Executive Board

9 March 2009
1030 – 1530
Rm 3028, Broadcasting House, London

Attendees

1 Minutes of BBC Executive Board held on 9 February 2009
2 Budget
3 Draft response to the Digital Britain interim report
4 Partnerships update: BBC Worldwide
5 Radio partnerships initiative
6 High Definition (HD) services on Digital Terrestrial Television (DTT): moving forward in light of new developments
7 Reflecting a greater sense of place across the UK: management’s proposals for Nations and Regions services
8 Report on syndication deals and update on the on demand syndication strategy
9 Director reports
10 Risk status and outlook report
11 Statements of Programme Policy for 2009/10
12 Pan BBC objectives for 2009/10
13 Digital switchover quarterly update
14 News Jupiter project – post implementation review
15 Terms of reference for Radio Network Supply Review
16 Review of Fair Trading Guidelines
17 Any other business

For noting

18 Minutes and Actions from Finance Committee
19 Expense update – 9 months expenditure
20 Extensions to terms of office of Appeals Advisory Committee members
Attendees

Present
Mark Thompson (Chair), Director-General
Mark Byford, Deputy Director-General
Frances Allcock, Acting Director, BBC People
Jana Bennett, Director, Vision
Tim Davie, Director, Audio and Music (A&M)
Erik Huggers, Director, Future Media and Technology (FM&T)
Zarin Patel, Group Finance Director
John Smith, Chief Executive, BBC Worldwide
Caroline Thomson, Chief Operating Officer
Marcus Agius, Senior non-executive director
Mike Lynch, Non-executive director
Val Gooding, Non-executive director
David Robbie, Non-executive director
Samir Shah, Non-executive director
Robert Webb, Non-executive director

With
Jessica Cecil, Head of the Director-General’s Office
Lynsey Tweddle, Head of the Executive Unit (secretary)
Richard Hooper, External Guest, observer
Chris Day, Group Financial Controller (item 2)
Edward James, Head of Corporate Performance and Reporting (item 2)
John Tate, Director, Policy and Strategy (items 3-5)
Gautam Rangarajan, Head of Policy and Development (items 3-5)
Mairi Brewis, Strategy Analyst (item 4)
David Moody, Director of Strategy, BBC Worldwide (item 4)
Will Jackson, Head of Strategy, A&M (item 5)
Catherine Smadja, Head of Special Projects, Policy and Strategy (item 6)
Danielle Nagler, Head of BBC High Definition (HD) (item 6)
Alix Pryde, Controller, Distribution (item 6)
James Jackson, Head of Broadcast Infrastructure (item 6)
Pat Loughrey, Director, Nations and Regions (item 7)
James Heath, Head of Strategy (item 7)
1 Minutes of BBC Executive Board held on 9 February 2009

1.1 The minutes from the January Board were approved and the summary for publication noted.

1.2 The Board noted that the BBC Trust had decided not to overrule on appeal the Director-General’s decision against broadcasting the Disasters Emergency Committee (DEC) Gaza crisis appeal. The Trust had, however, asked the Director-General (DG) to explore with DEC and other broadcasters the wider lessons to be drawn, and to take a view on whether the BBC agreement with DEC, dating from 1971, and the associated criteria for considering appeals, were still appropriate for today’s changed conditions. The DG noted that this was being addressed.

2 Budget

a) 2009/10 – 2011/12 Budget

2.1 Following the Executive Board meeting to discuss the budget on 27 February 2009, this revised paper now included the changes requested, which were particularly highlighted in the executive summary.

2.2 The Board emphasised its comments from the previous discussion - in particular the 'content' vs 'non-content' classification, agreeing this should be reviewed in future. It was noted that collective risks to income, which had been spoken about at the previous meeting were now explained in the executive summary. The Board agreed that the executive summary should also make reference to talent.

2.3 The Board recognised that Digital Switchover and Salford would create a 'hump' in the budget and it would be useful to clarify that this should then fade. The pensions risk was also noted.

2.4 The budget was approved for onward progression to the Trust.

3 Draft response to the Digital Britain interim report

3.1 This paper noted that the Government had published its interim Digital Britain report on 29 January 2009, calling for responses to the report by 12 March 2009. The paper noted that the BBC was cited, either explicitly or implicitly, in over half of the report’s 22 actions and had been invited to provide a ‘rich, detailed and exciting submission. In discussion with the BBC Trust, it was agreed to supply two submissions – a response from the BBC Trust and a response from the BBC Executive. The Board’s attention was drawn to a number of points in the draft response.

3.2 The Board welcomed the tone and overall approach of the draft response, agreeing it was well written – minor drafting points should be taken offline. It was agreed that it would be useful upfront to outline the BBC’s view of where the UK could get to and how the BBC could help to achieve this.
3.3 It was agreed that it would be useful to include an extra paragraph outlining what the BBC’s response would mean to audiences and also some text explaining how BBC innovation had driven public service broadcasting. In line with this, it would be helpful to highlight the BBC’s focus on content and its core values – e.g. to educate – and also to bring the media literacy section to the forefront of the document.

3.4 The Board agreed there were creative opportunities but also opportunities for the BBC to redefine itself and the response could therefore be clearer about what the BBC could also gain from the various initiatives.

3.5 The Board approved the submission of the draft to the BBC Trust (subject to comments made) and that subsequent amendments could be signed off by the Director-General and the Chief Operating Officer. It was noted, however, that any material amendments would be communicated to the Board and that a version in more final form would be circulated again to the Board to garner any further comments.

4 Partnerships update: BBC Worldwide

4.1 This paper explained that, in the context of the partnership agenda, the BBC had been engaging with Channel 4 to explore potential collaborations with BBC Worldwide.

4.2 The Board recognised the proposals were complicated especially given the current media industry backdrop and the political context. The options were discussed with the advantages and disadvantages of the latest proposals highlighted.

5 Radio partnerships initiative

5.1 This paper explained that Stephen Carter had explicitly asked the BBC to outline its Radio Partnership Initiatives as part of its response to the Digital Britain Phase 1 report. This paper described the initiatives, the rationale for their selection, and their immediate funding requirements.

5.2 The Board agreed that the funding requirements should be reviewed by the Finance Committee. It was agreed that the initiative should be integrated with the wider partnership proposals and the Digital Britain response.

5.3 The Board also discussed the user interface, agreeing this should be integrated with BBC iPlayer and Canvas proposals.

5.4 The Board approved the principles for partnership with commercial radio and the continued scoping of partnership initiatives with the commercial radio industry.

6 High Definition (HD) services on Digital Terrestrial Television (DTT): moving forward in light of new developments

6.1 This paper provided a further update on the proposed reorganisation of the Digital Terrestrial Television (DTT) platform, with the aim of enabling Freeview viewers to
receive free to-air, PSB High Definition (HD) services. The paper set out options for the way forward and requested decisions on the approach to be taken.

6.2 The Board supported the direction of the proposals and approved the proposal to ask Ofcom and DCMS to consider another route which would safeguard the BBC’s interests and Ofcom’s long-term objectives for DTT. It was agreed that the finance case should be presented to the Finance Committee and also that the BBC Trust should be provided with an outline of the proposals ahead of more formal plans.

7 Reflecting a greater sense of place across the UK: management’s proposals for Nations and Regions services

7.1 This paper set out proposals to strengthen the BBC’s existing linear TV and radio services in order to ensure that audiences across the UK could see a better reflection of their communities. It provided a response to the Trust’s challenge to develop alternative proposals to Local Video.

7.2 The Board agreed that this could provide an opportunity to upgrade the technical infrastructure that made the BBC’s local radio stations available on the web. It was agreed that the partnership aspects of the proposals could be emphasised further in the executive summary, but overall the proposals were well judged.

7.3 The Board agreed the strategy, the overall cost of the proposal and proposed RQIV measures, for onward progression to the Trust, subject to Finance Committee reviewing the full investment proposal later in March.

8 Report on syndication deals and update on the on demand syndication strategy

8.1 This paper provided the latest six-monthly report on existing BBC syndication deals, as required by the BBC Trust’s Syndication Policy and also a response to Board feedback on the on demand syndication update paper which had been considered by the Board in December, where the Board had requested a more cautious approach to the next stage of internet syndication.

8.2 In terms of the on demand syndication strategy, the Board noted that overall ambitions remained the same as the last Board paper but in light of Board comments, these would now be achieved at a steadier pace and with additional safeguards in place.

8.3 The Board noted the syndication arrangements for reporting to the Trust and approved the proposed cautious approach to the next stage of internet syndication activity.

9 Director reports

a) Audiences and All services
9.1 Erik Huggers provided a short update on audience figures and services for the last month, noting key highlights for Vision, Audio & Music and online.

b) Journalism
9.2 Mark Byford provided an update on journalism matters.

c) Regulatory and Industry
9.3 Caroline Thomson provided an update on regulatory and industry matters.

d) Commercial
9.4 John Smith provided an update on commercial matters.

e) Finance

Finance report – January 2009
9.5 The finance report summarised the 2008/09 financial results for the BBC for the year to January 2009 and highlighted the key points.

9.6 The Board noted the reports.

f) BBC People
9.7 Frances Allcock provided an update on BBC People matters.

10 Risk status and outlook report
10.1 This paper informed the Board of the current status of key risks identified and reported by Divisions/Groups and the forecast changes in the risk exposure over the next six months, with details of the risk mitigation plans also provided. The executive summary highlighted key risks and their impact, in particular, risks of legal compliance and external regulation, licence fee collection / funding and business continuity.

10.2 The Board noted the key risks. The Board also noted the headline results from the National Audit Office staff survey, the key performance indicators and progress in closure of actions.

11 Statements of Programme Policy for 2009/10
11.1 This paper explained that the Statements of Programme Policy (SoPPs) were the BBC’s annual promises to viewers, listeners and users about how individual BBC services contributed to its public service remit. The SoPPs were prepared by BBC Management but BBC Trust approval was required before SoPPs could be published. The SoPPs were also due to be presented to the relevant national Audience Councils for information.

11.2 The Board approved the SoPPs for 2009/10 for onward progression to the BBC Trust.
12 Pan BBC objectives for 2009/10

12.1 This paper proposed the pan-BBC annual objectives for 2009/10. The objectives had been developed using the Delivering Creative Future themes and incorporated the BBC’s long-term goals as agreed by the Trust in October 2007. The 2009/10 pan-BBC objectives were required to guide the progress of the BBC for the coming year and set the framework for the Group/Divisional objectives and subsequently team and personal objectives.

12.2 The Board approved the pan-BBC objectives, noting that a partnership objective had been added.

13 Digital switchover quarterly update

13.1 This paper provided an update on the latest developments for the digital switchover programme, highlighting the key headlines.

13.2 The Board noted the paper.

14 News Jupiter project – post implementation review

14.1 This paper summarised what had been achieved between the initial approval of the Jupiter project (a comprehensive desktop video production, storage and media asset management system) and the current position. The paper also reviewed the outcomes of the project, the lessons learned and the financial implications.

14.2 The Board approved the paper for onward progression to the BBC Trust.

15 Terms of reference for Radio Network Supply Review

15.1 This paper explained that a review of network radio supply had been requested by the BBC Trust for delivery in early 2009, to complement the proposals for television production. However, as the Trust was also due to complete a review of independent supply during 2009, and given the interdependency of in-house and independent production, the paper proposed that management conduct simultaneous reviews of both areas, for delivery to Executive Board and the Trust in the autumn. The paper set out the context and the proposed approach for delivering the two reviews, noting that an update would be presented to the Board should the Trust require any changes in approach.

15.2 The Board approved: the proposal to conduct simultaneous reviews of independent production and out of London supply for network radio stations; Radio Network’s role in endorsing the final draft reports, prior to Executive Board; the Terms of Reference for the Radio Network Supply Review: Out of London and the Terms of Reference for Radio Supply Review: Independent production.
16 Review of Fair Trading Guidelines

16.1 This paper explained that following the introduction of the new Charter and Agreement on 1 January 2007, updated Fair Trading Guidelines were introduced on 1 July 2007 to implement the Trust’s Fair Trading policies. As part of their approval the Executive agreed that the Guidelines would be reviewed after 12 months. This review had been completed and, following a period of public consultation, revised Guidelines had been approved by the Executive Fair Trading Committee. This paper highlighted the changes made to the Guidelines and advised that following approval, the revised Guidelines would be implemented from 1 April 2009.

16.2 The Board approved the revised Fair Trading guidelines, noting that they had already been endorsed by the Executive Fair Trading Committee.

17 Any other business

17.1 The Board approved the appointment of the new Director, BBC People. This followed prior endorsement of the appointment by the Executive Nominations Committee and approval of the terms and conditions of the appointment by the Executive Remuneration Committee.

For noting

18 Minutes and Actions from Finance Committee

18.1 This paper reminded the Board that the Finance Committee (FC) was established under the delegated authority of the BBC Executive Board and that the purpose of the FC was to ensure the practice of good financial governance across the BBC and the enforcement of the BBC’s Investment Policy and Guidelines.

18.2 In line with the standing orders of the FC this paper provided the Executive Board with summary minutes of recent FC meetings, covering details of all business covered and key actions and outcomes agreed.

18.3 The Board noted the summary minutes and actions.

19 Expense update – 9 months expenditure

19.1 This paper provided an update report of 9 months expenditure for the financial year 08/09 in comparison to the level of expenditure in 07/08.

19.2 The Board noted the paper and that it had been considered by the Executive Audit Committee immediately before the Board meeting.
20 Extensions to terms of office of Appeals Advisory Committee members

20.1 This paper described the extensions to the Terms of Office of individual Appeals Advisory Committee Members (AAC). The paper was presented to the Executive Board as the body formally responsible for appointing the Members of the AAC.

20.2 The Board noted the paper.