



Meeting of the BBC Board

MINUTES

8 December 2022
BBC Broadcasting House, London

ITEMS OF BUSINESS

1. Apologies and Conflicts of Interest
2. Chairman's Introduction
3. Minutes and Matters Arising
4. Board Business and Reports
5. iPlayer Update
6. Executive and Director-General's Report
7. Budget Update
8. Thematic Review of BBC Coverage of Taxation and Public Spending
9. Working at the BBC: Culture Change
10. 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
- Ian Hargreaves Non-executive director
- Charlotte Moore Chief Content Officer
- Nicholas Serota Non-executive director
- Elan Closs Stephens Non-executive director
- Leigh Tavaziva Group Chief Operating Officer
- Deborah Turness CEO, News and Current Affairs

Apologies: None

With

- Phil Harrold Company Secretary
- Jo Clarke Secretary to the Board
- David Jordan Director, Editorial Policy and Standards (items 4 and 8)
- Peter Johnston Director, Serota Review Project (items 4 and 8)
- Gautam Rangarajan Director, Strategy (items 4 onward)
- Storm Fagan Chief Product Officer (item 5)
- Dan McGolpin Director, iPlayer and Channels (item 5)
- Clare Sumner Director, Policy (item 6)
- Tom Fussell CEO, BBC Studios (item 7)
- Alan Dickson Chief Financial Officer (item 7)
- Shirley Cameron Group Financial Controller (item 7)
- Lorraine Burgess CFO, BBC Studios (item 7)

BOARD MINUTES 8 DECEMBER 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 Chairman's Introduction

- 2.1 The Chairman opened the meeting by summarising the items for discussion. Given the importance of financial management, particularly during this inflationary period, an update on the budget was coming for consideration by the Board. Other key items included the Thematic Review on BBC Coverage of Taxation and Public Spending, which the Editorial Guidelines and Standards Committee had approved for submission to the Board following its meeting on 29 November. A presentation on the performance of, and plans for, BBC iPlayer had also been scheduled for the meeting.

3. Minutes and Matters Arising

- 3.1 The minutes from the 26 and 27 October Board meetings were approved.
- 3.2 The Board noted the Matters Arising paper. Directors discussed the upcoming annual Board Evaluation Review and agreed that it should include a section on the balance of Board responsibilities across executive and non-executive functions.
- 3.3 The Board approved the commercial dividend guidance, subject to a minor amendment.

4. Board Business and Reports

Commercial Board

- 4.1 The Board noted a report on the most recent meeting of the Commercial Board, which had been circulated in advance. The Commercial Board had met on Monday 21 November in London; due to a railway strike, the original plan to meet at BBC Studios' Bristol offices had been postponed.

Composition of the Commercial Board and Non-executive Appointments

- 4.2 The Board considered a proposal from the Commercial Board which requested approval for a change to its composition and the appointment of three new non-executive directors.
- 4.3 The Board approved the change of composition of Commercial Board as of 1 April 2023, resulting in a maximum of up to eleven directors, comprising:
- BBC Studios CEO
 - BBC Studios CFO
 - BBC group COO
 - Two BBC Board non-executive directors - one who shall Chair the Commercial Board
 - Up to six independent non-executives
- 4.4 The Board approved Commercial Board's preferred candidates, Ian Griffiths, Claire Hungate and Gary Newman, who had been nominated for appointment by the BBC's Nominations Committee, to be appointed to BBC Commercial Limited (the 'Commercial Board') as non-executive directors for three-year terms, with the potential to be extended by a further term.
- 4.5 The Board approved Ian Griffiths as a standing attendee of the BBC's Audit and Risk Committee from 1 April 2023, and that his Commercial Board fee should reflect this responsibility.
- 4.6 The Board noted that revised terms of reference for the Commercial Board would come to a future meeting of the Board and that the Remuneration Committee would make recommendations in respect of Commercial Board director fees in due course.

Audit and Risk Committee

- 4.6 The Board noted a report on recent Audit and Risk Committee meetings, which had been circulated in advance.
- 4.7 The Chair of the Audit and Risk Committee reported on its most recent meeting, which had taken place the day before. The Committee had approved the NAO's audit plan for the year, which included work on the licence fee trust statement. The Committee considered the risk and compliance report, including an update on mandatory training compliance and an update on the response to cyber security threats and resilience testing was also discussed. The Committee had also been briefed on plans being put in place to manage data at a pan-BBC level. The review of critical projects had been considered and the Committee was pleased to note that the E20 project was on target and that a number of critical projects would be baselined by the next Committee. The Committee noted a divisional review of safeguarding, which had also

been undertaken by a number of independent production companies. The Board agreed that reporting on safeguarding assurance should be included in the Board's quarterly performance report.

Remuneration Committee

- 4.8 The Chair of the Remuneration Committee reported on its most recent meeting. PwC had been appointed as the external advisers to the Committee, following a recruitment process as agreed at the last meeting; the new adviser had joined the meeting. The Committee had discussed the quarterly management report, which had included plans for the management of headcount levels, along with reporting on, and analysis of, the current pay gap levels. A report on executive pay and its benchmarking against the market had also been discussed. The Committee had also considered a paper that provided the findings of an external market review of non-executive director fees for the Commercial Board and recommendations arising from it would go forward to the Nominations Committee.

Scotland Committee

- 4.9 The Chair of the Scotland Committee reported on its most recent meeting. The Committee had reviewed the report from the Director, Scotland and discussed the update on recent ECU rulings on impartiality relating to BBC Scotland. BBC Scotland audience performance had been discussed, with the focus on audience data for BBC Alba and the BBC Scotland channel. The Committee had also received a briefing on licence fee collection strategy in Scotland.

Editorial Guidelines and Standards Committee

- 4.10 The Chair of the Editorial Guidelines and Standards Committee reported on its most recent meeting. The Committee had been joined by Sir Andrew Dilnot and Michael Blastland, co-chairs of the Thematic review on BBC coverage of taxation and public spending for a discussion on the resulting report. The Committee had approved the submission of the report to this meeting of the Board and recommended its acceptance. The Committee had also discussed and proposed recommendations to the Board for two further thematic reviews next year, which would be discussed later in the meeting. A discussion on editorial risk had also taken place, and the Committee had requested some additional resource to help with researching key facts.

The Implementation of the Serota Review and Impartiality Plan

- 4.11 The Editorial Guidelines and Standards Committee had reviewed the implementation of the Serota Review and Impartiality Plan at its previous two meetings and presented the final implementation report to the Board.

- 4.12 The Board noted the report and the completion of all actions resulting from the Serota Review.

Nominations Committee: Deputy Chair of the BBC

- 4.13 Nominations Committee had submitted a recommendation to the Board which proposed the creation of an honorary title of Deputy Chair, as an additional title for the Chair of the BBC Commercial Board, in order to reflect the integral part that BBC Commercial plays in the overall success of the Corporation.
- 4.14 The Board approved the proposal to create an honorary title of Deputy Chair of the BBC, to be held ex officio by the Chair of the Commercial Board. Therefore, as current Chair of the Commercial Board, the Board approved Damon Buffini as the Deputy Chair of the BBC Board.

Strategic Risk Management

- 4.15 The BBC had requested Deloitte to conduct a review to evaluate how the BBC Board, BBC's Audit and Risk Committee (ARC), BBC Commercial Board (where relevant) and BBC Executive Committee (ExCo) provided oversight over strategic and commercial risks and critical projects of strategic relevance. The Board considered a paper setting out recommendations arising from the review.
- 4.17 The Board approved the recommendations set out in the paper.

5. iPlayer

- 5.1 The Board received a presentation on the performance of and plans for BBC iPlayer. The Board discussed the audience performance data on the use of iPlayer by different age groups, the product development strategy and other key opportunity areas.
- 5.2 The Board noted the presentation and agreed that iPlayer updates should come to the Board on a quarterly basis.

6. Executive and Director-General's Report

- 6.1 The Director-General opened his session by briefing the Board on recent stakeholder engagement activity.
- 6.2 A strong autumn and winter programme schedule, with the return of *Strictly* and dramas such as *SAS Rogue Heroes* had seen audiences numbers pick up from the summer. Coverage of The World Cup had also contributed; the England v Iran game had streamed

8 million times, helping drive iPlayer account numbers to record levels with 23.8m signed-in users as of last week.

- 6.3 The Board noted an update on News and Current Affairs. The CEO News and Current Affairs, Deborah Turness briefed the Board on an all staff meeting in News where the new strategy for the division had been communicated. John McAndrew had been appointed as Head of Programmes.
- 6.4 Two new appointments had been announced: Alice MacAndrew had been appointed as Head of Corporate Affairs and a member of the Executive Committee, and Simon Webb was to be the BBC's first Head of Classical Music and Choirs. An update on plans for the BBC's classical music output would come to the next meeting.
- 6.5 The Chief Operating Officer provided a report on financial and operational issues. This month's finance report included the October year to date position and an updated full year forecast for the public service, BBC Studios and Studioworks. A full Budget update would be discussed later in the meeting. The NAO's Value for Money study 'BBC Digital' would be published on 14 December and a Public Accounts Committee evidence session had been scheduled for 12 January. A broadcast resilience issue had occurred when audiences experienced difficulties trying to access the online live coverage during the initial part of the England v Iran game. The Board noted an update on staff security overseas.
- 6.6 The Board noted that the licence with PPL was being re-negotiated and would require approval before the end of the year. The Board approved a delegation to the Financial Approvals Committee, which consisted of the Chairman, Shirley Garrood and Leigh Tavaziva. Nick Serota, Senior Independent Director would also join the Committee on this occasion.
- 6.7 The Director-General and Executive Report was noted.

Half Yearly Performance Report

- 6.8 The Board noted and discussed the half yearly review of divisional performance against objectives and the actions arising from it.

Ofcom Annual Report

- 6.9 The Board noted and discussed Ofcom's Annual Report on the BBC and received an update on other regulatory matters.

7. Budget Update

- 7.1 The Board received an update on progress made with the Budget for 2023/24. It included the key sensitivities being considered and mitigations being implemented.
- 7.2 The Board agreed that it would be useful to include a range of possible scenarios for licence fee income during the period in the January update to the Board.

Commercial Long Range Plan

- 7.3 The Board noted and discussed the emerging commercial long range plan. The plan would return to the Board later in the year, subsequent to its approval at Commercial Board.

Credit Assessment Report to UKGI

- 7.4 The Board noted a paper which set out the first report to UKGI as part of their monitoring arrangements of the BBC's commercial borrowing. The report would be submitted to Government each quarter, following approval by the Commercial Board. It would be provided to the main Board for information.

8 Thematic Review of the BBC's Coverage of Public Spending and Taxation

- 8.1 The Board considered the final report by Michael Blastland and Sir Andrew Dilnot on the Thematic Review of Taxation, Public Expenditure, Government Borrowing and Government Debt which they were invited by the Board to undertake earlier this year. Attached to the report was an appendix explaining the methodological approaches along with the list of external interviewees, the commissioned audience research and the original terms of reference.
- 8.2 The Board welcomed the report and thanked Michael Blastland and Sir Andrew Dilnot, its co-chairs, for their work in producing a wide-ranging and insightful report, which set out areas for improvement with clarity and contributed to the understanding of impartiality in these issues, across the BBC's output.
- 8.3 The Board approved the report and draft response for publication, which would take place in the New Year.
- 8.4 The Board requested that the Director-General and Executive provide an action plan to address the report's findings for discussion at the Editorial Guidelines and Standards Committee, which would return to the Board for endorsement.

- 8.5 The Board also requested that the Editorial Guidelines and Standards Committee consider the lessons learned from the process of the review for application in the next thematic reviews to ensure they were as timely and effective as possible.

Further Thematic Reviews

- 8.6 The Board discussed recommendations from the Editorial Guidelines and Standards Committee regarding the approach to the thematic reviews for 2023.

- 8.7 The Board agreed the recommendations as follows:

- Work should begin on two new thematic reviews in the New Year.
- That EGSC consider proposals for authors and terms of reference for the first review ahead of approval by the Board.
- A scoping exercise should be undertaken of the second review before approving the approach.
- That lessons learned from the first thematic review are incorporated into the methodologies for future reviews.

9 Working At the BBC: Culture Change

- 9.1 This item was postponed until the January meeting of the Board.

10. AOB

- 10.1 There was no other business.