MINUTES OF THE BBC TRUST MEETING

Held on Wednesday 17 October 2007
in the Council Chamber, Broadcasting House, London, W1A 1AA

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 (145 – 152 only)
Janet Lewis Jones Trust Member for Wales
David Liddiment Trust Member
Mehmuda Mian Pritchard Trust Member (not 151.3)
Jeremy Peat Trust Member for Scotland
Richard Tait Trust Member

In attendance from the Trust Unit:

Nicholas Kroll Director, BBC Trust
Sally Kendall Head of Secretariat and Governance
Phil Harrold Senior Adviser, Secretariat and Governance
Tina Stowell Head of Communications
Fran O’Brien Head of Editorial Standards
Mark Wakefield Head of Performance
Christopher Woolard Head of Finance, Economics and Strategy
Penny Young Head of Audiences

For items:

Items 151 – 153 Mark Thompson Director-General
Items 151 - 153 Mark Byford Deputy Director-General
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AGENDA

145. Minutes of Meeting Held on 19 September 2007 and Matters Arising

146. Reports from Committees and Audience Councils

147. Director's Report

148. Six-Year Strategic Framework

149. Audience Engagement

150. Window of Creative Competition Review: Terms Of Reference

151. Director-General's Monthly Report

152. Delivering Creative Future: Six-Year Strategic Framework

153. bbc.com

154. The Learning Strategy Beyond BBC Jam

155. S4C Operating Agreement

156. Items for Noting

157. Business Handling and Communications

158. Other Business

159. Conflicts of Interests
145 MINUTES OF MEETING HELD ON 19 SEPTEMBER 2007 AND MATTERS ARISING

145.1 The Trust approved the minutes of the meeting held on 19 September as an accurate record of proceedings. Members agreed that the minutes should be published with the redactions as proposed. The Chairman signed the minutes on behalf of the Trust.

145.2 Members noted the matters arising from previous meetings.

145.3 The Trust’s Head of Editorial Standards noted that the Trust had appointed Prof. Anthony King, Professor of Government, University of Essex, to author the Trust’s impartiality review into BBC network coverage of the UK’s Nations. Full terms of reference for the review would be presented to the Trust for approval in November.

146 REPORTS FROM COMMITTEES AND AUDIENCE COUNCILS

146.1 Members noted the reports from meetings of the Trust committees and Audience Councils that had been held in July and September.

146.2 The chairman of the Trust’s Editorial Standards Committee noted that the committee had required the Executive to satisfy it that appropriate controls would be in place prior to the resumption of competitions across BBC outlets.

146.3 The chairman of the Trust’s Finance and Strategy Committee noted that the committee had scrutinised the Executive’s proposal for the BBC’s ongoing accommodation in London, W12. The committee had agreed in principle to basing the BBC’s operations at the Media Centre site, with the view to selling Television Centre. Members noted that the Executive would present a full property strategy to the Trust in early 2008 for consideration.

147 DIRECTOR’S REPORT

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

147.2 In advance of the discussion scheduled for later in the meeting, the Trust’s Chief Policy and Strategy Adviser provided members with additional information regarding the Executive’s proposal to commercialise the BBC’s international-facing website (BBC.com). Members agreed that, should the proposal be approved, strong editorial controls – with clear lines of responsibility and accountability – would be required to ensure compliance with the BBC’s Editorial Guidelines and the proposed advertising policy.

148 SIX-YEAR STRATEGIC FRAMEWORK

148.1 Prior to the Executive joining the meeting, the Trust discussed the final version of the Strategic Framework, which had been presented by the Executive Board for approval.
148.2 Members noted the amendments that had been made to the framework following earlier scrutiny by the Trust; they noted that some matters would not be approved at this stage, requiring further consideration by the Trust. Specifically, the Trust agreed that detailed strategies on technology, property, distribution and the supply of programmes from the Nations to the network should be presented for consideration in early 2008.

148.3 The Trust reviewed the proposed Strategic Framework against the priorities outlined in the draft Purpose Remits, particularly noting those areas where additional activity was proposed to meet gaps in purpose delivery.

148.4 It was agreed that the Executive’s proposed ambition for distinctiveness should be stronger than that presented: the BBC should “seek to increase” the distinctiveness and quality of its output over the six-year period. Members agreed that this more appropriately reflected the Trust’s priorities and feedback received from consultation with licence fee payers. The Trust noted that it was undertaking further work with the Executive to develop definitions of distinctiveness and innovation and ensure that these are fully understood throughout the Corporation.

148.5 It was agreed that the Trust would discuss the proposed amendments to the Strategic Framework with the Executive later in the meeting.

149 AUDIENCE ENGAGEMENT

149.1 The Trust’s Head of Audiences introduced the paper, which sought the Trust’s approval to a protocol on audience engagement. She noted that the final protocol had been informed by consultation with licence fee payers and stakeholders as well as quantitative and qualitative research. The Trust’s Audience and Performance Committee had previously assessed the consultation outcomes and research and were recommending that the Trust approve the protocol.

149.2 The Head of Audiences outlined some of the conclusions that had been drawn from the research and the actions being proposed by the Trust Unit. These included: increasing direct communication with audiences, ensuring that the Trust’s approach to consultations reflected best practice and raising the profile of the Audience Councils. Members noted that this publication of a formal protocol was just one part of the Trust’s commitment to communicating with and understanding audiences throughout the United Kingdom. It was agreed that the Trust Unit should progress the actions proposed.

149.3 The Trust approved the Audience Engagement Protocol and agreed that it should be published on the Trust’s website in due course.

149.4 The Head of Audiences noted that in March 2007 the Trust had agreed that it should determine the future of the Central Religious Advisory Committee as an advisory body to the Trust in light of the outcomes of the audience engagement work.

149.5 Members considered the options for the future retention of the Central Religious Advisory Committee. The Trust concluded that as the primary purpose of the Committee was to provide advice on religious programming it would more properly
sit as an advisory committee to the BBC’s Religion and Ethics department. The Trust agreed that it would assist the Committee to make the transition, although it noted that the Terms of Reference would be a matter for Religion and Ethics.

150 WINDOW OF CREATIVE COMPETITION REVIEW: TERMS OF REFERENCE

150.1 The Trust’s Chief Policy and Strategy Adviser introduced the paper, which outlined the scope and timetable for the Trust’s review of the Window of Creative Competition (WOCC).

150.2 The Trust agreed that the scope of the review should be sufficiently broad to enable the quality of programmes commissioned through the WOCC to be assessed through the review process. Members agreed that it was necessary to ensure that the WOCC was not simply a regulatory requirement but an effective tool that would enable the BBC to offer the best quality programmes to audiences.

150.3 The Trust noted that in addition to the internal consultation process, the terms of reference ensured that external stakeholders and representative bodies would be consulted throughout the review process.

150.4 The Trust agreed the timetable and approach for the review of the WOCC and noted that the Trust Unit would engage formally with the BBC Executive and PACT on the proposals. The Trust appointed Dermot Gleeson and Rotha Johnston as the two lead members for this project and agreed that these members would approve the final terms of reference on behalf of the Trust.

151 DIRECTOR-GENERAL’S MONTHLY REPORT

151.1 The Executive joined the meeting and the Director-General provided his report to the Trust. He noted recent programming highlights and audience reactions to programmes across the services.

151.2 The Deputy Director-General updated the Trust on journalism matters, noting the extensive BBC coverage of the party conference season – managing to secure key interviews and provide in-depth analysis of the political environment.

151.3 He updated the Trust on the outcomes of an inquiry by the Independent Police Complaints Commission into allegations raised by the BBC One documentary The Boys Who Killed Stephen Lawrence. Mehmuda Mian Pritchard left the meeting during discussion on this matter (see note at 159.1).

151.4 The Director-General updated the Trust on the outcomes of his recent visit to India. He also noted recent industry developments and staff movements, noting that the Executive were seeking to appoint a new Controller of BBC One as quickly as possible.
152 DELIVERING CREATIVE FUTURE: SIX-YEAR STRATEGIC FRAMEWORK

152.1 The Chairman began the item by acknowledging the considerable amount of time and effort that had gone into developing the Strategic Framework over the previous months. He noted that the Trust had considered the final proposal earlier in the meeting and were supportive of the strategic direction that had been developed in response to the Trust’s priorities. Members agreed that the Strategic Framework represented a firm commitment to the delivery of the BBC’s public purposes through high quality and distinctive creative content.

152.2 He noted that although the Trust would now be in a position to approve the Strategic Framework with some amendments, in some cases there would be regulatory decisions to follow and any approval would be without prejudice to those processes.

152.3 The Chairman stated that the Trust had agreed to the following goals and ambitions for the Strategic Framework:

(1) The BBC should increase the delivery of its purposes
(2) The BBC should maintain the maximum possible reach consistent with its purposes and values
(3) The BBC should seek to increase the distinctiveness and quality of its output
(4) The BBC should restore trust in its output
(5) The BBC should maintain perceived value among high approvers
(6) The BBC should increase perceived value among middle and lower approvers

152.4 In approving the goals and ambitions, the Trust noted that approval of the second goal was contingent upon further work being undertaken by the Executive that would enable the Trust to consider what would be an appropriate level of reach.

152.5 Members discussed the detail of the Framework with the Executive, seeking confirmation that the Trust’s priorities of distinctiveness, sustainable quality and value for money had been met.

152.6 In confirming the decision to retain the existing portfolio of services, the Trust stated that it wished to ensure that each of the BBC’s services retained a distinctive role and noted that it would be monitoring delivery to ensure that the BBC continued to provide a wide range of distinctive, quality programmes on television, radio and online to reach the widest range of audiences.

152.7 The Trust discussed the impact of the proposed changes on key genres, including news and current affairs, and factual. Members agreed that the proposals would safeguard the provision of quality programming across these, and other, genres.

152.8 The Trust discussed the impact of the reduction in new originations. The Director-General confirmed that the 10% reduction in volume of new originations on
television would not result in any increase in repeats on BBC One peak-time from their current level.

152.9 The Executive confirmed that the BBC could deliver total annual net cash-releasing efficiencies of 3% each year. The Trust approved the overall efficiency profile, targets and split between types of efficiency (productive vs. allocative). The Trust also approved the efficiency definitions and measurement framework that had been developed by the Trust Unit in consultation with the Executive and with advice from the National Audit Office on best practice in the public sector. Members agreed that efficiencies would be independently verified each year and progress reported in the Annual Report and Accounts.

152.10 The Trust approved the goals and ambitions for the strategic framework, as amended, and approved the Executive’s proposed response to responding to perceived gaps in delivering the BBC’s Purposes. In the area of content investment, the Trust approved the high level strategies that had been developed for key genres, the balance of spend between the genres and the proposed new investments as appropriate to delivering the goals (subject to any regulatory process). The Trust considered and approved the Executive’s risk analysis and mitigation plan.

152.11 The Trust outlined to the Executive those areas in which further information would be required. It agreed that detailed strategies on technology, property, distribution and the supply of programmes from the Nations to the network should be presented for consideration in early 2008.

152.12 The Trust concluded that it was confident that the Executive’s strategy would safeguard the core values of the BBC at a time of radical and accelerating change in technology, markets and audience expectations.

152.13 The Trust agreed that it would require detailed reporting from the Executive against the plan and would report annually to audiences on delivery, paying particular attention to the perception of quality and delivery of public value. It was agreed that a statement would be released following the meeting.

153 BBC.COM

153.1 The Chief Operating Officer introduced the paper, requesting Trust approval for the proposal to offer advertising on the international-facing version of the BBC’s website. She noted that an advertising funded site would enable the BBC to offer a richer proposition for those audiences outside the United Kingdom.

153.2 Members questioned the Executive over the detail of the editorial controls that were proposed to ensure compliance with the BBC’s Editorial Standards. The Deputy Director-General said that the Journalism Board would continually assess the editorial structures to ensure that they were robust and worked to protect the BBC’s brand and reputation.

153.3 Members noted that this proposition had previously been presented to the Trust and that corporate structure and business case had been fully assessed. The Trust
concluded that the proposals were compliant with the four criteria for commercial services, and that the structures proposed fulfilled the Trust's requirements both in terms of separation from the public services and in maintaining the independence and reputation of the BBC. They were also satisfied that, if achieved, the business case would deliver benefits to the BBC’s journalism offering both domestically and outside the UK.

153.4 The Trust approved proposals for the BBC to establish bbc.com on condition of final clearance from the Trust’s Editorial Standards Committee for the proposed editorial control framework. The Trust also made it a condition of approval that any future phases of development above and beyond the introduction of advertising would be subject to additional Trust scrutiny.

154 THE LEARNING STRATEGY BEYOND BBC JAM

154.1 The Chief Operating Officer introduced the paper noting that the proposed direction of the learning strategy had been developed following extensive consultation with stakeholders and suppliers.

154.2 She noted that the Executive had concluded that the BBC shouldn’t seek to find a direct replacement for Jam, as a curriculum-based service, but should instead follow a strategy for evolving the whole learning portfolio, including developing a stronger focus on skills development.

154.3 Members discussed the paper, noting the different possible approaches to delivering the BBC’s commitment to offer a formal learning service for school-aged children.

154.4 It was agreed that the Executive would provide additional information on the BBC’s overarching learning strategy prior to further discussion on the proposals with the full Trust.

154.5 The Trust also agreed that the Executive should explore opportunities for releasing BBC Jam content for which the BBC had no further requirement.

155 S4C OPERATING AGREEMENT

155.1 The Trust’s Head of Performance introduced the paper, which proposed an operating agreement to define the scope of the BBC’s contribution to S4C. He noted that the Trust’s Audience and Performance Committee had scrutinised the agreement and was recommending it for approval.

155.2 The Trust approved the Operating Agreement and noted that it would be published on the Trust’s website.

156 ITEMS FOR NOTING

156.1 The following items were noted:
157 BUSINESS HANDLING AND COMMUNICATIONS

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

158 OTHER BUSINESS

158.1 There was no other business.

159 CONFLICTS OF INTERESTS

159.1 Prior to the meeting the following members of the Trust declared interests in items to be discussed during the meeting:

- (Item 149) Janet Lewis-Jones declared that she was a personal friend of the Chairman of the Central Religious Advisory Committee. It was not necessary for Ms Lewis-Jones to leave the meeting for this item.

- (Item 151) Mehmuda Mian Pritchard declared her interest as a Commissioner of the Independent Police Complaints Commission (IPCC). In this role, which is declared in her register of interests, she was involved in the investigation into claims about the murder of Stephen Lawrence. Ms Mian Pritchard left the meeting for the time in which this matter was discussed.

- (Item 152) Jeremy Peat declared his interest as Chairman of the Board of BBC Pension Scheme Trustees. Patricia Hodgson and Richard Tait declared their interests as being recipients of a BBC pension and Diane Coyle declared her interest as being married to a BBC staff member, who is a member of the pension scheme. Jeremy Peat noted that the papers containing information regarding the pension scheme had been redacted for him. There was no discussion on pensions arrangements during this item and no member was required to leave the meeting.