



Meeting of the BBC Board

MINUTES

24 March 2022
Via video conference

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
3. Committee Reports
4. Executive and Director-General's Report
5. Budget 2022-23
6. Licence Fee Collection Strategy 2022-23
7. Annual Plan 2022-23
8. Commercial Business
9. Content Investment
10. Audience Targets 2022-23
11. Framework Agreement
12. AOB

ATTENDANCE

Present

- Richard Sharp Chairman
- Tim Davie Director-General
- Shumeet Banerji Non-executive director
- Damon Buffini Non-executive director
- Shirley Garrood Non-executive director
- Robbie Gibb Non-executive director
- Muriel Gray Non-executive director (items 1-8)
- 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

Apologies: There were no apologies

With

- Phil Harrold Company Secretary
- Jo Clarke Secretary to the Board
- Jonathan Munro Interim Director, News and Current Affairs
- David Jordan Director, Editorial Standards and Policy (item 3b)
- Alan Dickson CFO/COO Group News Operations (item 4a)
- Gautam Rangarajan Group Director, Strategy and Performance (item 4 onwards)
- Glyn Isherwood Chief Financial Officer (items 4 and 5)
- Rhodri Talfan Davies Director, Nations (item 5)
- Tom Fussell CEO, BBC Studios (items 5, 8 and 9b)
- Kerris Bright Chief Customer Officer (item 6)
- Pipa Doubtfire Director, Revenue (item 6)
- William Gresswell BBC Studios, Strategy and Research (item 8)
- David Moody Director, Strategy, BBC Studios (items 8 and 9b)
- Barbara Slater Director, Sport (item 9a)
- Clare Sumner Director, Policy (item 11)
- Paul Oldfield Controller, Regulation (item 11)
- Chris Saul Observer

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 27 January Board meeting were approved.

2.2 The Board noted the Matters Arising paper, which included a briefing on information security measures at the BBC, and updates on the other actions from the last meeting.

3. Committee Reports

3.1 The Chair of the Audit and Risk Committee reported on its most recent meeting. The Committee had discussed emerging issues for the year-end accounting and reporting, including the impacts of the war in Ukraine. The Committee reviewed the quarterly risk update, which set out an overall picture of strategic and operational risks in the last period. The Committee had discussed approaches to reporting strategic risk to the Board. An update on the implementation of the strategic technology review had been provided and the Committee also noted that the next NAO VFM Review would be of digital strategy. The Committee discussed the quarterly reporting on critical projects and the internal audit plan for next year, which was agreed. The Committee noted the Whistleblowing report, and an update on plans to introduce editorial whistleblowing into the policy as recommended by the Serota Review.

3.2 The Chair of the Remuneration Committee reported on its most recent meetings. The Committee had discussed the proposed new incentive scheme for BBC Studios following a review of the reward structure in BBC Studios by PwC. The proposal was approved at an extra-ordinary meeting of the Committee later in the month. The Board noted that financial targets would be aligned with the Budget. The Committee received an update on the BBC Pay Gaps including current forecast numbers for 2022 reporting and considered the content for the Remuneration Report in this year's Annual Report and Accounts.

3.3 The Chair of the Commercial Holdings Board reported on its most recent meeting. The Committee had welcomed Damon Buffini to his first meeting of the Board. CHB had discussed the developing growth plans and the updated Budget position, which it considered delivered the right balance of stretch and risk. It was agreed that the Group Remuneration Committee should have discretion on final target achievements for

incentive purposes, but the Board would also review targets at the right time mid-year, to ensure alignment with forecast and external factors. The dividend payment from Commercial Holdings to the BBC Group for 2021/22 was approved and it was also noted that work on a future dividend policy for the Group would come back for discussion in the coming months. Directors had also approved a new carriage deal for UKTV and two strategic investment cases which would be considered by the full Board later in the meeting. The Chairman thanked Elan Closs Stephens for her achievements on the Commercial Holdings Board at what was her last meeting as Chair.

Editorial Guidelines and Standards: Serota Implementation Update

- 3.4 The Chair of the Editorial Guidelines and Standards Committee reported on its most recent meeting, which had focussed on work related to the implementation of the recommendations arising from the Serota Review and Impartiality Plan. The first thematic review on taxation and public spending and its authors, Sir Andrew Dilnot and Michael Blastland, had been announced. The Safeguarding Impartiality training had now been undertaken by 89.4% of all staff and the rollout of training to independent production companies was in progress. The Board also noted progress updates on the development of the editorial whistleblowing policy and the recruitment of two external editorial experts for the Editorial Guidelines and Standards Committee.

Editorial Guidelines and Standards Committee: Revised Terms of Reference

- 3.5 The Serota Review made a number of recommendations which widened the remit of the Editorial Guidelines and Standards Committee and its composition. The Board considered an amended set of terms of reference which reflected these recommendations after input from the Editorial Guidelines and Standards Committee at its meeting on 3 March 2022.
- 3.6 The Board approved the revised terms of reference for the Editorial Guidelines and Standards Committee, subject to the addition of a line in the remit which made it clear that the BBC's commercial services were also included.

Nations Committees

- 3.7 The Board noted oral reports from the Chairs of the England, Northern Ireland, Wales and Scotland Committees following their most recent meetings. The relevant sections of the Annual Plan for 2021-22 had been considered and approved by each Committee.

Nations Committees: Revised Terms of Reference

- 3.8 The Board considered a paper which proposed changes to the remit, governance and business of the four Nations Committees of the Board to increase their activity, visibility and powers, thereby ensuring that the BBC is fully accountable across the UK, as proposed in the 2021/22 Annual Plan. The proposals had been discussed at the 28 February Nominations Committee.

3.9 The Board approved the proposed changes and draft terms of reference.

Nominations Committee

3.10 The Chairman reported on the most recent meeting of the Nominations Committee. Nominations Committee presented the following proposals for Committee membership, Board appointments and the creation of a new Committee under powers delegated by the Board.

Committee Membership

3.11 Nominations Committee had committed to undertaking a review of the Board's Committee membership following the appointment of the Board member for Scotland, Muriel Gray. This had been considered at its meeting on 28 February and the Committee proposed a number of nominations to Committees.

3.12 The Board approved the nomination of Elan Closs Stephens as a member of Audit and Risk Committee, replacing Richard Sharp on completion of her appointment as Chair of the Commercial Holdings Board. Shirley Garrood would continue as Chair of the Committee, with Shumeet Banerji as the other non-executive member.

3.13 The Board approved the nomination of Robbie Gibb as the Chair of the Remuneration Committee. The existing non-executives on the Committee, Richard Sharp and Muriel Gray would remain as members. Damon Buffini would join meetings as an attendee for discussion of BBC Studios business. The Board noted that Damon Buffini would also be invited to attend Nominations Committee for the same purpose.

3.14 The Board approved the nomination of Nicholas Serota as Chair of the Editorial Guidelines and Standards Committee, following his chairmanship of the Serota Review, replacing Ian Hargreaves, who would remain as a non-executive member along with Robbie Gibb. The Board also approved the nomination of Deborah Turness, the new CEO of BBC News and Current Affairs, to the Committee on the commencement of her appointment to replace Fran Unsworth.

3.15 The Board approved the nomination of Ian Hargreaves as Chair of the Fair Trading Committee in replacement of Robbie Gibb. [Secretary's Note: Subsequent to the meeting it was agreed that Muriel Gray would also join the Committee with the Board's approval]. Membership of the Fair Trading Committee would be reviewed again on the arrival of the Northern Ireland member of the Board.

3.16 The Board approved the following nominations to the Nations Committees.

- As a Northern Ireland member is yet to be appointed Elan Closs Stephens would continue to chair the committee and Nicholas Serota would join as the second non-executive member.

- Muriel Gray was appointed as Chair of the Scotland Committee at the January meeting of the Board. Richard Sharp, who was appointed as a temporary member of the Committee, would remain in post.

The Board noted that a proposal for a new member for the England Committee, on which Nicholas Serota was currently serving on a temporary basis, would come to the next meeting of the Board.

Executive Appointments to the Board

- 3.17 The Board approved the nomination of Deborah Turness, the new CEO of BBC News and Current Affairs as a member of the Board as an Executive director for the standard Executive term of two years from the commencement of her appointment.
- 3.18 The Board approved the re-appointment of Charlotte Moore, Chief Content Officer, to the Board as an Executive director for a further two years from 1 September 2022 until 31 August 2024.

Financial Delegation Framework

- 3.19 The Board considered a revised financial delegation framework. The current levels of financial delegation set out in the Board and Executive approvals policy were established at the inception of the new Board structure in 2017. The framework had been reviewed and changes proposed which reflected the impact of inflation, simplified the approvals process and allowed speedier decision making. In addition, the NAO had proposed to increase the materiality threshold in their audit work to £50m (up from £25m) for the purposes of 2021/22 reporting.
- 3.20 The Board also approved a delegation to a sub-group of the Board called the Board Finance Approvals Committee, (to consist of at least the Chairman, the Audit Committee Chair and the Group COO) to review and approve financial cases offline at the Board's request,. The Committee's terms of reference, as proposed by Nominations Committee, were also approved. This system would allow more routine approvals to be handled offline and ensure that Board time was focused on the most significant or contentious approvals only.

4. Executive and Director-General's Report

- 4.1 The Director-General opened his session by commending the work of BBC News journalists, and the operational teams supporting them, who were producing exceptional coverage of the situation in Ukraine and Russia in very difficult conditions.

- 4.2 The Board noted a briefing from the Interim Director, News and the COO, Group News Operations on the work being done to secure the safety and support of News teams in Ukraine and the challenges for journalists in Russia reporting under the new legal restrictions.
- 4.3 The Board noted that the story was being followed by 8 out of 10 people in the UK and, since the start of the invasion, had seen strong engagement online, and on Sounds, particularly through *UkraineCast*.
- 4.4 The Board expressed its appreciation of the work currently being undertaken by News teams to bring news coverage of the war to both domestic and international audiences, particularly given the importance of trusted news sources in tackling disinformation.
- 4.5 The Director-General provided the Board with a briefing on the impact of rising inflation on BBC operations and services.
- 4.6 Implementation of the Across the UK plans was progressing well. A number of announcements had been made in Birmingham in the last month, with the creation of an Apprentices hub and the move of *MasterChef* there. Further productions would move to the Nations and English regions in due course.
- 4.7 The Board noted an update on recruitment of a new Chief People Officer. Directors discussed the challenges around talent retention and management, particularly given competition from content streaming companies.
- 4.8 Despite high rates of Covid infections, the return to a hybrid model of working was on target in England with a 68% occupancy rate. The other Nations would follow slightly later.
- 4.9 The Chief Content Officer provided an update on the audience performance of BBC content services. BBC Three had returned as a linear channel during the previous month. BBC Sounds had seen its biggest monthly numbers ever, boosted by the success of *UkraineCast*. The strong performance of programmes such as *The Responder*, *This is Going to Hurt*, *Green Planet* and *Peaky Blinders* activated high numbers of iPlayer accounts.
- 4.10 The Chief Operating Officer provided an update on BBC operations, including progress with distribution contracts, the Maida Vale development and the move of the digital archive from Perivale. The Board noted the strategic and operational risk headlines. The Staff Survey had been completed and a briefing would come to the next meeting.

5. Budget 2022-23

- 5.1 The Board considered the 2022/23 Budget which had been prepared in the context of the BBC's projected financial plans for the next three years. Directors noted that the Public Service Budget was aligned to the Budget principles as agreed by the Board. The Budgets for BBC Studios and other commercial services which had been approved by the Commercial Holdings Board were also presented for comment.
- 5.2 The Board welcomed the Budget briefing sessions which had been held this year, and the setting of clear Budget principles, which had brought greater focus to the process.
- 5.3 Directors noted the impact that inflationary pressures had placed on the financial forecasts and the importance of achieving the savings plan.
- 5.4 The Board noted that, in parallel to the medium-term forecast, a long-term strategic plan was being developed, which would shape spend from 2023/24 to the end of the Charter, with the focus on reforming BBC content services to provide 'value for all'. Directors discussed the audience metrics which would be useful to inform that process.
- 5.5 The Board approved the 2022-23 Budget.

6. Licence Fee Collection Strategy

- 6.1 The Charter requires the Board to ensure "that arrangements for the collection of the licence fee are efficient, appropriate and proportionate" (paragraph 20 (7) (b)). The Board considered this paper as part of the oversight arrangements through which the Board meets this obligation and sets out the annual plan for licence fee collection for 2022-23.
- 6.2 The Board discussed the Licence Fee Collection strategy for 2022-23, noting the work taking place to enhance communications with customers and optimise revenue.
- 6.3 The Board approved the 2022-23 Licence Fee Collection Strategy.

7. Annual Plan 2022-23

- 7.1 The BBC is required under its Charter and Agreement to publish an Annual Plan in advance of each financial year and it forms a vital part of the annual regulatory cycle with Ofcom. This year's Annual Plan would detail the BBC's strategic and creative plans for the coming year and demonstrate action on key priorities, such as Impartiality and the Across the UK plans.

7.2 The Board approved the Annual Plan 2022-23 subject to the incorporation of suggested drafting amendments.

8 Commercial Business

(paragraphs 8.1 to 8.3 redacted for commercial confidentiality)

9 Content Investments

[paragraphs 9.1 and 9.2 redacted for commercial confidentiality]

Sports Rights

9.1 The Board considered a proposal for the acquisition of Sports Rights

9.3 The Board approved the formation of a delegated authority sub-group comprising of the Director-General, Chief Content Officer, Group Chief Operating Officer, the Chairman and the Senior Independent Director to oversee and approve the final terms of this acquisition.

Doctor Who

9.4 The Board considered an investment case for the next series of *Doctor Who*.

9.5 The Board approved investment into the next nine episodes of the new *Doctor Who* series.

10 Audience Metrics

10.1 As part of the Board's responsibilities to set the strategic direction of the BBC, Directors considered a paper setting out the audience targets for 2022-23, which would support the BBC's performance assessment and reporting.

10.2 The Board discussed the paper. It was agreed that the three top-line pan-BBC metrics should be reviewed and brought back to the Board. Directors also considered that where audience metrics had been part of a business case, the original metrics should be retained for information.

11. Licence Fee Settlement 2022: Framework Agreement

11.1 The Board noted a number of updates on the 2022 Licence Fee Settlement.

11.2 The Board approved the new Framework Agreement.

12 AOB

12.1 The Board noted plans for pre-briefing sessions ahead of the April Board awayday.