and industry consultation.

6. iPlayer Update

- 6.1 The Board was provided with a product overview and performance update for BBC iPlayer against its strategic aim of doubling reach and quadrupling time spent with iPlayer by 2020. The update particularly looked at progress against the 2017/18 target to increase weekly browsers by 15% and total time spent by 25%.

- 6.2 The Board discussed the update, noting that the 2017/18 targets were being met in some areas and exceeded in others. Directors also discussed the more stretching 2020 targets and how innovative product development, an enhanced content offer and marketing strategy could help achieve them.
- 6.3 Directors noted some of the current regulatory restrictions on the iPlayer, with particular regard to the 30-day window for catch-up services, and considered the extent to which other types of content such as Live events could potentially be offered through the service.

7 Commercial Update

- 7.1 The Board was provided with an update on commercial matters.

[redacted due to commercial confidentiality]

8 Policy Briefing: Commercial Material Changes

- 8.1 The Director of Policy briefed the Board on the new arrangements under the Charter and Agreement to consider commercial material changes to the BBC. This included how the BBC Board would consider any materiality test and then, if required, a commercial test.
- 8.2 The Board also considered how the Ofcom process worked for any proposed commercial material change.
- 8.3 The Board noted the regulatory process and associated timetable.

9 Governance

BBC Board Review: Terms of Reference

- 9.1 The Board approved the Terms of Reference for the Board Effectiveness Review to be undertaken in the Autumn.

Board Decision-making

- 9.2 The Board received a briefing on Board decision-making which covered BBC directors' duties, the public law implications of BBC decision-making and the statutory liabilities of

directors. Directors also noted the requirement in article 20(2) of the Charter: “that Directors may neither seek nor take instructions from Government Ministers”.

- 9.3 Directors noted that further briefings on Competition and State Aid Law and Data Protection were also available on request.

Board Code of Practice

- 9.4 At its first meeting on 27 April the BBC Board approved a Code of Practice for Board members, which is published on the BBC’s website. Now that the Board was almost complete the Code presented again, for directors’ information.
- 9.5 Directors noted the contents of the Code, with particular regard to the proactive requirements for disclosure.

Committee Appointments Approval

- 9.6 The Board approved the appointment of Elan Closs Stephens to serve on the Wales Committee, the Fair Trading Committee and the Northern Ireland Committee, in the absence of a Northern Ireland member, as proposed by the Nominations Committee. The Board agreed that these appointments should run from the date of Elan Closs Stephens’ appointment to the Board.

Committee Reports

- 9.7 Chair of the Remuneration Committee, Steve Morrison, reported back to the Board on the Committee’s scrutiny of the Gender Pay Report and Equal Pay Audit which were due to be published in October. The Board would approve the documents ahead of publication.
- 9.8 Chair of the Editorial Guidelines and Standards Committee, Ian Hargreaves, reported back to the Board on the Committee’s approval of the approach and timeline relating to the revision of the Editorial Guidelines, the final draft of which would come to the Board for approval before being released for public consultation. He also directed the Board to a paper summarising the changes to the Complaints Framework, arising from suggestions made in the consultation exercise. The Board approved the proposed changes to the Complaints Framework.
- 9.9 Chair of the Nations Committees, Ken MacQuarrie, reported back to the Board on the work of the Nations Committees. Meetings of both the Scottish and Northern Ireland Committees had taken place; among other agenda items members had discussed national audience performance and network supply targets.

AOB

1. The Board delegated authority to Anne Bulford, Deputy Director-General and Simon Burke to approve and sign all documentation on behalf of the BBC as part of a capital re-structuring exercise within the BBC Group.
2. The Board approved the draft Partnership Agreement between the BBC and S4C. The Board delegated authority to the Chairman and Elan Closs Stephens to approve the final version of the document.

Approved by the Board: _____ (Chairman)

_____ (Date)