MINUTES OF THE BBC TRUST MEETING

Held on Thursday 21 February 2013
at the BBC Trust offices, Great Portland Street, London

Present:

Lord Patten Chairman
Diane Coyle Vice Chairman
Sonita Alleyne Trust member
Richard Ayre Trust member
Anthony Fry Trust member

Items 14 – 21 and 23 – 28

Alison Hastings Trust member for England
David Liddiment Trust member
Bill Matthews Trust member for Scotland
Aideen McGinley Trust member for Northern Ireland
Elan Closs Stephens Trust member for Wales
Suzanna Taverne Trust member
Lord Williams Trust member

In attendance from the Trust Unit:

Nicholas Kroll Director, BBC Trust
Alex Towers Deputy Director
Phil Harrold Head of Governance
Kate Atkins Senior Adviser, Governance
Fran O’Brien Head of Editorial Standards
Hannah Bailey Deputy Head of Communications

Items 14 – 16

Peter De Val Head of Legal

Items 14 – 22

Jon Cowdock Head of Business Strategy

Items 14 – 21

Alison Gold Head of Public Services Strategy

Items 14 – 21

Gareth Tuck Chief Financial Adviser

Item 17

Brij Sharma Senior Strategy Adviser

Items 17 – 19

Meredith Cook Senior Adviser, Governance

Items 20

Jonathan Mackay Senior Strategy Adviser

Item 22

Bronwen Roscoe Senior Strategy Adviser

Item 26

Karl Davies Chief Adviser, Wales
From the Executive:

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20 Review of children’s services
21 Impartiality review and seminars
22 Lonely Planet
23 Acting Director-General’s monthly report
24 Pollard review
25 Editorial Guidelines for BBC Global News services
26 Other matters
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14 MINUTES AND MATTERS ARISING

14.1 The Trust approved the minutes of meetings held on 16 and 17 January 2013 as accurate records of proceedings. The Trust approved the publication of the minutes with no redactions.

14.2 The Trust noted the matters arising from previous meetings.

15 COMMITTEES AND NATIONS REPORTS

15.1 The Chairman of the Finance Committee said the committee had discussed the BBC’s draft budget for 2013-14 with the Executive. Further discussions with the Executive would take place, ahead of the budget being brought to the Trust for approval in March.

15.2 The Chairman of the Finance Committee said the committee had discussed the employment of disabled people in the BBC, following a decline in their numbers. The committee had asked the Executive to continue to improve opportunities for disabled staff.

15.3 The Chairman of the International Services Committee said the committee had been updated on progress towards integrating the BBC World Service into licence fee funding from 1 April 2014.

15.4 The Trust members for England, Scotland, Wales and Northern Ireland provided an update on recent activity in their respective nations.

15.5 The Trust member for Wales said an interim agreement had been reached in the dispute over royalty payments for Welsh language musicians, meaning that Welsh language music – which had been off air since 1 January – could be played again on BBC Radio Cymru. She said that the musicians’ group EOS and the BBC would continue their efforts to find a permanent solution to the dispute.

16 DIRECTOR’S REPORT

16.1 The Director, BBC Trust presented his report, which provided an overview of activity undertaken by the Trust and previewed the key issues to be discussed by the Trust at the meeting.

16.2 Members discussed the Trust’s work programme for the coming year, including interaction with the Executive Board and the new Director-General.
17 WINDOW OF CREATIVE COMPETITION REVIEW

17.1 The Trust’s Head of Business Strategy presented the draft report from the Trust’s review of the Window of Creative Competition (WoCC), which had been overseen by the Trust’s Finance Committee. The WoCC accounted for 25% of BBC network television commissions and was open to independent and in-house producers to compete for on equal terms.

17.2 Members discussed the draft report and agreed that the WoCC was working well, although some areas were identified for improvement. These included ensuring that independent producers and in-house teams were aware of all commissioning opportunities and had confidence in an open and fair process at the BBC. It was also noted that, despite efforts to improve the levels of competitive tendering in Sport, constraints on the number of new commissioning opportunities remained.

17.3 The Trust approved the report for publication in March. It delegated authority to the Chairman of its Finance Committee to approve any minor changes to the report prior to publication.

18 TRUST WORK PLAN

18.1 The Trust’s Head of Governance updated members on progress against the Trust’s work plan for 2012-13 and introduced a discussion about next year’s priorities.

18.2 Members noted that the Trust was on track to deliver most of the commitments in its current work plan. They had an initial discussion on their priorities for next year under the BBC’s four strategic objectives of increasing the distinctiveness and quality of output; improving the value for money provided to licence fee payers; setting new standards of openness and transparency; and doing more to serve all audiences.

18.3 Members agreed to have further discussions in March on their priorities for the coming year. The new work plan was due to come into effect in April and would be published.

19 ANNUAL REPORT AND ACCOUNTS

19.1 The Trust’s Head of Public Services Strategy set out the proposed approach and key messages for the Trust’s part of the BBC Annual Report and Accounts for 2012-13. The Executive is responsible for the other part of the report.

19.2 Members agreed that the report should focus on the BBC’s four strategic objectives of increasing the distinctiveness and quality of output; improving the value for money provided to licence fee payers; setting new standards of openness and transparency; and doing more to serve all audiences.
19.3 Members said the report should provide an objective account of the BBC’s past year which had been highly challenging but also, in some ways, very successful. The tone of the report should be serious and sober.

19.4 The Trust agreed the approach and key messages for its part of the Annual Report and Accounts. The final draft report would be considered by the Trust in June; it was due to be laid in Parliament and published in July.

20 REVIEW OF CHILDREN’S SERVICES

20.1 The Trust’s Head of Public Services Strategy presented draft terms of reference for the Trust’s service review of BBC Children’s output. The Trust is required to review each BBC service at least once every five years. Children’s output was previously reviewed in 2009.

20.2 Members noted that the review would examine the BBC’s two dedicated children’s services – CBeebies and CBBC – across television and online to see how well they were serving their young audiences and to ensure they were meeting their service licence requirements. The review would also assess progress on radio for children, including children’s programming on Radio 4 Extra.

20.3 Members noted that the scope of the review had been informed by input from the Trust’s advisory bodies, the Audience Councils for England, Northern Ireland, Scotland and Wales. A public consultation, aimed at children, parents and carers, would be held, alongside audience research and meetings with key stakeholders.

20.4 The Trust approved the terms of reference for the review and agreed that the public consultation should launch in March. The review was due to conclude in the summer.

21 IMPARTIALITY REVIEW AND SEMINARS

21.1 The Chairman of the Editorial Standards Committee proposed topics for the Trust’s next impartiality review and seminars, following discussion at the committee.

21.2 The Trust agreed that its next impartiality review should examine BBC coverage of rural UK and that the next two impartiality seminars should cover BBC coverage of Africa and BBC arts speech programming. The Trust delegated authority to its Editorial Standards Committee to decide which seminar should be held first.

21.3 The Trust would consider terms of reference and a lead author for the impartiality review in the spring.
22.1 The Chief Financial Officer sought Trust approval to dispose of the *Lonely Planet* travel guide business, which had been acquired in 2007 by the BBC’s commercial arm, BBC Worldwide. The BBC Executive was recommending a proposed deal with US businessman Brad Kelley, which would see most of the business sold to Mr Kelley immediately and the remainder sold as soon as possible thereafter.

22.2 Trust members discussed the proposed deal with the Executive, including *Lonely Planet*’s loss in value. They considered the Executive’s assessment of the alternatives and were satisfied that the proposed deal represented the best available option in terms of value. The Chairman of the Trust’s Finance Committee said he was satisfied with the independent valuation on the proposed deal, provided by Deloitte.

22.3 While noting that the performance of *Lonely Planet* had been affected by factors outside BBC Worldwide’s control, including the appreciation of the Australian dollar and the reduction in the number of book retailers, members agreed there were important lessons for the BBC to learn, which should be reflected in its communications handling.

22.4 The Trust approved the proposed deal with Mr Kelley, subject to the approval of the final deal terms and paperwork, once these had been cleared by a committee of the BBC Worldwide Board, chaired by the Chief Financial Officer. A public announcement would be made in due course.

22.5 The Trust asked the Executive to conduct a review of lessons learnt and to report back to the Trust on its findings.

23.1 The Acting Director-General briefed Trust members on industrial relations issues, including the one-day NUJ strike earlier that week over compulsory redundancies. He said the BBC was working hard to redeploy staff facing compulsory redundancy and had a good track record in this area.

23.2 The Acting Director-General updated members on recent senior management appointments made by Director-General designate Tony Hall. James Purnell had been appointed Director, Strategy and Digital and Helen Boaden had been appointed Director, BBC Radio. The Executive had begun the recruitment process for a new Director, BBC News and Director, BBC Television. Jonathan Wall had been appointed Controller, Radio 5 Live and 5 Live Sports Extra, based in Salford.

23.3 The Acting Director-General noted recent BBC programme highlights, including *Call The Midwife* and *Countryfile* on BBC One, and noted record audiences for Radio 2 and 6 Music in the latest RAJAR figures.
23.4 The Senior Independent Director provided an update on recent events from the perspective of the Non-Executive Directors.

24 POLLARD REVIEW

24.1 The Acting Director-General noted that, subject to Trust approval, the Executive was shortly due to publish the transcripts and appendices to the Pollard review into whether there were any failings in the BBC’s management of the *Newsnight* investigation relating to allegations of sexual abuse of children by Jimmy Savile. He noted that from the thousands of pages that were being published, around three per cent of the transcripts had been redacted for legal reasons.

24.2 The Acting Director-General provided an update on the implementation of the Executive’s action plan, which had been developed in response to the Pollard review.

25 EDITORIAL GUIDELINES FOR BBC GLOBAL NEWS SERVICES

25.1 The Director, Editorial Policy and Standards presented draft editorial guidelines for BBC Global News services on external relationships and funding. The guidelines would cover BBC World Service, BBC World News, bbc.com/news and the BBC’s international charity, BBC Media Action.

25.2 Trust members noted that when the current BBC Editorial Guidelines were published in 2010, the section on external relationships and funding applied to the UK public services and did not apply to BBC Global News. Since 2010, there had been further clarity concerning funding arrangements for BBC World News and bbc.com/news and the decision had been taken to fund BBC World Service from the licence fee from 2014.

25.3 Members agreed that it was now appropriate to publish guidelines for Global News on external relationships and funding and approved the draft guidelines, which had previously been considered by the Trust’s Editorial Standards Committee. The guidelines would apply until the end of March 2014, after which BBC World Service would be funded by the licence fee and new guidelines would be put in place.

26 OTHER MATTERS

26.1 Welsh Language Scheme
The Trust approved the BBC Welsh Language Scheme, which sets out how the Corporation will comply with its obligations under the Welsh Language Act 1993.

26.2 Protocol amendments
The Trust approved amendments to two of its protocols – B2 (Editorial Standards) and E3 procedure 6 (Digital Switchover Help Scheme).
27 ITEMS FOR NOTING

27.1 (a) Minutes from committees and Audience Councils
     (b) Documents for sealing
     (c) Report of offline approvals

28 BUSINESS HANDLING AND COMMUNICATIONS

28.1 The Trust discussed the handling and communication of items considered at the meeting.