



Meeting of the BBC Board

MINUTES

18 November 2021

Brian Redhead Room, Quay House, BBC North, Salford

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
3. Committee Reports
4. Executive Reports
5. Licence Fee Settlement Update
6. First Look Budget
7. Maintaining A Viewing Habit
8. Capita Contract
9. BBC Studios
10. Audience Research
11. 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
- 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 (4-11)
- David Jordan Director, Editorial Policy and Standards (item 4)
- Clare Sumner Director, Policy (item 5)
- Glyn Isherwood CFO (item 6)
- Kerris Bright Chief Customer Officer (items 7 and 8)
- Nick North Director, Audiences (item 8)
- Peter O’Kane Chief Technology Officer (item 8)
- Tom Fussell CEO BBC Studios (item 9)
- David Moody Director, Strategy, BBC Studios (item 9b)
- Sophie Garnham Joint Interim Lead, CRBA (item 9c)
- Marcus Arthur Global President, BBC Studios (item 9c)
- Faye Caten MTM (item 10)
- Ross Taylor MTM (item 10)

BOARD MINUTES 18 NOVEMBER 2021

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 21 October Board meetings were approved.
- 2.2 The Board noted the Matters Arising paper and updates on the actions from the last meeting.

3. Committee Reports

- 3.1 The Chair of the Remuneration Committee reported on its most recent meeting. The Committee had considered plans for a strategic review of the BBC Studios reward framework and incentive schemes, to ensure they were fit-for-purpose. Recommendations resulting from the outcome of the review would come to the Board in the new year. The Committee had also considered a review of salary levels for on-air talent in the radio industry, although benchmarking was difficult given that commercial operators were not required to disclose salary ranges. The Committee also discussed the quarterly management report, which provided updates on key metrics.
- 3.2 The Chair of the Audit Committee reported on its most recent meeting, which had focussed on the BBC's commercial services. The Committee reviewed the annual paper providing assurance on controls and risks in BBC Studios, noting that in future the assurance would include more data and metrics to give a sense of the likely impact and severity of relevant risks. The Committee also reviewed the findings of commercial-focused internal audits and a post investment review completed in the last year. The Committee noted the forward plan of audits in the commercial area and agreed that quarterly sessions would be held with the Chair of CHB to consider relevant audit reports.
- 3.3 The Chair of the Commercial Holdings Board reported on its most recent meeting. The CHB had discussed the quarter two performance report, which gave an overview of forecast performance against budget and showed that Commercial Holdings was on track for a strong performance on EBITDA. UKTV performance had been very strong.

CHB had welcomed the recent announcement on an increase to commercial borrowing limits and received a briefing on the process to agree appropriate assurances to be provided to the Treasury. CHB had thanked non-executive director, Dharmash Mistry, for his contribution at what was the final meeting of his appointment term.

Nominated Non-executive Appointments to the Board

- 3.4 The Board approved the appointments of Damon Buffini and Shumeet Banerji as Non-executive Directors to the Board. The Board delegated the determination of the start date and length of appointment terms to Nominations Committee subject to the management of their existing commitments. [Secretary's note: both Damon Buffini and Shumeet Banerji were subsequently appointed from 1 January 2022 for appointment terms of four years].

4. Executive Reporting

- 4.1 The Director-General opened the meeting by noting that this month the Board was meeting in Salford, providing the opportunity to meet local stakeholders and marking 10 years since the BBC opened Media City. The *Children In Need* appeal would come from Salford on Friday night and the Director-General thanked the Executive and teams across the BBC for all their fundraising efforts.
- 4.2 It had been announced this month that the BBC was to step back from Stonewall's diversity schemes and the Executive had been engaging with staff on the issue.
- 4.3 The Board noted the recent performance of the 18.30 regional news programmes which were achieving an average audience of 4.8 million people per night. Directors noted plans to enhance the programmes including the transition to HD broadcast and an update in their look and style.
- 4.4 The Board noted an update on the recruitment of a new Director, News and Current Affairs.
- 4.5 The Serota Review and the BBC's impartiality plan had been published, with a positive response. Implementation plans were now being developed.
- 4.6 Teams from across the BBC had delivered outstanding coverage from Pacific Quay of the events, debates and decisions at COP26. *Green Planet* was premiered at the conference and the BBC announced a partnership with ITV and other broadcasters, committing to help audiences understand climate change.
- 4.7 The Director, Content provided an update on audience performance. *Strictly Come Dancing* was performing strongly this season with an audience of 10.6 million for the most recent show. The return of *Doctor Who* had launched with an audience of 5.9m, an

increase on the average of the previous series and a strong performance among younger viewers. In the Nations *Shetland* was the second most watched TV programme in Scotland and the latest series of *Crash Detectives* was the best performing BBC Wales non-news series of the year so far. In audio, the performance of BBC Sounds was improving, partly driven by strong podcast content.

- 4.8 The Director, News and Current Affairs, provided an update on divisional matters and performance. Whilst share remained strong, in common with the other main broadcasters TV News reach was declining as the height of the pandemic receded, with a particular impact on the Ten O' Clock news slot. News reach across all platforms, including online remained strong however.
- 4.9 The Board noted an update on Editorial Standards and Complaints. Complaints volumes had reduced from the beginning of the year and were now back down to more usual levels.
- 4.10 The Board noted the audience performance update. This month's quarterly overview included detailed breakdowns of viewing patterns in the Nations and Regions.
- 4.11 The Chief Operating Officer provided an update on operational matters. A first draft of the NAO's VfM report on "BBC Savings and Reform" had been received. The report was due to be published on 17 December.
- 4.12 With regard to property issues, the team would be working with historic building advisors, Turley, and with Westminster Council to develop plans for Maida Vale given the listing restrictions. The lease on Perivale had been extended until 2024.
- 4.13 The Board noted an update on Arqiva's work to restore services after the fire at the Bilsdale transmitter and its compensation of customers with no service. The BBC had also issued licence fee refunds to those affected.
- 4.14 The Chief Operating Officer outlined some of the current key operational and strategic risks. The UK's national threat level had had been raised this month following the attempted terrorist attack in Liverpool. The safety of BBC journalists was being reviewed.
- 4.15 The Board noted progress with critical projects and the roll-out of the new working arrangements.

5. 2022 Licence Fee Settlement

- 5.1 The Board noted an update on progress with the 2022 Licence Fee settlement.

6. First Look Budget

- 6.1 The Board considered the First Look Budget, which presented a summary of the BBC's projected financial position, based on an assumed licence fee determination for the period, the increasing inflationary pressures and new savings requirements. Directors discussed ways in which more content investment could be released given the constraints on funding and high inflation in the production sector.

7. Maintaining A Viewing Habit

- 7.1 The Board considered a paper which looked at audiences who had a low consumption of BBC content and their viewing habits. The paper included plans to provide content which low use audiences found attractive and proposals to increase their awareness of it.

8. Capita Contract: Update

[paragraphs 9.1 and 9.2 redacted for commercial confidentiality]

- 8.1 The Board considered an update on the work being undertaken.
- 8.2 The final investment proposal would come to the December meeting of the Board.

9 BBC Studios

CEO Overview

- 9.1 The newly appointed CEO of BBC Studios, Tom Fussell, provided an overview of BBC Studios' financial and operational performance, and upcoming strategic and commercial initiatives.

BBC Studios Growth Plan

- 9.2 The Board noted and discussed an overview of BBC Studios' growth plan, and the strategy, focus areas and investments that underpinned it.

Routes to Market Update

- 9.3 The Board considered an update to its UK routes to market strategy. The strategy determines the BBC's publication of content across its public service and commercial offerings in linear and video on demand (VOD) in the UK.
- 9.4 Directors noted and discussed the strategic rationale and objectives of the UK routes to market strategy, plans for the BBC's owned and operated services and partnerships in 2025 and the key decisions required from the Board over the coming months.

10 Audience Research

10.1 The Board received a presentation on audience attitudes to paying the licence fee and the BBC services which they valued most highly.

11 AOB

11.1 There was no other business.