



## **Meeting of the BBC Board**

### **MINUTES**

18 June 2021

Held Via Video Conference

#### ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
3. Committee Reports
4. Executive Reports
5. Corporate Governance
6. Sports Rights Approval
7. Licence Fee Settlement Review
8. BBC Three Public Interest Test
9. Market Overview and Developments
10. AOB

## **ATTENDANCE**

### Present

- Richard Sharp                      Chairman
- Tim Davie                            Director-General
- Shirley Garrood                    Non-executive director
- Robbie Gibb                        Non-executive director
- Tanni Grey-Thompson          Non-executive director
- Ian Hargreaves                    Non-executive director
- Tom Ilube                            Non-executive director
- Charlotte Moore                    Chief Content Officer
- Steve Morrison                    Non-executive director
- Nicholas Serota                    Non-executive director
- Elan Closs Stephens            Non-executive director
- Leigh Tavaziva                    Group Chief Operating Officer
- Fran Unsworth                    Director, News and Current Affairs

Apologies: There were no apologies

### With

- Phil Harrold                        Company Secretary
- Jo Clarke                            Secretary to the Board
- Gautam Rangarajan            Group Director, Strategy and Performance
- Sarah Jones                        Group Legal Counsel (item 4b)
- Bob Shennan                        Group Managing Director (item 4c)
- Rhodri Talfan Davies            Director, Nations (item 4d)
- Peter Johnston                    Director, Northern Ireland (item 4d)
- Glyn Isherwood                    Chief Financial Officer (item 6)
- Kate Mathers                        National Audit Office (item 6)
- Lewis Knights                    National Audit Office (item 6)
- Balram Veliath                    Director, Quality, Risk and Assurance (item 6)
- Barbara Slater                    Director, Sport (item 7)
- Clare Sumner                        Director, Policy (items 8 and 9)
- Chris Rowsell                    Controller, Regulation (item 9)
- Peter Archer                        Controller, Strategy (item 10)

**1. Apologies and Conflicts of Interest**

- 1.1 There were no apologies for this meeting.
- 1.2 There were no conflicts of interest declared.

**2. Minutes and Matters Arising**

- 2.1 The minutes from the 18 and 20 May Board meetings were approved.
- 2.2 The Board noted the Matters Arising paper and updates on the actions from the last meeting.
- 2.3 The Board noted the new location strategy for Design and Engineering.

**3. Committee Reports**

- 3.1 The Chair of the Audit and Risk Committee reported on its most recent meeting. The Committee reviewed the quarterly risk update, which set out risk developments in the past three months, with a deep dive into technology risk. Work was underway to look at the safety of journalists and other staff after recent incidents of street harassment targeted at BBC employees and also to address the high number of complaints. The Committee also considered a preliminary report on the level and effectiveness of controls in the overseas bureaux and received an update on progress with critical projects being monitored across the BBC. The East Bank project was discussed and an external assurance report was noted. An update on the current status of E20 was noted, ahead of a fuller discussion at the next meeting. The Across the UK work would be added to the critical projects portfolio. The Committee noted Internal Audit's quarterly update and overall assurance report for the year and recommended the text on controls for the ARA to the Board. The Committee made some recommendations around whistleblowing for consideration in the Serota review.
- 3.2 The Chair of the Remuneration Committee reported on its most recent meeting. The Committee reviewed the final draft of the Remuneration Report which included the Chair's statement, the remuneration policy for executive directors and senior leaders and the annual pay disclosures report. They had agreed to add a reference to note the significant reduction in headcount during the year. The Committee had requested a review of radio salaries and benchmarking against industry comparators. The pay gap report, which included industry and public sector comparators had also been considered

and the Committee noted that the overall gender pay gap median had reduced further to 5.2% this year, although further work had been requested on progress with targets for other groups. The Committee also noted that the number of open fair and equal pay grievances had reduced to single figures.

- 3.3 The Chair of Commercial Holdings Board reported on its most recent meeting, which had been held to approve the annual accounts and consolidated financial statements of the BBC's commercial subsidiaries. The NAO had presented its 2020/21 audit completion report for BBC Commercial Holdings Limited's financial statements to the Board. Two late adjustments had been identified and these had been reflected in an updated letter of representation. The 2020-21 accounts and financial statements for Commercial Holdings Board were approved and the narrative in commercial sections of the BBC's Annual Report was noted.
- 3.4 The Chair of the Wales Committee reported on its most recent meeting. The Committee had considered a report on the audience performance of the election coverage in Wales. The Committee had also received a number of updates including progress with increasing the amount of co-commissioned projects appearing on network channels. The Report from the Wales Committee in the BBC's 2020-21 Annual Report had been approved.
- 3.5 The Chair of the Scotland Committee reported on its most recent meeting. The Report from the Scotland Committee in the BBC's 2020-21 and associated reporting had been reviewed and approved. The Committee would meet again in July.
- 3.6 The Board noted an update on progress with the recruitment of a Northern Ireland member of the Board, which was being managed by DCMS.

#### *Nominations Committee: Appointment to a Committee*

- 3.7 The Company Secretary introduced a paper from Nominations Committee which proposed the appointment of Robbie Gibb to the Editorial Guidelines and Standards Committee.
- 3.8 The Board approved the appointment of Robbie Gibb to the Editorial Guidelines and Standards Committee.

#### *Serota Review*

- 3.9 The Board noted an update from Nicholas Serota on progress with his panel's review looking into the editorial practices and procedures at the BBC.

#### 4. Executive Reporting

- 4.1 The Director-General opened the Executive reporting section of the meeting by noting that the creative strength of the BBC had been recognised by an outstanding awards season. The BBC had achieved 16 out of 21 Craft awards with wins in the main show for a wide range of content, such as *Small Axe*, *I May Destroy You*, *Once Upon a Time in Iraq* and *The Ranganation*. At the Broadcast awards, *Drag Race UK*, *Newsnight*'s interview with Prince Andrew, and the Last Night of the Proms were recognised with BBC Two awarded Channel of the Year. At the Arias 35 awards in total were received, including Station of the Year for BBC Radio 1. The Board congratulated Executive directors and their teams on the achievement.
- 4.2 Current content highlights included the critically acclaimed new drama *Time* by Jimmy McGovern and the virtual *Big Weekend*, which continued to work well as a key brand for younger audiences, with audio and video stream requests up 31% this year.
- 4.3 The Director-General briefed the Board on the circumstances around the broadcast of Christian Eriksen's collapse during the Denmark versus Finland game. Discussions took place regarding the role of UEFA and the BBC and what learnings could be taken from the incident.
- 4.4 The Board noted an update on the implementation of the new ways of working plans, which included a hybrid approach to home- and office-based working. Directors requested a further update in the Autumn.
- 4.5 The Board noted an update on the financial position in both the public service and the commercial subsidiaries of the BBC.
- 4.6 The Board noted an update on operational matters, including the critical project list and risk report. Directors discussed plans for the safety of staff travelling to Tokyo to cover the Olympics. Directors also noted updates on plans for the Caversham site and the issue of the new five year licence with the Performing Rights Society, which had been completed within the mandate agreed by the Board.
- 4.7 The Board discussed the annual full-year performance review, which had been conducted by the Executive Committee. A full strategy day would take place in the Autumn.

#### *Dyson Report Update*

- 4.8 The Board noted an update on actions being taken following the findings of the Dyson investigation. Further work on the actions would return to the next meeting.

## *Staff Survey*

4.9 The Board noted an update on the recent Staff Survey results.

## *Northern Ireland Broadcasting House*

4.10 The Board considered a paper which set out plans for Broadcasting House, Belfast. Following review, the project would now focus investment in the critical refreshment of technology and workplace facilities necessary to protect and sustain the existing broadcast centre for the next 10-15 years.

4.11 The Board noted that the new plans reset the overall budget at a significantly lower level than originally envisaged and that the project would be overseen by the Operations Committee.

## **5. Corporate Governance**

5.1 This item was postponed until a future meeting of the Board.

## **6. Annual Report and Accounts 2020-21**

### *Annual Report and Accounts*

6.1 The Board considered the final draft of the 2020/21 Annual Report and Accounts, which had been updated to reflect comments made by Board members on the most recent draft and also on points raised at the Audit and Risk Committee on 7 June. At that meeting, the Committee approved the accounts and recommended them to the Board for signature.

### *NAO Audit Completion Report and Letters of Representation*

6.2 The NAO presented their audit completion report to the Board. The positive collaboration between teams working on the audit was welcomed and it was confirmed that an unqualified audit opinion was to be given to the accounts and on the regularity position.

### *Going Concern and Viability Statement*

6.3 The Board noted the analysis supporting the BBC's statements of going concern and viability. These were made on a 12 month and a three-year basis, respectively. The issue had been discussed in detail at the Audit and Risk Committee and the relevant disclosures were approved.

## *Internal Audit Assurance*

- 6.4 The Board noted a paper providing assurance from internal audit on the accuracy of non-financial data points in the ARA. This year 100% of the eligible parts of the report had been covered.
- 6.5 The Board approved the Annual Report and Accounts for signature and publication.

## **7. Sports Rights Approval**

[paragraphs 7.1 – 7.4 are redacted for commercial confidentiality]

- 7.1 The Board considered a paper requesting a mandate for the acquisition of rights for
- 7.4 The Board approved a mandate. The Board further agreed the formation of a delegated authority sub-group comprising of the Director-General, Chief Content Officer and Group Chief Operating Officer, to oversee and approve the final terms of the acquisition.

## **8 Licence Fee Settlement Review 2022**

[paragraph 8.1 redacted for future publication]

- 8.1 The Board noted an update on progress with the 2022 licence fee settlement review.

## **9 BBC Three Public Interest Test**

- 9.1 The Charter requires that the Board must consider proposals for material changes to the UK Public Services, and must assess both the public value and impact on competition of such proposals. As such the BBC Board must decide whether the proposals for the new BBC Three broadcast channel meet the Public Interest Test.
- 9.2 The Board considered the Public Interest Test conducted by the Executive on the proposals for the launch of BBC Three as a broadcast channel and agreed that it satisfied the criteria set out in the Charter and Framework Agreement.
- 9.3 The Board approved the Public Interest Test for the launch of BBC Three as a broadcast channel.

## **10. Market Overview and Developments**

- 10.1 The Board was briefed on recent developments in the media industry.

## **11. AOB**

11.1 The Board noted that it was Tom Ilube's last meeting as a member of the Board and thanked him for his significant contribution to the BBC during his period of service.