



## Meeting of the BBC Board

### MINUTES

28 April 2022  
4<sup>th</sup> Floor, Central Square, Cardiff

#### ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Minutes and Matters Arising
  - a) Minutes from the meeting on 24 March 2022
  - b) Matters Arising
3. Board Effectiveness Review
4. Committee Reports
  - a) Fair Trading Committee and Commercial Board
  - b) Editorial Guidelines and Standards: Serota Update
  - c) Nominations Committee: Committee Membership
5. Nations Presentation: BBC Wales
6. Executive and Director-General's Report
  - a) Market Briefing: Netflix
7. Quarterly Performance Report
8. BBC ALBA
9. Future Pension Provision in the BBC
10. Strategic Planning and Announcements
  - a) Content and Services
  - b) Operating Model
11. Policy and Regulatory Issues
  - a) Mid-term Review
  - b) iPlayer PIT
12. AOB

## ATTENDANCE

### Present

- Richard Sharp Chairman
- Tim Davie Director-General
- Shumeet Banerji Non-executive director
- Damon Buffini Non-executive director (item 9 onward)
- Shirley Garrood Non-executive director
- Robbie Gibb Non-executive director
- Muriel Gray 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

Apologies: There were no apologies

### With

- Phil Harrold Company Secretary
- Chris Sandford Head of Governance (secretary)
- Gautam Rangarajan Director, Strategy (items 2 and 6 onward)
- Chris Saul Consultant (item 3)
- Jonathan Munro Interim Director, News and Current Affairs (items 6, 7 and 10)
- David Jordan Director, Editorial Standards and Policy (items 4b and 7)
- Peter Johnston Project Director, Serota Review (item 4b)
- Rhuanedd Richards Director, BBC Wales (item 5)
- Rhodri Talfan Davies Director, Nations (items 5, 7, 8 and 10)
- Glyn Isherwood Chief Financial Officer (items 7, 9 and 10)
- Rachel Currie Director, HR (item 9)
- Deborah Copeland HR Director, Internal Communications (item 9)
- Clare Sumner Director, Policy (item 11)

## BOARD MINUTES 28 APRIL 2022

### 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 24 March Board meeting were approved.
- 2.2 The Board noted the Matters Arising paper, which included an updated set of top-level targets and metrics for 2022/23. It was felt that the targets were stretching and focused in the right areas, though the Board requested further analysis on audience segmentation and more detail on the targets as proportions of the available population.

### 3. **Board Effectiveness Review**

- 3.1 The Board was presented with the findings of the annual Board effectiveness review, which had been conducted by Chris Saul. The key findings of the review were discussed and it was noted that generally good collaboration, trust and debate had been observed. There was a need to ensure that a Northern Ireland non-executive was appointed as soon as possible, and it was noted this process was underway, led by the DCMS.
- 3.2 In discussion it was agreed that more thought should be given to how to bring a broad range of staff and external views into Board meetings. The Board also discussed the recommendation to explore additional ways to develop more detailed risk reporting for the Board. It was also agreed that more detailed reporting from the Commercial Board would be developed. The Board noted the review and asked that a paper be brought back to the next meeting, focusing on actions to be taken in response.

### 4. **Committee Reports**

- 4.1 The Chair of the Fair Trading Committee gave an update on the recent meeting. The year-end reporting had been approved and the NAO had observed the session as part of their assurance work. The completion of the SLA process had been noted, along with positive training statistics. An update from Deloitte on their assurance work had been noted and the Committee would schedule a discussion on future risks and potential developments to the regulatory framework.

- 4.2 The Board noted an update on the issues discussed at the first Commercial Board. The Studios growth plan had been discussed, along with some external work on the focus of the Board. This would be shared with Board members.

*Editorial Guidelines and Standards: Serota Implementation Update*

- 4.3 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 new procedure for editorial whistleblowing had been agreed, along with a process for fast tracked complaints and for self-initiated investigations. Plans for internal content reviews had been finalised and the areas for first review agreed. An update on the first thematic review had also been noted. The focus of the work now was on communicating actions and progress, with plans for this being reviewed by the Executive. It was noted that staff survey data on impartiality scores was now available.

*Nominations Committee: Committee Membership*

- 4.4 The Board approved a proposal to appoint Nick Serota to the England Committee. The membership of the Fair Trading and Remuneration Committees was noted.

**5. Nations Presentation: BBC Wales**

- 5.1 The Board received a presentation on the BBC in Wales, covering a summary of political, social and demographic issues, as well as audience metrics and creative highlights. The recent full occupation of the Central Square building was welcomed and the developing work on co-commissioning high impact content with network was discussed. The need to continue to invest in English language content in the nation was noted, as was the need to continue to support the local sector. The high performance of local portrayal in network content was noted and the ways in which this was being developed and expanded was discussed. The presentation was noted.

**6. Executive and Director-General's Report**

- 6.1 The Director-General opened his session by discussing some recent market issues and analysis provided for the Board on the position of Netflix and ITV. The publication of the government's Media Bill white paper had just occurred and would be analysed. Ongoing strong work in Ukraine and Russia was noted and the Interim Director, News and Current Affairs gave a brief update on the latest position and the mitigations in place to ensure the safety of those deployed there. The Board was briefed on job adverts for senior roles that were now live, including for a new Chief People Officer and a Chief Financial Officer. Recent content highlights included *The Split* and the 6 Music Festival.

- 6.2 The Board was briefed on next steps in response to the staff survey, with a focus on issues around pay, benefits, career progression and development. More announcements on these issues would be made in May, with a pay deal for staff currently being negotiated with the unions. The latest position in relation to claims arising from the Dyson Review was noted. The Board would also be updated once a position was known in relation to the bidding process for Olympic sports rights.
- 6.3 The Chief Operating Officer provided a report on operational issues. The next NAO value for money review was about to begin, focused on the BBC's digital strategy. Discussions on the scope of the review were underway. The Chief Content Officer gave an update, with BBC Sounds performing well and users being brought in by content such as *Match of the Day* and *Desert Island Discs*, as well as the range of podcasts available. The recent launch of the Proms season was also noted. Early performance on BBC Three was noted, with some strong performers, particularly when considering consolidated audience data for linear and online. Plans to announce restructures in Audio were also noted. It was agreed that the findings of the recent classical review would be sent to Board members offline.
- 6.4 The report was noted. The Board also noted a briefing on demographic trends, which supported analysis of likely future audience trends. It was noted that the upcoming census results would provide important data on different populations for commissioners and editorial teams to consider.

## **7. Quarterly Performance Report**

- 7.1 The Board reviewed the quarterly performance pack, which set out audience, financial and operational data for the final quarter of 2021/22. Audience performance showed a strong quarter overall, in comparison with a lockdown period the previous year, with iPlayer views up 10% year-on-year. The market position of products for under-16s was noted, with challenges faced from the wide array of competitors available. An overview of nations demographic data was noted, with additional information to be provided on request.
- 7.2 The operational scorecard was noted, with final headcount projections trending lower than budget, though with vacancy levels high. Performance against diversity metrics was noted, with gender and black, Asian and minority ethnic targets being achieved but further work to be done on disability metrics. Staff survey index data was noted, and the Board requested an update on areas of challenge across the divisions. Financial performance was noted, with the year-end process underway and good licence fee revenue performance against budget, alongside strong commercial performance. The Board welcomed a positive set of results.
- 7.3 The latest position on major projects was noted, with the Across the UK work now focused on delivery. The risk profile was noted, including some areas of challenge in

resourcing, particularly in tech and digital roles. Risk horizon scanning was discussed, and the work to monitor inflation risks was noted. Cyber security was also an area of high focus.

- 7.4 The editorial standards report was noted, with complaints continuing at a lower level year-on-year. Recent Ofcom rulings on complaints were noted, along with the response to these. The Board discussed the News style guide and asked the Editorial Guidelines and Standards Committee to consider issues around the ownership and oversight of the guide, following on from recommendations in the Serota Review.

## **8 BBC ALBA**

- 8.1 The Board approved the terms of reference for a proposed review of the collaboration agreement with BBC ALBA.

## **9 Future Pension Provision in the BBC**

- 9.1 The Board discussed an update on future pension provision for BBC employees, following a discussion on the issue at the January meeting. Approval was sought to formally begin a process to approach the courts for clarification on the BBC's pension scheme rules and to begin engagement with staff on the issue. The need for the court process to clarify the BBC scheme's rules was discussed.
- 9.2 In discussion, the Board noted the communications plan for the work and the way in which the approach to the courts would be discussed with staff. No changes to the scheme were proposed at the current time, but it was agreed there was a need for simple and clear messaging about any potential future intentions. It was also important to set out clear principles based on fairness and value for money for licence fee payers. The Board noted steps being taken to mitigate risks around the plans and to plan for a range of potential scenarios. A more detailed briefing pack for managers would be provided to the Board offline. The proposed approach to the Court and to staff engagement was approved.

## **10 Strategic Planning and Announcements**

### *a) Content and Services*

- 10.1 The Board was briefed on a set of proposals being developed by the Executive, comprising service changes with a view to reprioritising significant investment toward video content and world-class products. This was part of the broader value for all strategy and would support an ongoing shift from linear to digital value. It was intended

to announce initial proposals in the next month, with specific proposals in News, Content and Nations being developed.

- 10.2 The Board discussed the outline proposals and agreed on the ambition to drive more investment toward iPlayer. The product strategy for iPlayer should come back to the Board for review, as well as a discussion about issues related to the online and metaverse spaces. The need to ensure the right pace in the transition was noted, as linear services still provided a good window for content at the current time. And it was agreed that the right level of support and resource for the changes would be critical, to ensure delivery. The need to protect and develop strategic IP was discussed, as was the need to ensure delivery of stretching commercial growth plans in support of the proposals. The levels of risk in the plan were noted. The Board welcomed the proposals and asked for more detail to be shared on announcement plans at the right time.

#### *b) Operating Model*

- 10.3 The Board moved on to discuss a set of proposals arising from work to review the BBC's operating model. These would be set out, at a high level, alongside the services proposals, with a focus on increasing efficiency, effectiveness and the employee experience in the BBC. The plans were a first phase of work intended to deliver significant ongoing savings during the coming period. The work included analysis of systems and processes across the BBC, with a view to creating simpler and more consistent support functions. It would also look at management layers and property usage as part of the overall work. The need to ensure pace and support for delivery was noted, but the overall ambition was to achieve real transformation within the business.
- 10.4 The Board discussed the plans and noted benchmarks for similar transformation in other companies. Delivery risks were noted and the need to seek some contingency in the targets was discussed. The Board supported the ambition to standardise processes where possible, though noting the need to protect and support creativity at all costs. The overall plans were welcomed and the Board requested further time to discuss the way in which the announcements would be rolled out.

## **11. Policy and Regulatory Issues**

#### *a) Mid-term Review*

- 11.1 The Board discussed a paper setting out the final draft terms of reference for the mid-term review of the BBC's Charter and Agreement. The government was required to consult on the terms with the BBC and a final proposal was presented. It was expected that one area of focus would be editorial complaints processes and it was noted that discussions on this were underway. The BBC would also propose individuals to be consulted with as part of the review. It was noted that the draft timetable for the review

was long, at around two years. It was agreed the Board would write to recommend a shorter timetable. The terms of reference were approved.

*b) iPlayer PIT*

11.2 The Board reviewed a paper proposing a public interest test process to support the ambitions to invest in and improve iPlayer over the coming years for licence fee payers. It was noted that the proposals did not constitute a new public service, rather an evolution of a digital product. The Board approved the proposal for a PIT process to be conducted.

11.3 The Board also noted an update on the contents of the government's Media Bill white paper, which had been published that morning. The contents would be analysed further for any specific issues.

**12 AOB**

12.1 There were no other items of business.

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

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