MINUTES OF THE BBC TRUST MEETING

Held on Wednesday 14 November 2007
in the Boardroom, Broadcasting House, Belfast

Present:  
Michael Lyons  Chairman  
Chitra Bharucha  Vice Chairman  
Diane Coyle  Trust Member  
Dermot Gleeson  Trust Member  
Alison Hastings  Trust Member for England  
Patricia Hodgson  Trust Member  
Rotha Johnston  Trust Member for Northern Ireland  
Janet Lewis Jones  Trust Member for Wales  
David Liddiment  Trust Member  
Mehmuda Mian Pritchard  Trust Member  
Jeremy Peat  Trust Member for Scotland

Apologies:  Richard Tait  Trust Member

In attendance from the Trust Unit:

Nicholas Kroll  Director, BBC Trust  
Phil Harrold  Senior Adviser, Secretariat and Governance  
Tina Stowell  Head of Communications  
Christopher Woolard  Head of Finance, Economics and Strategy  
Mark Wakefield  Head of Performance  
Penny Young  Head of Audiences  
Alison Gold  Chief Adviser, Performance  
Alison Bexfield  Chief Financial and Compliance Adviser  
David Bunker  Senior Adviser, Audiences  
Martin Vogel  Senior Strategy Adviser  
Gareth Barr  Policy Analyst
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AGENDA

160. Minutes of Conference Held on 2/3 October and the Meeting Held on 17 October 2007 and Matters Arising

161. Reports from Committees and Audience Councils

162. Director's Report

163. Strategic Framework: Measuring Delivery

164. Defining Innovation and Distinctiveness

165. Purpose Remits

166. Service Licence Reviews: Future Programme

167. Ofcom Public Service Broadcasting Review

168. Public Value Test: High Definition Television Final Conclusions

169. Public Value Test: Gaelic Media Service Provisional Conclusions

170. Director-General’s Report

171. Quarterly Finance Report

172. Sale of BBC Resources Ltd: Update

173. Other Business

174. Business Handling and Communications

175. Items for Noting
160 MINUTES OF CONFERENCE HELD ON 2/3 OCTOBER AND THE MEETING HELD ON 17 OCTOBER 2007 AND MATTERS ARISING

160.1 The Trust approved the minutes of the conference held on 2/3 October with minor amendments, and the minutes of the Trust meeting held on 17 October 2007, as accurate records of proceedings. Members agreed that both sets of minutes should be published without redactions. The Chairman agreed to sign the minutes on behalf of the Trust.

160.2 Members noted the matters arising from previous meetings.

161 REPORTS FROM COMMITTEES AND AUDIENCE COUNCILS

161.1 Members noted the reports from meetings of the Trust’s committees and Audience Councils that had been held in October and November.

161.2 The chair of the Trust’s Finance and Strategy Committee updated members on the Trust’s programme of value for money reviews. The programme of future reviews would be submitted to the Trust in early 2008.

161.3 Following the report from Audience Council Scotland, the Member for Scotland updated the Trust on his first meeting with the chair of the Scottish Broadcasting Commission. He stated that the meeting was constructive and positive. It was noted that the Chairman and Member for Scotland would provide formal evidence to the Commission in due course.

162 DIRECTOR’S REPORT

162.1 The Director, BBC Trust introduced his report and updated members on issues to be considered during the meeting.

162.2 He noted that the Chairman had recently agreed small changes to the structure and membership of the Trust’s committees, which would begin from January 2008.

162.3 The Trust was updated on plans for Performance Day in December, which would provide an opportunity for the Trust to discuss the performance of the BBC’s services with the full Executive Board.

162.4 The Director, BBC Trust updated members on plans for assessing the Director-General’s action plan on editorial compliance, which was due to be presented to the Trust in January 2008. Members noted that this work was being overseen by the Trust’s Editorial Standards Committee and that the committee’s independent adviser, Ronald Neil, would be supported by Margaret Salmon and Tim Suter in this work. The Trust discussed options for publishing information on the editorial breaches arising from the Director-General’s trawl of programmes.
STRATEGIC FRAMEWORK: MEASURING DELIVERY

163.1 The Trust’s Chief Adviser, Performance, introduced the paper, which proposed a measurement framework to assess the performance of the Executive in delivering the BBC’s six-year strategic framework, approved by the Trust in October.

163.2 She explained that the measurement framework would enable the Trust Unit to develop a high level performance dashboard, providing an independent and up-to-date view on the performance of the BBC. She noted that in order to have an effective framework, the data sources would need to be agreed with the Executive prior to implementation.

163.3 Members agreed the measurement framework offered a mechanism for holding the Executive to account for delivering the six-year plan. It was agreed that the focus on outcomes, rather than inputs, was appropriate for this work and that the measurement framework should utilise the BBC’s existing performance measurement criteria of reach, quality, impact and value for money. The Trust would receive the reports quarterly.

163.4 The Trust noted that the metrics to be used for measurement of efficiency savings were being developed jointly by the Executive and the Trust Unit, taking account of advice from the National Audit Office on measurement methodology.

163.5 Members approved in principle the measurement framework as proposed and requested that it be further developed by the Trust Unit, in conjunction with the Executive.

DEFINING INNOVATION AND DISTINCTIVENESS

164.1 The Trust’s Head of Audiences introduced the paper, which sought to explain what audiences understood the terms ‘innovation’ and ‘distinctiveness’ to mean, and how they felt the BBC was performing in this area. The conclusions of this work would form the basis of a discussion with the Executive at Performance Day, where the Trust would review the performance of the BBC’s UK public services, in December. She noted that some members had attended a presentation of the research findings prior to the meeting.

164.2 Members noted that the Trust’s audience research had highlighted that audiences expected innovative and distinctive output from the BBC – although they did not use such language – and that they felt the BBC was not always delivering to audience expectations in this area. The research and conclusions being presented in the paper attempted to capture how consumers talk about such issues, to enable everyone within the BBC to have a shared understanding of the terms and seek to improve the BBC’s performance in these areas.

164.3 The Trust discussed the conclusions of the research and endorsed the Trust Unit’s assessment of the findings.
165 PURPOSE REMITS

165.1 The Trust’s Head of Performance introduced the paper, which proposed final wording for the Remits of each of the BBC’s Public Purposes. Amendments to the draft Remits were proposed following a period of public consultation, further audience research and feedback from members.

165.2 The Head of Performance noted that the proposed final wording had been shared with the Executive Board for information the previous day. He explained that following approval of the Purpose Remits, the Executive would develop Purpose Plans, to detail how the Executive Board would deliver the priorities outlined in the Purpose Remits.

165.3 The Trust discussed the BBC’s minority language provision. It was agreed that while the Purpose Remits would not specifically state which languages the BBC should provide programmes in, it was expected that the Executive would outline the BBC’s proposed provision in more detail in the appropriate Purpose Plan for the Trust to agree.

165.4 The Trust discussed the proposed changes and approved the Purpose Remits for publication with minor amendments. Members noted that the Purpose Plans would be formally commissioned from the Executive Board through a letter from the Chairman to the Director-General. Purpose Plans would be presented to the Trust for approval in early 2008.

166 SERVICE LICENCE REVIEWS: FUTURE PROGRAMME

166.1 The Trust’s Head of Performance introduced the item, which outlined a proposal for the Trust’s programme of service reviews for 2008. He noted that this had been considered by members of the Audience and Performance Committee prior to the meeting.

166.2 The Trust discussed the proposed programme noting the requirement of the Charter and Agreement to review each of the UK public services at least once every five years. In discussion members noted that the Executive had expressed some concerns regarding the coordination and timing of the proposed reviews.

166.3 Members discussed the proposal to review some services together, for reasons of efficiency and effectiveness. The Trust agreed to the principle that the Trust should review the mixed-genre television services (BBC One, BBC Two, BBC Three and BBC Four) as a group and would agree the timing of such a review at a later date.

166.4 It was agreed that the Trust Unit should further develop the proposal for 2008 reviews and report back to the Trust, consulting with the Executive as required. Members noted that some aspects of the BBC’s portfolio may be best reviewed as a genre rather than a single service (e.g. News) and requested that information on genre reviews be presented to the Trust in due course.
167.1 The Trust was updated on the plans and timetable for Ofcom’s review of public service broadcasting.

167.2 The Trust’s Head of Finance, Economics and Strategy outlined opportunities that the Trust would have to engage with the review and the links that existed between the review’s terms of reference and work that the Trust was already undertaking.

167.3 Members discussed how best the Trust would be able to feed the views of licence fee payers, and their expectations of the BBC and public service broadcasting more generally, into the review. It was agreed that much of the Trust’s existing work understanding the views of licence fee payers and the creative sector would be useful input into the review. It was also agreed that the Trust’s forward work programme would provide further evidence to help shape BBC input to the review.

167.4 [withheld from published minutes - prejudicial to the effective conduct of public affairs]

167.5 [withheld from published minutes - prejudicial to the effective conduct of public affairs]

167.6 Members agreed with the proposed approach to engaging with the Ofcom review and requested further updates as matters progressed.

168.1 The Trust’s Head of Finance, Economics and Strategy presented the draft final conclusions of the Public Value Test (PVT) on the Executive’s proposed high definition television channel. The draft final conclusions were being presented to the Trust for approval on the recommendation of the Public Value Test Committee.

168.2 The Trust noted the conclusions of the consultations, in which the views of the public and of industry representatives had been canvassed.

168.3 The Trust agreed that the PVT process had been undertaken appropriately. The Trust agreed with the list of the procedural matters for confirmation by the Trust set out in the annex to the Trust paper.

168.4 The Trust formally adopted the conclusions set out in the draft final conclusions. In particular, the Trust approved the launch of a BBC HD channel on cable and satellite as soon as the Service Licence was issued. The Trust approved launch of the full service proposition on digital terrestrial television (DTT) as soon as possible subject to a review of options in 2008, following agreement of the DVB-T2 standard and clarity being reached on the feasibility and implications of a possible DTT multiplex reorganisation.

168.5 The chair of the Trust’s Public Value Test Committee thanked all those who had been involved through the stages of this PVT.
169 PUBLIC VALUE TEST: GAELIC MEDIA SERVICE PROVISIONAL CONCLUSIONS

169.1 The provisional conclusions of the PVT into the proposed Gaelic Media Service were presented for the Trust’s approval. The provisional conclusions were being recommended by the Trust’s Public Value Test Committee.

169.2 The Head of Finance, Economics and Strategy noted that the Trust’s Public Value Assessment and Ofcom’s Market Impact Assessment had been published on 12 November.

169.3 The Trust discussed the provisional conclusions and agreed with the committee’s overall finding that sufficient evidence of public value had not been presented so far. The Trust agreed that the Executive Board should be asked to present further evidence to sustain the proposition that the service would have appeal to a wider audience and would have a broad educational purpose. It was agreed that if this evidence could be provided the Trust would consider approving the service subject to a range of conditions. On this basis, the Trust approved the provisional conclusions.

169.4 The Trust agreed and confirmed the procedural matters outlined in the annex to the paper and agreed the provisional conclusions should be published by 21 November for a period of public consultation. The Trust provided authority to the chair of the PVT Committee to oversee any consequential amendments to finalise the provisional conclusions and other documents for publication.

170 DIRECTOR-GENERAL’S REPORT

170.1 The Director-General introduced his report and updated the Trust on the reaction of staff and stakeholders following announcement of the six year strategic framework, which had been approved by the Trust in October. He believed that there was broad support for the strategic direction within the community but noted that for some staff, implementation of the plans would be difficult.

170.2 He noted that structural changes in News had already begun to be implemented with the beginnings of a multi-media news room.

170.3 Members were updated on recent programming highlights and audience reach figures. The Director-General also noted plans formally to launch the BBC’s iPlayer on Christmas Day and updated the Trust on recent industry developments.

170.4 The Deputy Director-General updated the Trust on journalism matters, including well received recent current affairs programmes. He also noted that the BBC was beginning to roll out the training course Safeguarding Trust to everyone involved in making programmes for the BBC.

170.5 The Deputy Director-General outlined the work that the Executive had undertaken to
prepare for the return of competitions on the BBC following suspension of all competitions earlier this year. Members noted that, in response to a request from the Trust, the Executive had prepared a code of conduct for competitions and voting. The code would be publicly released by the Director-General as soon as it was finalised. Further detailed advice for programme makers on competitions, voting and running awards, and a formal approvals process for such activities, would be submitted to the Trust for consideration before competitions could resume.

170.6 The Director-General introduced the Director of Marketing, Communications and Audiences and Head of Audiences, who presented the outcomes of research which summarised audience reaction to recent events affecting trust in the BBC. They noted that audience trust in the BBC had declined slightly due to recent events but that overall the BBC rated highly when compared to other public institutions. The Director-General noted that the Executive would continue to track this information and would report to the Trust on any significant trends.

170.7 [withheld from published minutes - commercially prejudicial]

171 QUARTERLY FINANCIAL REPORT

171.1 The Group Finance Director introduced the report outlining the BBC’s financial performance for the year to date. It was noted that the Trust’s Finance and Strategy Committee had previously scrutinised the report in detail.

171.2 She noted that licence fee sales and commissioning levels were on track. The Trust was updated on projected full year figures and trends across the business.

171.3 The chair of the Finance and Strategy Committee outlined the matters that the committee discussed further with the Executive. He reported that two services were likely to report technical breaches of their service licence allocated budget and the Executive would be writing to the Trust in due course to seek the Trust’s consideration of this matter. These breaches were the result of staffing and pensions costs. The Trust would be obliged to consider the matter, decide whether this constituted a significant change to the service or not, and report publicly on its findings.

171.4 The Trust noted the quarterly financial report.

172 SALE OF BBC RESOURCES LTD: UPDATE

172.1 The Chief Executive Officer, BBC Worldwide, and the Head of Direction, BBC Workplace, joined the meeting by telephone and updated the Trust on progress towards the sale of the BBC’s wholly-owned subsidiary, BBC Resources Ltd.

172.2 Members were reminded that the decision to sell BBC Resources Ltd was first approved in principle by the BBC Governors in 2004 following a review of the BBC’s commercial enterprises. The Executive Board was responsible for managing the sale process. The Trust’s Finance and Strategy Committee had been overseeing progress on behalf of the Trust.
172.3 The chair of the Finance and Strategy Committee stated that the committee had been encouraged by progress of the sale to date and updated members on the additional assurances that the committee was seeking from the Executive on the Trust’s behalf.

172.4 [withheld from published minutes - commercially prejudicial]

172.5 The Trust noted the progress that had been made by the Executive and agreed to delegate the Trust’s final approval of any sale to the Finance and Strategy Committee, in consultation with the Chairman.

173 OTHER BUSINESS

173.1 Annual Report and Accounts 2007/08
The Trust approved the plans for the production of the 2007/08 BBC Annual Report and Accounts and noted that further information would be presented to the Trust in due course. It was agreed that the Audience Councils Committee would discuss coordination of the reports from the Nations at its next meeting.

173.2 Nations Impartiality Review: Terms of Reference
The Trust agreed the terms of reference for an impartiality review of the BBC’s network news and factual coverage of the four UK nations, which had been recommended to it by the Editorial Standards Committee. Members noted that the terms of reference would be published and that the Editorial Standards Committee would continue to oversee the conduct of the review. A report would be provided to the Trust in summer 2008.

174 BUSINESS HANDLING AND COMMUNICATIONS

174.1 The Trust discussed the communication of matters considered at the meeting.

175 ITEMS FOR NOTING

175.1 The following items were noted:
- Value for Money Study Report: digital switchover
- Review of Network Supply Strategy: Terms of Reference
- Minutes of Trust Committees and Audience Councils
- Documents for Sealing
- Report of offline papers