



Meeting of the BBC Board

MINUTES

18 July 2019
Broadcasting House, London, W1A 1AA

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes from the 3, 10 and 20 June Board Meeting
3. Executive Reports
4. World Service and WS 2020 Annual Performance Review
5. Licence Fee
6. Staff Survey
7. Group Commercial Strategy
8. Youview Shareholders Agreement
9. Committee Reports
10. 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

Apologies: None

With

- Phil Harrold Company Secretary
- Jo Clarke Secretariat Manager
- Glyn Isherwood Chief Financial Officer
- Bob Shennan Group Managing Director
- Gautam Rangarajan Director, Strategy (items 1-6)
- David Jordan Director, Editorial Policy and Standards (item 1-3)
- James Purnell Director, Radio and Education (items 1-3)
- Kerris Bright Chief Customer Officer (item 5)
- Pipa Doubtfire Head of Licence Fee Unit (item 5)
- Valerie Hughes D'Aeth Group HR Officer (item 6)
- Heather Wagoner Senior Head of HR (item 6)
- Bal Samra Group Commercial Director (item 7)
- Matthew Postgate Chief Technology Officer (item 8)
- Clare Sumner Director, Policy (item 4 and 8)

1. Apologies and Conflicts of Interest

1.1 There were no apologies.

2. Minutes from the 3, 10 and 20 June Board Meetings

2.1 The minutes from the 3, 10 and 20 of June were approved.

2.2 The Board noted the Matters Arising.

3. Executive Reports

3.1 The Director-General updated the Board on the publication of the BBC's Annual Report and Accounts and related coverage.

3.2 The previous month had been notable for the enhanced 'live' offer to audiences online. *Glastonbury* saw a record 16m stream requests on iPlayer and the introduction of *Radio Glastonbury* on BBC Sounds. Sports coverage from Wimbledon and the Women's World Cup, which had proved an outstanding success with audiences peaking at 11.7m for England versus USA, also increased the live content available on iPlayer. The Board noted that the BBC had secured further rights to Women's Football coverage with the Euros 2021, and live cricket would return to the BBC next year with the 100 Tournament.

3.3 The Board noted that market conditions remain intense, with all broadcast TV time falling across the market. The BBC's proposed metrics for this and next financial year would be focused on increasing the number of people who receive value from the BBC.

3.4 Programme highlights had included the new season of *Top Gear*, the new line up for which had proved popular with viewers. *Panorama* was also performing strongly with programmes examining the preparation for a no-deal Brexit and anti-semitism in the Labour Party.

3.5 The Director-General briefed the Board on next year's strategic planning and budget process and the associated items the Executive expected to bring to the Board for discussion in the Autumn.

3.6 The Board noted the Content Director's report. The full audience data was now available for *Line of Duty*, which had averaged 12.9m viewers per episode on a

consolidated basis. The series also cut through in terms of quality of impact with an average Appreciation Index of 91. The Board noted that iPlayer had made up 12% of all BBC TV viewing in May, a new record, and was also estimated to have delivered 37% of viewing for 16-34s. This result had been supported by the number of box sets such as *Line of Duty* and *Fleabag* now available.

- 3.7 The Director, Radio and Education, provided an update on performance. Radio 1 had just passed the 6 million subscriber mark on YouTube, notably 50 million views each had been achieved for three recent *Live Lounges*. Work was underway to improve the measurement of audience's use of BBC Radio content on non-BBC platforms. The Board noted an update on *BBC Sounds* functionality and the podcast market.
- 3.8 The Director, News and Current Affairs provided an update on performance. UK politics had dominated the news coverage over the past month, with Theresa May's resignation, Brexit and the EU Elections capturing audiences' attention. The Board noted an update on Ofcom's Review of BBC News and Current Affairs.
- 3.9 The Director, Nations and Regions, provided an update on audiences and activities. National Heritage Lottery funding of £5m had been secured for a National Broadcast Archive for Wales. The BBC Scotland channel continued to generate commentary in the press, with reactions ranging from praise for the quality of the content to questioning the audience performance of individual programme episodes. The Local Radio Democracy Reporters held their inaugural annual conference and awards at MediaCity on 25 May.
- 3.10 The Chief Executive Officer, BBC Studios provided an update on performance. BBC Studios had completed a new deal in the US for the *Doctor Who* back catalogue; *Good Omens* was performing well for Amazon and the return of Top Gear had brought in 4.2m viewers in its first week. The Board noted an update on UKTV. Key UK teams had now settled into UKTV's Hammersmith offices and were working on UKTV's growth plan, which will be presented to the Board in September
- 3.11 The Board noted the Editorial Standards Report. The roll-out of the revised Editorial Guidelines had begun on 8 July.
- 3.12 The Board considered the Operational Performance Report. Directors noted updates on the BBC's financial position ahead of planning for next year's Budget round; critical projects, and outstanding pay queries.

4 World Service and World Service 2020 Annual Performance Review

- 4.1 The Board considered a paper on the performance of the World Service over the past year together with an update on the World 2020 expansion programme, including a draft annual statement to the Foreign Secretary.
- 4.2 The Board noted that in order to maintain current activity the Government had agreed to extend funding for the whole World 2020 programme by six months. It was now contracted to end on 30 September 2020 and staff were continuing to work with Government officials on the broader funding proposals.
- 4.3 The Board discussed the expansion of the language services, some of which had demonstrated exceptional journalism this year. Directors also noted the value that foreign language communities in the UK placed on the provision of such services. Directors discussed the risks to local staff and journalists overseas and how those risks were being mitigated. The Board requested that a further paper on the World Service covering both its editorial content and compliance and the security and governance of the overseas bureaux should return to a Board meeting in the Autumn.
- 4.4 The Board approved the report on the annual performance of the World Service together with the draft World 2020 Annual Statement, which would go forward for submission to the Foreign Secretary.

5. Licence Fee

Licence Fee Income

- 5.1 The Board noted a paper which provided an update on the recent performance of the Licence Fee Unit on revenue forecasting and highlighted the impact of the latest 'key input variables' data on our projected income for 2019/20. The paper also highlighted the new work proposed to understand the leading indicators of audience behaviour.
- 5.2 The Board requested an update on progress in the Autumn.

Over 75s Policy Implementation

- 5.3 The Board considered a paper which provided an update on the progress to date of the over 75s implementation programme. Directors noted that good progress was currently being made. The programme would be monitored as part of the BBC's critical projects portfolio reporting to the Board on a monthly basis.

Campaign Management System Modernisation

- 5.4 The Board noted an update on the modernisation of the campaign management system in the licence fee unit.

6 Staff Survey

- 6.1 The Board considered a paper on the results of the recent staff survey and progress with the wider culture change and career progression programme at the BBC. The Board noted that the survey was completed by 72% of BBC staff, with a large number of verbatim comments to enhance and support the data. The survey results would provide a strong data set from which to measure progress against the objectives of the culture change programme in the future.
- 6.2 The Board discussed how transformational culture change could benefit the strategic aims of the BBC and improve its offer to audiences. Directors also discussed the most effective timetable for future surveys and suggested a 'dipstick' approach, or annual survey.

7 Group Commercial Strategy

- 7.1 The Board considered a paper setting out how BBC Group's commercial strategy had evolved since the creation of the original BBC Studios, driven by an increased emphasis on the ownership and control of intellectual property and rights in a vertically integrated, evolving global market.
- 7.2 The Board noted the overview and the creation of a dedicated sub-committee of the Executive, which would facilitate the delivery of a renewed BBC Group commercial strategy. The Board also noted that the paper may be shared with the NAO as part of their review into BBC Studios, and the accompanying terms of reference.
- 7.3 The Board discussed and approved the overview of the Group Commercial Strategy and agreed a number of draft amendments. Directors also requested an amendment to the Commercial Holdings Board terms of reference which would return for approval at the September Board meeting.

8 Youview Shareholders' Agreement

- 8.1 The Board considered a paper regarding the new Shareholders' Agreement for participation in YouView. Directors noted that the terms for the new YouView Shareholders' Agreement had not materially changed from the key terms and criteria approved by the Board in May 2018.

- 8.2 The Board noted the summary of the competition and regulatory legal advice which was that there would be no material increase in the legal risks under the Charter and Agreement, state aid law and competition law. The Board also noted the main findings of the materiality assessment of the changes to YouView by BBC Policy and its conclusion that the BBC's continued participation in the venture under the new Shareholders' Agreement was not expected to have a significant adverse impact on fair and effective competition.
- 8.2 The Board agreed to remove conditions on the BBC's participation in YouView set by the Trust, as approved at a Board meeting in November 2018, and to approve the BBC's participation in YouView under the terms of the new Shareholders Agreement. It also delegated authority to approve the final terms of the Agreement to the Managing Director and Chief Technology Officer.

9 Committee Reports

- 9.1 The Chairman reported on the most recent meeting of the Audit and Risk Committee. Items for discussion had included the most recent Internal Audit actions update, a technical resilience update and the NAO licence fee audit completion report.
- 9.2 The Chair of the Editorial Guidelines and Standards Committee reported on its most recent meeting. Items for discussion had included the roll-out of the new Editorial Guidelines and a discussion about audience perceptions of impartiality.
- 9.3 The Chair of the Commercial Holdings Board reported on its most recent meeting. Items for discussion had included the commercial growth plan for UKTV and the proposed appointment of a new non-executive member of the Board, which Nominations Committee had recommended to this Board meeting for formal approval.

Board and Committees Evaluation: Actions

- 9.4 The Board approved a set of actions arising from this year's Board and Committee Evaluation Review.

Appointment to Commercial Holdings Board

- 9.5 The Board approved the appointment of Mai Fyfield as a non-executive member of the BBC's Commercial Holdings Board, as of 1 August 2019, for a period of three years.

Appointment to Committees

9.6 The Board approved the appointment of Shirley Garrod to the Fair Trading Committee as of 18 July 2019.

10 AOB

10.1 The Board discussed the timing of a future Board meeting to be held in Cardiff.

Approved by the Board: _____ (Chairman)

_____ (Date)