Executive Board

11 May 2009
1030 – 1530
Rm 3028, Broadcasting House, London

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Attendees

Present
Mark Thompson (Chair), Director-General
Mark Byford, Deputy Director-General
Frances Allcock, Acting Director, BBC People
Sharon Baylay, Director, Marketing, Communications & Audiences (MC&A)
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)
John Tate, Director, Policy and Strategy (item 1)
Rowena Webster, Head of Strategy (item 1d)
Seetha Kumar, Controller, BBC Online (item 1d)
George Entwistle, Controller, Knowledge (item 1d)
Chris Day, Group Financial Controller (item 2)
Edward James, Head of Corporate Performance and Reporting (item 2)
Neil Chugani, Finance Director, BBC Worldwide (item 2b)
William Greswell, Controller, BBC Strategy (item 3)
Bal Samra, Director, Vision Operations and Rights (item 4)
James Lancaster, Head of Rights and Business Affairs (item 4)
Andrew Lowenthal, Egon Zehnder International (item 5)
Dom Loehnis, Egon Zehnder International (item 5)
Nicholas Eldred, Group General Counsel (item 6)
Balbir Binning, Controller, Fair Trading and BBC Compliance Officer (item 6)
1 Partnerships

a) Oral update

1.1 Caroline Thomson updated the Board on current discussions around partnerships and the licence fee. The Board agreed that preservation of the licence fee was essential to secure editorial independence and that the BBC had a key role in helping to build Digital Britain.

1.2 John Smith provided an update on the position with BBC Worldwide.

b) Proposal for phased approach to News AV syndication

1.3 This paper outlined the partnership proposal to share the BBC’s online news content with third parties. This paper updated the Board on the further development of the proposal since the Board approved the overall approach to syndication in February 2009.

1.4 The Board noted that third parties had been selected according to fair trading principles.

1.5 The Board commented on the international aspect of syndicating content and the associated issues, acknowledging that this was being considered.

1.6 The Board noted that this was an important development in the syndication of BBC news content to external websites and approved the phased rollout of news syndication, in line with Fair Trading and State Aid guidance, subject to comments made.

c) Media Literacy strategy

1.7 This paper proposed a new, high level BBC media literacy strategy and some new BBC media literacy activity in the current financial year. It also highlighted the need for the BBC to respond to the Ofcom public consultation on ‘Access and Inclusion’ and proposed delegated offline approval for that response.

1.8 The Board noted that the strategy was likely to return at some stage and that funding approval would be considered separately by the Finance Committee. Some examples of media literacy work in practice were highlighted, such as the School News Report. The Board agreed that promoting ‘understanding’ was important but that safety aspects, especially with respect to children, were equally as important. Whilst safety formed part of the current strategy it should be more clearly emphasised.

1.9 The Board approved the continued development of the media literacy strategy into a detailed, actionable plan and some new BBC media literacy activity in 2009/10. This was subject to funding approval by Finance Committee. The Board agreed to delegate authority to the Chief Operating Officer to agree the BBC’s response to the Ofcom consultation on ‘Access and Inclusion’.
2 Finance


2.1 This paper updated the Board on the financial performance of the BBC for the financial year ended 31 March 2009. The results were subject to audit.

2.2 The Board noted that the BBC was on track to meet its commitments to Nations and Out of London growth and congratulated the commissioning teams on their contribution to hitting these targets. It was noted that service licence spends continued to be monitored closely and the executive had re-iterated with the Trust Finance and Compliance Committee that there was no intention to request a rebasing of these at this stage.

2.3 The Board approved the report for onward progression to the Trust.

b) BBC Worldwide Finance Report - March 2009

2.4 This paper updated the Board on the financial performance of BBC Worldwide for the financial year ended 31 March 2009.

c) Action plan in response to BBC Trust Review of TV Licence collection

2.5 This paper explained that during 2008/09, the BBC Trust had conducted a review of the BBC’s TV Licence Fee Collection arrangements which was published on 31 March 2009. The review had made a number of recommendations and this paper provided details of the planned actions that the Licence Fee Unit would take in response to the recommendations.

2.6 The Board approved the action plan prior to presentation to the Trust.

3 Response to Trust Review recommendations for Children’s Services

3.1 This paper represented the executive’s response to recommendation 12 of the Trust’s Review of the BBC’s Provision for Children aged under 12, published in February 2009:

3.2 The Board noted that the paper responded to a specific point raised by the Trust and that other considerations, such as safety, citizenship, BBC One scheduling and origination, were more fully addressed elsewhere. It was agreed that it would be useful for the Board to have an update on the other aspects.

3.3 The Board approved the recommendations in the paper for onward progression to the Trust.

4 Talent at the BBC: progress against the Trust’s recommendations

4.1 This paper outlined the steps the BBC Executive had taken to implement the Trust’s recommendations in its review of Talent at the BBC, which was published in June 2008. A follow up review to assess the implementation of these recommendations had been proposed for 12 months later and this paper responded to that proposal.
4.2 The Board approved the paper for onward progression to the Trust.

5 Board effectiveness review

5.1 This paper provided the report by Egon Zehnder International on the Board Effectiveness Review of the BBC Executive Board.

5.2 The Board discussed the findings of the report, recognising that direct comparisons or benchmarking with corporate boards was difficult given the unusual governance structure of the BBC. It was noted that the Board was broadly working well according to the most important criteria but there were inevitably some areas for improvement.

6 Compliance

a) Compliance report – quarterly and annual review 2009/09

6.1 This paper provided the Compliance Report for the fourth quarter of 2008 / 2009 and the annual review for 2008 / 2009.

b) Annual review of compliance with the four commercial criteria

6.2 This paper explained that the BBC Agreement required all Commercial Services to comply with the four commercial criteria (4CC) and the Executive Board to “address compliance” with the 4CC in its Annual Report and Accounts. The Trust Protocol on Commercial Services required the Executive to submit a report to the Trust. The paper responded to these requirements.

6.3 The Board approved the report for onward progression to the Trust.

7 Director updates

a) Audiences and all services

7.1 Tim Davie provided a short update on audience figures and services for the last month, noting key highlights for Vision, Audio & Music and online.

b) Journalism and editorial matters

7.2 Mark Byford provided an update on journalism matters.

c) Regulatory and industry

7.3 Caroline Thomson provided an update on regulatory and industry matters.

Papers for approval

8 Mobile Broadcast: exit from spectrum and infrastructure investment

8.1 This paper set out a revised approach to mobile broadcasting. It explained that since previous papers on this topic had been approved by the Board there had been considerable market shifts and the financial priorities of the BBC’s partners had changed.
substantially. As a result, Future Media & Technology (FM&T) - as part of its contribution to corporation wide cost savings - had decided that mobile broadcast should no longer be considered a strategic priority. This paper sought approval to exit the previous strategy and to pursue alternative approaches that did not require substantial investment in spectrum and infrastructure.

8.2 The Board endorsed the termination of the previous strategy and exit from the mobile broadcast strategy as part of FM&T’s contribution to the wider BBC reprioritisation effort. It was agreed that alternative, less costly, approaches should be explored and that developments in mobile should continue to be monitored. Internal and external communications should reflect the decision to terminate the previous strategy.

9 BBC on demand platform capabilities and status roadmap

9.1 Further to previous papers, this document provided a final update for the BBC Trust regarding implementation of a technology solution to provide BBC iPlayer downloads for the Mac and Linux platforms.

9.2 The Board approved the paper for onward progression to the Trust.

10 Canvas: delegated authority

10.1 This paper notified the Board that the BBC Trust planned to publish its provisional conclusions on Project Canvas in June and would open a short second period of consultation at that point. The paper noted that the executive may decide to make a formal contribution to that consultation process, dependent on the nature of the conclusions.

10.2 The Board agree to delegate authority to Caroline Thomson, Erik Huggers and Mike Lynch to sign off the approach to the Trust submission: either to agree no submission or to judge whether the issues raised and the necessary BBC submission require further consideration by the Executive Board.

11 Summary update on BBC Diversity Strategy implementation

11.1 The purpose of this interim paper was to update the Trust on executive arrangements for measuring progress against the BBC diversity strategy, following its review and update during 2008.

11.2 The Board noted that the 5 Live festival referred to had not yet occurred and would take place later in the year. This would be amended in the paper before progression to the Trust.

11.3 The Board approved the interim update for onward progression to the Trust.
12 The BBC’s arrangements for training and retraining of BBC staff as required under the Charter and Agreement

12.1 This paper explained that the BBC Executive Board was required under the Charter and Agreement (Clauses 84 and 85) to report annually to the Trust on its arrangements for meeting its training obligations.

12.2 The Board approved the paper for onward progression to the Trust.

13 DTT capacity: decommissioning two interactive streams

13.1 This paper explained that the ongoing reorganisation of the BBC’s terrestrial capacity which had been requested by Government and Ofcom, and should allow Multiplex B to carry up to 5 high definition services, would mean that the BBC had less capacity for its standard definition services on Freeview. As such it needed to decide which services to take down. If negotiations with other Public service broadcasters were successful, the reorganisation would begin in November 2009.

13.2 The Board approved that BBC Multiscreen no longer be carried on DTT from the launch of Freeview HD, and agreed to forward this proposal to the Trust for approval. It was agreed that BBC Multiscreen would not be taken down from DSat and DCable at the same time, but only in 2011, in line with decisions made as part of the Strategic Contingency Exercise. It was noted that the remaining BBC Red Button enhanced stream would broadcast a mixture of Sport, Journalism, Vision and A&M content. The Board agreed that the various options should be worked through with care.

14 Continuous improvement programme

14.1 This paper updated the Board on the progress on delivery of the continuous improvement programme.

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

15 Financial mechanisms of the capita contract for TV Licensing collection and administration

15.1 This paper explained that the Trust had asked for a description of the financial mechanisms of the Capita contract for TV Licensing Collection and Administration. The paper described the mechanisms and how they had worked in the contract to date.

15.2 The Board approved the paper for onward progression to the Trust.

16 Any other business

16.1 No other business was raised.