



Meeting of the BBC Board

MINUTES

7 December 2023
Broadcasting House, Central Square, Cardiff

ITEMS OF BUSINESS

1. Chair's Introduction
2. Apologies and Conflicts of Interest
3. Minutes and Matters Arising
4. Board Business and Reports
5. Executive and Director-General's Report
6. Budget Update
7. Half Yearly Performance Report
8. BritBox
9. Strategic Risk Review
10. Finance Approvals
11. AOB

ATTENDANCE

Present

- Elan Closs Stephens Chair
- Tim Davie Director-General
- Shumeet Banerji Non-executive director
- Damon Buffini Non-executive director
- Robbie Gibb Non-executive director
- Muriel Gray Non-executive director
- Chris Jones Non-executive director
- Charlotte Moore Chief Content Officer
- Nicholas Serota Non-executive director
- Michael Smyth Non-executive director
- Marinella Soldi Non-executive director
- Leigh Tavaziva Group Chief Operating Officer
- Deborah Turness CEO, News and Current Affairs

Apologies

There were no apologies.

With

- Phil Harrold Company Secretary
- Jo Clarke Secretary to the Board
- Peter Johnston Director, Editorial Reviews and Complaints (item 3)
- Gautam Rangarajan Director, Strategy and Performance (item 4-10)
- David Jordan Director, Editorial Policy and Standards (item 4)
- Alan Dickson Chief Finance Officer (item 5)
- Lorraine Burgess CFO, BBC Studios (item 5)
- Tom Fussell CEO, BBC Studios (item 5)
- David Moody Director, BBC Studios (item 7)
- Balram Veliath Director, Quality, Risk and Assurance (item 8)

BOARD MINUTES 7 DECEMBER 2023

1. Chair's Introduction

- 1.1 The Chair welcomed the news that Samir Shah had been announced as the preferred candidate as Chair of the BBC and would appear before the DCMS Select Committee for his pre-appointment hearing the following week.
- 1.2 The Board noted that Samir Shah was co-chair of the thematic review of BBC coverage of migration and agreed that payment for the work should cease on confirmation of his appointment as Chair. The Editorial Guidelines and Standards Committee would consider how to progress the review at an extra-ordinary meeting.

2. Apologies and Conflicts of Interest

- 2.1 There were no apologies for the meeting.
- 2.2 No conflicts of interest were declared in addition to those already recorded.
- 2.3 The Board noted the declaration of significant recent meetings with politicians, senior officials and stakeholders submitted by the Chair.

3. Minutes and Matters Arising

- 3.1 The Minutes from the 17 October and 13 November Board meetings were approved.
- 3.2 The Board noted the Matters Arising paper. Board members approved a statement on the Licence Fee increase.

4. Board Business and Reports

Committee Reports

- 4.1 The Board noted and discussed written reports on the most recent meetings of the Northern Ireland, England and Scotland Committees; the Editorial Guidelines and Standards Committee; Commercial Board; and the new annual meeting of Nations Committees.

- 4.2 The Board discussed the implementation of the findings of the thematic review of BBC coverage of taxation and public spending in the nations and regions and agreed that a plan for embedding them further should be drawn up. Directors discussed the progress of the impartiality champions pilot project in Scotland and agreed it should be rolled out across the whole organisation should its impact prove positive on completion.
- 4.3 The Board noted an oral update from the Chair of the Editorial Guidelines and Standards Committee on the outcome of the review of the implementation of the thematic review of BBC coverage of taxation and public spending conducted by Michael Blastland and Andrew Dilnot. The report showed significant progress, however further work remained to embed the learnings fully across the organisation.
- 4.4 The Board discussed the report from the meeting of the Commercial Board, noting current competitive pressures in the commercial TV and media market.
- 4.5 The Board noted an oral update from the Chair of the Audit and Risk Committee.

Third Thematic Review: Update on Terms of Reference

- 4.4 The Board discussed an update on plans for the third thematic review. A draft terms of reference and proposals for joint chairs would return to the Board.

Nominations Committee: Terms of Reference

- 4.5 The Board approved a number of changes to the terms of reference for the Nominations Committee which had arisen from the Board and Sub-committee effectiveness review conducted earlier in the year.

5. Executive and Director-General's Report

- 5.1 The Director-General opened the session by updating the Board on the proposals for a licence fee funding review by DCMS and progress with the Mid-term Review of the BBC's governance and regulatory arrangements.
- 5.2 Content highlights over the period had included the launch of *Planet Earth III*, which had drawn over 10m viewers, and a strong season of *Strictly Come Dancing*. The return of *Doctor Who* was driving account sign-in and take up of archive series. A strong offering in drama including *Time*, *Boiling Point* and *Boat Story* had also contributed to improving audience figures as Christmas approached. The Christmas schedule would include *Doctor Who* and *Ghosts* Christmas Specials and a one-off programme from David Attenborough, *Attenborough and the Giant Sea Monster*.
- 5.3 The Board noted that the deal for rights to Premier League football coverage had been completed within the mandate agreed by the Board.

- 5.4 The Board noted an update on changes to local services. Greater investment in online news provision had resulted in higher quality, more frequently refreshed news pages with greater prominence. Network News was now running more local stories with national prominence.
- 5.5 The sixth Ofcom Annual Report on the BBC had been published, which was largely positive. The full report was available for Board members to read.
- 5.6 The Chief Operating Officer provided an update on finance and operations which covered licence fee income and the challenging trading conditions for the commercial business. Board members also noted updates on the BBC's major projects, ongoing reviews and investigations, and operating risk environment.
- 5.7 The Board noted a briefing on the safety and security of BBC staff and their families in Gaza.
- 5.8 The Board noted an update on the BBC's India operations.
- 5.9 The Executive and Director-General's Report was noted.

Non-Editorial Complaints Process

- 5.10 Following a recent case regarding a complaint about the behaviour of a high profile BBC presenter, the BBC announced a review of the BBC Non-Editorial Complaints Process. The review was led by BBC's Chief Operating Officer with the work undertaken by Deloitte to provide an impartial and objective assessment. The work had now been completed and the Board considered its findings.
- 5.11 The Board noted that the review and the management action plan arising from it had been reviewed by Executive Committee and by Nick Serota, Senior Independent Director, who had provided Board oversight of the work in accordance with the published Terms of Reference. The report would be published in full.
- 5.12 Directors discussed the management action plan. It was noted that the internal audit team would manage its implementation and report progress to the Audit and Risk Committee.
- 5.13 The Board endorsed the findings of the review and approved the management action plan.

Middle East News Coverage

- 5.14 The CEO News and Current Affairs provided a briefing on BBC News coverage of the current conflict in the Middle East, which included audience reaction, both domestically and globally, and editorial issues and the learnings arising from them.

6. Budget Update

Commercial Long Range Plan

- 6.1 The draft Commercial Long Range Plan was presented to the Board for initial discussion and feedback which could be reflected in the final version. It had previously been discussed at Commercial Board and the Executive Committee.
- 6.2 The Board considered the plan, noting the challenging market conditions and the refinements to the commercial mandate which had been made as a result. Directors discussed potential growth strategies and investment opportunities; alternative sources of financing, and the level of dividend returned to the public service to fund content investment.
- 6.3 The Board noted that the Commercial Long Range Plan would return as part of the BBC Group Budget for approval in March.

Budget Update

- 6.4 The Board discussed an update on the 2024/25 First Look Budget, including a first look at funding proposals to address the outstanding funding requirements from 2024/25 onward.
- 6.5 The Board agreed that a further update would return to the Board in January.

7 Half Yearly Audience Performance Report

- 7.1 The Board discussed the half yearly audience performance report, which set out pan-BBC performance against targets set by the Board and reflecting its strategic objectives.
- 7.2 iPlayer and Sounds had performed very strongly over the period. However, Directors noted that it was likely that the audience performance of linear broadcast services would fall short of their stretch targets over the year, given the changes to traditional viewing habits and competitive pressures across the industry.

8. BritBox International

- 8.1 The Board considered a paper setting out the strategic rationale and heads of terms for a transaction which would acquire 50% of BritBox International, the subscription video on demand service operating in North America, Australia, the Nordics and South Africa, and which offers its subscribers a 'Best of British' video service.
- 8.2 The Board discussed the proposed transaction and agreed that it supported the BBC's objectives both strategically and economically, based on the finance case outlined in the paper. Directors agreed that potential synergies should be explored wherever possible, and that due diligence work should include the technological infrastructure and supporting contracts.
- 8.3 The Board approved the deal framework recommended by BBC Commercial Board and delegated authority to it to approve all matters in respect of the transaction.

9. Strategic Risk Review

- 9.1 The Board considered the most recent strategic risk report, which had been updated using data from the period July to September 2023.
- 9.2 The Board discussed the report. Directors agreed that it would be useful to increase focus on risks to intellectual property and programme supply, as well as broadening the scope of external competition to include short form video. It was agreed that risks to funding and the budget should be added to the list of strategic risks, as well as operational risks. Directors discussed governance and editorial risks in the World Service and it was agreed that they should be added to the review of operational risks in the quarterly performance report.

10. Finance Cases

Elstree

- 10.1 The Board considered a paper updating Directors on the sale/leaseback arrangement for the Elstree site which had been assessed and approved at a meeting earlier in the year.

- 10.2 The Board noted and discussed a number of changes to the deal since that meeting and reconfirmed its approval.

TV Licensing Postal Service

- 10.4 The Board considered a paper setting out a finance case for the procurement of postal services for the TV Licensing Unit.
- 10.5 The Board discussed the finance case. Directors requested that TV Licensing explore ways to reduce the volume of postal mail utilised by the service.
- 10.6 The Board approved the award of a contract to a commercial supplier for a period of five years. The Board approved the total spend as set out in the finance case in respect of the full term.

11 AOB

- 11.1 There was no other business.