MINUTES OF THE BBC TRUST MEETING

Held on Thursday 21 March 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
David Liddiment Trust member
Aideen McGinley Trust member for Northern Ireland
Elan Closs Stephens Trust member for Wales
Suzanna Taverne Trust member
Lord Williams Trust member

Apologies:
Alison Hastings Trust member for England
Bill Matthews Trust member for Scotland

In attendance from the Trust Unit:
Nicholas Kroll Director, BBC Trust
Alex Towers Deputy Director
Phil Harrold Head of Governance
Fran O’Brien Head of Editorial Standards
Mark Devane Head of Communications
Christine Mulryne Business and Events Co-ordinator

Items 29 – 31 and 34
Peter De Val Head of Legal
Jon Cowdock Head of Business Strategy

Items 29 – 33
Alison Gold Head of Public Services Strategy
Gareth Tuck Chief Financial Adviser

Items 29 – 33 and 36
Georgina Hodges Chief Research and Audiences Adviser
Meredith Cook Senior Adviser, Governance
Bronwen Roscoe Senior Strategy Adviser
**From the Executive:**

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36 Executive finance report
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29 MINUTES AND MATTERS ARISING

29.1 The Trust approved the minutes of the meeting held on 21 February 2013 as an accurate record of proceedings, subject to minor drafting amendments. The Trust approved the publication of the minutes with no redactions.

29.2 The Trust noted the matters arising from previous meetings.

30 COMMITTEES AND NATIONS REPORTS

30.1 The Chairman of the Finance Committee said the committee had scrutinised the BBC’s budget, in advance of its consideration by the Trust later in the meeting. He said that the committee had also received an update on the Digital Media Initiative technology project. He said that further discussions on the project would take place in the coming months.

30.2 The Chairman of the Audiences and Performance Committee reported on the discussions with the Executive that had taken place during the Trust’s annual Services Day the previous day. The Trust had reviewed the performance of the BBC’s television, radio, news and online services, and would publish its assessment in the BBC’s Annual Report and Accounts.

30.3 The Trust members for Wales and Northern Ireland provided an update on recent activity in their respective nations. The Chairman updated members on his recent visit to BBC Scotland.

31 DIRECTOR’S REPORT

31.1 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.

31.2 Having noted that, on 1 March 2013, former Director-General George Entwistle had e-mailed the BBC to correct one point he made in his interview with the Pollard Review in November 2012, Trustees considered privileged legal advice on the matter. The advice related to whether the Trust had grounds to take legal action to recover the severance payment made to Mr Entwistle, or seek damages. The Trust agreed that the evidence did not justify embarking on such action, and in particular did not show that Mr Entwistle had deliberately misled the Pollard review. Members also decided that no further investigations around this point in Mr Entwistle’s interview were necessary.
32 TRUST WORK PLAN 2013-14

32.1 The Trust discussed its draft work plan, which provided an overview of its work in the coming year for licence fee payers and the wider media industry.

32.2 Members agreed that the work plan should reflect the actions that the Trust would take in order to ensure the delivery of the BBC’s four strategic objectives, which were: 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.

32.3 The Trust approved the work plan subject to any final drafting changes to be agreed by the Vice Chairman, and agreed that the work plan would be published before the beginning of the new financial year.

33 TRUST UNIT BUDGET 2013-14

33.1 The Trust’s Chief Financial Adviser presented the Trust Unit’s draft budget for 2013-14, which was recommended for approval by the Trust’s Finance Committee.

33.2 Members discussed the budget and noted that the proposed financial targets would ensure that the Trust Unit would remain on track to achieve the 20% savings by 2016-17 that were being implemented across the BBC as part of the Delivering Quality First strategy.

33.3 The Trust considered the assumptions on which the budget was based and the risks facing the budget, and noted the monitoring and control processes that were in place. The Trust approved the budget for the Trust Unit.

34 ACTING DIRECTOR-GENERAL’S MONTHLY REPORT

34.1 The Trust noted that it was Tim Davie’s final meeting as Acting Director-General before Tony Hall joined the BBC as Director-General on 2 April. Mr Davie would take up the role of Director, Global and Chief Executive Officer of BBC Worldwide. The Trust thanked Mr Davie for leading the Corporation during a particularly difficult period, and expressed its gratitude for his strong and effective leadership.

34.2 The Acting Director-General provided an update on the ongoing work being undertaken by Dame Janet Smith into the culture and practices of the BBC during the years that Jimmy Savile worked for the Corporation. Following the interim report received by the Trust in December, he also updated the Trust on the Executive Board’s ‘Respect at Work’ review into behaviour and culture at the BBC today, including harassment and bullying. The Executive was due to present the final report to the Trust for noting the following month.
34.3 The Acting Director-General briefed the Trust on the BBC’s policies in relation to its Investigations Service. He provided assurance that all reported allegations were properly investigated and that appropriate action was taken in each case, including, if necessary, police referral.

34.4 He also updated the Trust on the move of the BBC’s television news services to New Broadcasting House in central London earlier in the week, and the events due to take place later in the week to mark the BBC’s departure from Television Centre.

34.5 The Acting Director-General noted a strong performance by the BBC at the Royal Television Society Awards, which had included awards for best presenter for Clare Balding, best children’s drama for CBBC’s Wolfblood, and best live event for the BBC’s Olympics coverage. He also noted the Broadcasting Press Guild radio and television awards, which had included awards for The Hollow Crown: Richard II, Parade’s End, Twenty Twelve, Inside Claridge’s, and The Great British Bake Off.

34.6 The Director, HR briefed Trust members on industrial relations issues, including the half-day BECTU and NUJ strike planned for the following week, and on-going ‘work to rule’ after that.

34.7 The Senior Independent Director provided an update on recent events from the perspective of the Non-Executive Directors.

35 BBC BUDGET

35.1 The Trust noted the conflicts of interest process in place for discussion related to the BBC budget (see note at minute 42).

35.2 The Chief Financial Officer presented the draft budget for 2013-14, and noted that it was the first full year of Delivering Quality First (DQF) savings, under which the BBC was committed to deliver £700 million sustainable savings a year by 2016-17. The proposed budget reflected the fact that the BBC would assume responsibility in 2013-14 for funding BBC Monitoring and the Welsh-language television service S4C from the licence fee, in addition to providing support for the development of local TV channels and the roll-out of broadband in the UK. The World Service would be funded by the licence fee from 2014-15.

35.3 The Trust discussed the draft budget, which had previously been scrutinised by the Trust Finance Committee. Members noted that it reflected the BBC’s commitment to protect the programme-making divisions and to prioritise expenditure on content through making higher savings in support areas.

35.4 The Trust agreed to approve the 2013-14 budget, including the baseline budgets for service licences.
36 **EXECUTIVE FINANCE REPORT**

36.1 The Group Finance Director presented the Executive finance report which updated the Trust on the financial performance of the BBC for the third quarter of the current financial year (to December 2012). The report had previously been scrutinised by the Trust Finance Committee.

36.2 The Trust discussed the report, which informed the year end forecasts on which the budget process had been based. The report included information on the BBC’s income and expenditure, service licences and network production targets.

37 **PROJECT BARCELONA**

37.1 The Commercial Director set out the strategic context for the BBC’s emerging proposals for a ‘download-to-own’ service, which would provide a facility for members of the public to purchase digital content online, and download it to keep on a permanent basis. The emerging proposals had previously been considered by the Trust’s Strategy and Approvals Committee.

37.2 The Trust discussed the Executive’s emerging thinking and the broader market context, including the changing digital landscape, and expressed support for the direction of travel. The Trust highlighted the need to ensure that fair trading and regulatory considerations were adequately addressed.

37.3 The Executive agreed to complete the necessary work on regulatory and fair trading issues and would return to the Trust in due course.

38 **GLOBAL NEWS LTD – STRATEGY AND BUSINESS PLAN**

38.1 The Director, Global News presented the Executive’s proposed strategy and business plan for BBC Global News Ltd, the company which brought together the Corporation’s commercially-funded international English-language news services (BBC World News and bbc.com/news).

38.2 The Trust discussed the proposed strategy, which had previously been considered by the Trust’s International Services Committee. Members considered the company’s aims and goals, the proposed business model, the internal accountability structure and the wider commercial context.

38.3 The Trust approved the strategy and business plan, subject to satisfactory completion of all the necessary regulatory clearances within the Executive. The Trust noted that ongoing reporting arrangements had previously been agreed with the International Services Committee.
38.4 The Chairman commended the Director, Global News for the recent on-air re-launch and re-brand of BBC World News, following its move to New Broadcasting House.

39 OTHER MATTERS

39.1 Trust review of purpose remits
The Trust approved the revised purpose remits, following the review conducted by the Trust. The purpose remits are set by the Trust and are used to assess the BBC’s performance against its six public purposes.

40 ITEMS FOR NOTING

40.1 (a) Quarterly performance briefing
(b) Minutes from committees and Audience Councils
(c) Documents for sealing
(d) Report of offline approvals

41 BUSINESS HANDLING AND COMMUNICATIONS

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

42 CONFLICTS OF INTEREST

42.1 For discussion on the BBC budget (item 35), Bill Matthews, as Chairman of the BBC Pension Trust, was potentially conflicted on matters relating to the financial position of the pension scheme. This is declared in Mr Matthews’ register of interests, which is publicly available on the Trust’s website. Although Mr Matthews sent apologies to the meeting, he received redacted versions of the relevant papers.