MINUTES OF THE BBC TRUST MEETING

Held on Wednesday 21 November 2013
at BBC Birmingham

Present:

Lord Patten Chairman
Diane Coyle Vice Chairman
Sonita Alleyne Trust member
Richard Ayre Trust member
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
Fran O’Brien Head of Editorial Standards
Mark Devane Head of Communications
Kate Atkins Chief Adviser, Governance
Jon Cowdock Head of Business Strategy

Items 124 – 129 and 132

Alison Gold Head of Public Services Strategy

Items 124 - 129

Gareth Tuck Chief Financial Adviser

External attendees

Item 128 Yann Bonduelle PwC
Item 128 Chris Oxborough PwC
Item 128 John Ridley PwC
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<th>Tony Hall</th>
<th>Director-General</th>
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<td>Anne Bulford</td>
<td>Managing Director, Finance and Operations</td>
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<td>James Purnell</td>
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<td>Fiona Reynolds</td>
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<td>Jessica Cecil</td>
<td>Chief of Staff, Director-General’s office</td>
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<td>James Harding</td>
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<td>Mark Bunting</td>
<td>Head of Strategy and Policy, Global News</td>
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124 MINUTES AND MATTERS ARISING

124.1 The Trust approved the minutes of the meeting held on 23 October 2013 as an accurate record of proceedings. The Trust approved the publication of the minutes with no redactions.

124.2 The Trust noted the matters arising from previous meetings.

125 COMMITTEES AND NATIONS REPORTS

125.1 The Chairman of the Strategy and Approvals Committee said the committee had received an update on the development of the BBC commercial strategy.

125.2 The Chairman of the Audiences and Performance Committee said the committee had discussed the findings of on-air diversity research with the Executive and raised concern that greater progress had not yet been made in increasing the numbers of women on air. The Trust agreed to raise this matter with the Executive at a future meeting.

125.3 The Chairman of the International Services Committee said the committee had discussed the draft operating licence for BBC World Service following a public consultation. A revised draft operating licence would be brought to the Trust for consideration in December.

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

126 DIRECTOR’S REPORT

126.1 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.

126.2 He provided an update on the recruitment by the Department for Culture, Media and Sport of a new Trust member to replace Anthony Fry, who had stepped down from the board in October.

126.3 The Trust’s Deputy Director outlined the Trust’s submission to the Commons Culture, Media and Sport Committee’s inquiry into the future of the BBC.
127  GOVERNANCE REVIEW

127.1 The Trust’s Head of Governance presented the high-level conclusions of the review into internal BBC governance.

127.2 Members discussed the conclusions of the review and agreed the basis for a more defined relationship between the Trust and Executive Board which would see the Trust setting the framework within which the BBC operated and the Executive Board developing the strategies and delivering them within that framework. The Trust would more visibly hold the Executive Board to account for delivery. It would continue to be responsible for protecting the BBC’s independence.

127.3 Members considered the role of the non-executive directors on the Executive Board and the ways in which the Trust could more effectively hold the Executive to account and be more open in its assessment of the Executive’s performance.

127.4 They also discussed a proposal to reorganise the Trust’s business, including a revised approach to committee work.

127.5 The Trust endorsed the high-level conclusions of the review and agreed to consider a formal report on the review at a specially convened meeting on 4 December. If approved, the report would be published by the end of the year.

128  DIGITAL MEDIA INITIATIVE

128.1 Trust members discussed a draft of an independent report by PwC on the BBC’s management of the Digital Media Initiative (DMI). The Trust had commissioned the report after the closure of the DMI project had led to a write-down of the remaining assets at a total cost to the Corporation of £98.4 million.

128.2 Members discussed a range of issues with PwC, including the risk management arrangements for the project and the appropriate level of technological expertise throughout the approval structure.

128.3 The Trust agreed to publish the report, subject to final checks for factual accuracy and completeness, alongside its response to the report. It delegated authority to the Vice Chairman to approve the response for publication.

129  BBC DISTRIBUTION – VALUE FOR MONEY STUDY

129.1 The Trust’s Chief Financial Adviser presented the draft report of the Trust’s value for money study into the BBC’s distribution arrangements for its UK public services. The study had been carried out by external consultants Mediatique under the oversight of the Trust Finance Committee which had approved the report for publication.
129.2 Members welcomed the report’s conclusion that the Executive was doing well in keeping distribution costs contained through effective management of supply contracts and key investments. They also noted Mediatique’s recommendations for further improvement in the areas of financial reporting, governance and sharing constructive data across the BBC.

129.3 The report will be laid before Parliament in January and published on the Trust’s website.

130 DIRECTOR-GENERAL’S MONTHLY REPORT

130.1 The Trust noted the conflicts of interest process in place for discussion related to the BBC Pension Scheme (see note at minute 135).

130.2 The Director-General reported that, following discussion with the Trust the previous day, he had briefed staff about the Executive’s plans for the BBC in Birmingham.

130.3 Trust members noted the Executive’s progress in starting to implement some of the initiatives in the new BBC strategy, which was announced by the Director-General in October.

130.4 The Managing Director, Finance and Operations provided an update on the budget process as the Executive developed its plans for funding the new BBC strategy.

130.5 She also spoke about discussions with the BBC Pension Scheme Trustees on the funding of the scheme.

130.6 Members received an update from the Executive on the ongoing Dame Janet Smith review into the culture and practices of the BBC during the years that Jimmy Savile worked at the Corporation.

130.7 The Director-General noted recent highlights from the BBC’s output including programming marking the 50th anniversary of the National Theatre and the TV documentary Storyville – The Disappeared on those killed and secretly buried by the IRA in Northern Ireland.

130.8 Members noted the death of John Cole, the BBC’s former Political Editor, and asked for their condolences to be passed on.

131 GOVERNANCE REVIEW

131.1 Trust members discussed the review into internal BBC governance with the Executive, including the role and responsibilities of the non-executive directors on the Executive Board.
The Trust and Executive Board members present endorsed the direction of travel on the review.

GLOBAL NEWS SERVICES

The Director, News and Current Affairs outlined the Executive’s proposed ambition over the next decade for the BBC’s Global News services – BBC World Service, BBC World News and bbc.com/news.

Trust members noted that the Director-General had set the BBC a target of doubling its global audience to 500 million weekly by 2022, as well as remaining the most trusted news source in the world.

They discussed the proposed strategy with the Executive, including the continued transition from primarily a radio broadcaster into the world’s leading multilingual digital news provider.

They also discussed a variety of funding options for the remainder of the Charter period in order to deliver the proposed strategy.

The Trust endorsed the direction of travel on the Executive’s plans and agreed to further discussions over the coming months.

ITEMS FOR NOTING

(a) Minutes from committees and Audience Councils
(b) Documents for sealing
(c) Report of offline approvals
(d) Freedom of Information Act section 36 decision

BUSINESS HANDLING AND COMMUNICATIONS

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

CONFLICTS OF INTEREST

Bill Matthews noted that he was Chairman of the BBC Pensions Trust and, as such, had a potential conflict of interest on discussions related to the pension scheme (see item 130). This is declared on Mr Matthews’ register of interest, which is available on the Trust’s website. Mr Matthews received redacted papers relating to this item but it was not necessary for him to leave the meeting.