



## Meeting of the BBC Board

### MINUTES

14 February 2019

Boardroom, Room 3028, Broadcasting House, London, W1A 1AA

#### ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 13 December and 15 January Board Meetings
3. Executive Reports
4. Over 75's Licence Fee Concession Consultation
5. Annual Plan
6. Budget
7. UKTV Update
8. SVOD Partnership
9. Committee Reports
10. AOB

## ATTENDANCE

### Present

- David Clementi Chairman
- Tony Hall Director-General
- Anne Bulford Deputy Director-General
- Tim Davie Chief Executive Officer, BBC Studios
- Tanni Grey-Thompson Non-executive Director (items 1-3)
- 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: Simon Burke

### With

- Phil Harrold Company Secretary
- Jo Clarke Secretariat Manager
- David Jordan Director, Editorial Policy and Standards (items 1-3)
- Charlotte Moore Director, Content (items 1-3)
- James Purnell Director, Radio and Education (items 1-3)
- Fran Unsworth Director, News and Current Affairs (items 1-3)
- Tom Fussell Chief Financial Officer, BBC Studios (items 1-3)
- Gautam Rangarajan Director, Strategy (items 1- 8)
- Clare Sumner Director, Policy (items 4 and 7-8)
- Glyn Isherwood Group Finance and Operations Director (items 5 and 6)
- Shirley Cameron Group Financial Controller (item 6)
- Pipa Doubtfire Head of TV Licensing (item 6)
- Bal Samra Commercial Director (item 8)

**1. Apologies and Conflicts of Interest**

1.1 The Chairman noted an apology from Simon Burke.

**2. Minutes from the 13 December Board**

2.1 The minutes from the 13 December Board meeting were approved, subject to one minor amendment.

2.2 The Board noted the Matters Arising.

**3 Executive Reports**

3.1 The Director-General commended *The Archers* team for the sensitive portrayal of mental health issues in its recent storyline about Elizabeth Pargetter and depression, which demonstrated how good drama could also raise public awareness on an issue of importance.

3.2 The Board noted that New Year week was the best ever for BBC iPlayer browser reach, at 20.3 million from 31 December to 6 January. One of the biggest drivers for this increase was *Luther*.

3.3 The Board noted the reduction to the length of the *BBC News at Ten*, which would allow a number of BBC Three titles including *Fleabag* to run from 10.35 pm. In the case of major breaking stories the News would be extended in line with usual practice.

3.4 The Board noted that under the current contestability arrangements, television coverage of the BBC Proms had been won by an independent production company, Livewire Productions, which would produce television programmes for the 2019 and 2020 seasons. The commissioning and production of the concerts themselves would remain with the Proms team in Radio and Education and Radio Three coverage would be unaffected. A tender to produce *Mastermind* had also been won by an independent production company.

3.5 The Board discussed the performance of the Christmas schedule. There were notable successes for BBC performance over the festive period. For audiences overall, BBC One showed eight of the top ten broadcast TV programmes on Christmas Day and nine over the Christmas period and BBC TV's share of broadcast TV time increased, especially for

under 35s. The use of TV sets for subscription video on demand services such as Netflix and gaming, was becoming increasingly notable over the Christmas period, however.

- 3.6 The Director of Content provided an update on content performance. The popularity of box sets such as *Silent Witness* had proved attractive to audiences, particularly among younger age groups. March would see the launch of new comedy shows including the return of Alan Partridge in *This Time With Alan Partridge*, a new series of *Fleabag* and a new sitcom, *Warren*, with Martin Clunes.
- 3.7 The Director of Radio and Education provided an update on audience performance. Greg James and the Radio 1 Breakfast Show added three hundred thousand listeners in their first full RAJAR quarter. This increase also included a twenty per cent rise in under twenty-five year old listeners.
- 3.8 The Director, News and Current Affairs, provided an update on the performance of BBC News with audiences. Interest in Brexit and politics remained high with the previous week seeing the biggest audiences for News Online since the Election. The Board also noted an update on the outcome of the Cairncross Review and Ofcom's Review of News and Current Affairs which would cover the BBC's news and current affairs output across TV, radio and online.
- 3.9 The Director of Nations and Regions provided an update on audiences and activity in the Nations and Regions. The Board noted that the development of BBC Wales's Central Square Headquarters had been completed on time and within budget, and that a new structure and strategy had been launched by the new Director, England, Helen Thomas. The new BBC Scotland channel would be launching on 24 February 2019.
- 3.10 The Board noted the Editorial Standards Report. There had been a large number of complaints from viewers who felt that *Question Time* was biased against Diane Abbot and/or misrepresented Labour's standing in the opinion polls and Directors noted an update on the handling of the complaints.
- 3.11 The Board discussed the Operational Performance report. Directors noted progress with outstanding fair pay cases and the performance of critical projects. The Board delegated authority to the Director-General to approve an increase to the budget supporting the new customer management system in the Licence Fee Unit.
- 3.12 The Board discussed the Finance, Commercial and Operations Quarterly Report. The Chief Executive Officer of BBC Studios provided an update on the performance of the BBC Studios, which included the number of externally commissioned productions, the performance of global linear channels and Britbox in the United States. Directors also noted an update on the performance of the other commercial subsidiaries.

- 3.12 The Board considered an independent assurance report from Deloitte on the progress of the Northern Ireland Broadcasting House development. Directors noted the findings of the review and in particular the conclusion that the project was set up appropriately and had experienced leadership.

#### **4 Over 75's Licence Fee Concession Consultation**

- 4.1 The Board noted that the consultation had now closed. The responses would be analysed in detail and an assessment would return to the Board once completed.

#### **5. Annual Plan**

- 5.1 The Board considered an initial draft of the BBC's Annual Plan for 2019/20. Directors made a number of drafting proposals for inclusion in the final draft of the Plan, which would return for approval at the March meeting.

#### **6. 2019/20 Budget**

- 6.1 The paper presented the draft 2019/20 Budget, which had been prepared in the context of the BBC's projected financial plans for the next three years. The Board noted that 2019/20 Budget had been developed in parallel with the Annual Plan.
- 6.2 The Board discussed the Budget and considered that it reflected the significant investment agreed by the Board to ensure that the BBC's content offer reflected the 2021/22 audience goals, particularly with regard to younger audiences. Directors also noted that this investment was matched by stretching reprioritisation and savings plans.
- 6.3 The Board noted that the Budget would return to the Board for final approval at the March meeting.

#### *Licence Fee Collection Strategy*

- 6.4 The Charter requires the Board to ensure "that arrangements for the collection of the licence fee are efficient, appropriate and proportionate". This paper is submitted together with the Budget every year as part of the oversight arrangements through which the Board meets this obligation.
- 6.4 Directors discussed the strategy, including its plans for improving collection and reducing evasion.

6.5 The Board approved the Licence Fee Collection Strategy.

## **7 UKTV**

[Paragraphs 7.2 onward have been redacted for commercial confidentiality]

7.1 The Board noted an update on BBC Studios' discussions with Discovery.

## **8 SVOD Partnership**

[paragraphs 8.1 and 8.3 onwards were redacted for commercial confidentiality]

8.1 The Board had previously considered proposals for a strategic partnership between the BBC and ITV to support the ambitions of both broadcasters in UK Video on Demand

8.2 Directors discussed the potential partnership. Directors considered that the proposal would help to maximise the value of BBC programming to licence fee payers and was in strategic alignment with the BBC's wider routes-to-market strategy.

## **9 Committee Reports**

9.1 The Chairman of the Fair Trading Committee reported on its most recent meeting. The items discussed included Deloitte's audit plan for the year and the quarterly management report. A session with Ofcom had been held before the meeting.

9.2 The Chairman reported on the most recent meeting of the Nominations Committee and directed the Board to consider the recommendations for appointments which had been submitted for Board approval.

- The Board approved the appointment of Shirley Garrod to serve on the Board, and as Chair of the Audit Committee, for a period of four years (3 July 2019 – 2 July 2023).
- The Board approved the appointment of Fran Unsworth, Director, News, as an executive director of the Board, from Monday 1 April 2019, for a period of two years.
- The Board approved the re-appointment of Ken MacQuarrie and Tim Davie to the Board for a further two years, which would be for the period 3 April to 2 April 2021.
- The Board approved the appointment of Group Finance and Operations Director, Glyn Isherwood, to serve on the Commercial Holdings Board as of 1 April 2019.

- The non-executive members of the Board approved the appointment of Nicholas Serota to serve as the Senior Independent Director to the BBC Board commencing on 3 July 2019. The Chairman would write to the Secretary of State requesting agreement.
- The Board approved that Elan Closs Stephens should step down from the Fair Trading Committee at the same time as she joined the Commercial Holdings Board (1 April 2019); and that Elan Closs Stephens would join the Nominations Committee as of 1 April 2019.

9.3 The Chair of the England Committee reported on the most recent meeting. Items for discussion had included the new strategy for England, the latest report on regulatory targets, and audience performance.

## 10 AOB

10.1 There was no other business.

Approved by the Board: \_\_\_\_\_ (Chairman)

\_\_\_\_\_ (Date)