MINUTES OF THE BBC TRUST MEETING

Held on Thursday 23 May 2013
at BBC Scotland, Pacific Quay, Glasgow

Present:

Lord Patten  Chairman
Diane Coyle  Vice Chairman
Sonita Alleyne  Trust member
Richard Ayre  Trust member
Anthony Fry  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
Alison Gold  Head of Public Services Strategy
Gareth Tuck  Chief Financial Adviser
**From the Executive:**

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**Apologies:**

| Fiona Reynolds | Senior Independent Director |
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61 MINUTES AND MATTERS ARISING

61.1 The Trust approved the minutes of the meeting held on 24 and 25 April 2013 as an accurate record of proceedings. The Trust approved the publication of the minutes with no redactions.

61.2 The Trust noted the matters arising from previous meetings.

61.3 The Head of Business Strategy updated members on the Government’s Local Television initiative and the Trust’s progress in concluding a funding agreement with Comux, winners of the licence to build the Local TV network using up to £25 million of licence fee funding.

62 COMMITTEES AND NATIONS REPORTS

62.1 The Chairman of the Finance Committee briefed Trust members on the committee’s discussions on the BBC’s Digital Media Initiative (DMI) and subsequent developments. DMI was intended to improve production efficiency by enabling BBC staff to develop and manage video and audio content and programming on their desktops.

62.2 The Chairman of the Finance Committee said he would be writing to the Chair of the House of Commons’ Public Accounts Committee to inform her that the Trust had agreed to the Executive’s proposal that DMI should be closed. Members expressed deep concern at the financial losses incurred and agreed to commission an immediate external review to establish what had gone wrong with the project in terms of project management, control and reporting to the Executive Board, Executive Audit Committee and the Trust.

62.3 The Chairman of the Audiences and Performance Committee said the Controller of Radio 5 Live and Sports Extra had updated the committee on developments since the Trust’s service review of the networks last year. He noted an increased focus on news and cross promotion for news programming. The committee agreed that good progress had been made in the areas identified by the Trust’s service review.

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

63 DIRECTOR’S REPORT

63.1 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.

63.2 Members noted the findings of the Trust’s annual purpose remits survey (PRS) which measures the BBC’s delivery of its public purposes. The findings will be published alongside the BBC Annual Report and Accounts in July.
64  **ANNUAL REPORT AND ACCOUNTS 2012-13**

64.1 The Head of Public Services Strategy updated Trust members on the preparation of the BBC’s Annual Report and Accounts for 2012-13.

64.2 Members approved the “inside the Trust” section of the Annual Report and discussed other parts of the report, delegating copy approval to nominated members.

64.3 The Trust will consider the full Annual Report in June, ahead of it being laid in Parliament and published in July.

65  **IMPARTIALITY REVIEW OF BBC COVERAGE OF RURAL UK**

65.1 The Trust’s Head of Editorial Standards presented draft terms of reference for the Trust’s impartiality review of BBC coverage of rural areas in the UK which had previously been considered by the Trust’s Editorial Standards Committee.

65.2 Members noted that the review was the latest in a series of impartiality reviews, looking at different aspects of the BBC’s output. Previous reviews had focussed on the BBC’s coverage of science and the events known as the ‘Arab Spring’.

65.3 Members agreed that the review should look at BBC coverage of the rural UK in news, current affairs and factual programmes on network, national, regional and local services. The review would include an independent report by Heather Hancock, a partner at Deloitte UK and former chair of the BBC’s rural affairs committee, as well as audience research and content analysis.

65.4 The Trust approved the terms of reference for the review on the recommendation of its Editorial Standards Committee (ESC). It delegated authority to the Chairman of ESC to approve any minor changes to the terms of reference prior to publication.

66  **BBC WORLD SERVICE OPERATING LICENCE**

66.1 The Trust’s Head of Governance presented the draft operating licence on the BBC World Service which had previously been considered by the Trust’s International Services Committee.

66.2 Members noted that, as part of the 2010 licence fee settlement, the World Service would be funded from the licence fee from April 2014 and would be governed by an operating licence setting out the remit and scope of the service, its annual budget and its main commitments. The operating licence was similar to the service licences that the Trust establishes for the BBC’s UK public services.

66.3 The Trust discussed and approved the draft operating licence on the World Service for public consultation on the recommendation of its International Services
Committee, subject to clarifying the process around any future changes in the service budget.

66.4 The Trust also approved a paper setting out its position on the World Service and its future. The Trust agreed that the draft operating licence and position paper should be published in June at the start of a public consultation on the proposed system of governance. The Trust would undertake a programme of stakeholder engagement during the consultation period.

67 TRUST MEMBERS’ FEES

67.1 Trust members discussed the ongoing voluntary reduction in their fees, equivalent to one month’s pay, and agreed to continue the reduction for another year until 31 August 2014.

68 DIRECTOR-GENERAL’S MONTHLY REPORT

68.1 The Director-General informed the Trust of the main strands of work that he had been focusing on since taking up his post. He noted the programme of work that he had initiated to review the BBC’s strategy and direction, which he planned to discuss in more detail with the Trust the following month.

68.2 The Director-General updated the Trust on the progress being made by the Dame Janet Smith Review, the independent review commissioned by the Executive Board into the culture and practices of the BBC during the years that Jimmy Savile worked for the Corporation. Trust members discussed the costs and timetable of the review.

68.3 On the recommendation of the Executive Board, the Director-General proposed terms of reference for a further investigation, to form part of the Dame Janet Smith Review. The additional investigation would be undertaken into the conduct of Stuart Hall. The Trust approved the terms of reference for this investigation, which would be led by Dame Linda Dobbs.

68.4 The Director-General updated the Trust on the reaction of staff to the key findings of the Respect at Work Review. He updated Trust members on industrial relations issues, including the reaction of the recognised trade unions to the BBC’s pay offer.

68.5 Trust members and the executive members present discussed the outcome of the reviews into the Digital Media Initiative, and the decision to stop the project. Members agreed that they would return to this topic following receipt of a report from PricewaterhouseCoopers, which had been commissioned by the Trust.

68.6 The Director-General discussed recent executive appointments, including Roger Mosey as the BBC’s Editorial Director, and an expanded role for Peter Salmon, Director, BBC North, to take responsibility for building partnerships and staff engagement throughout England. He noted the success of recent television drama,
including *The Fall* and *The Village*.

69 **BBC EXECUTIVE WORK PLAN 2013-14**

69.1 The Director, Strategy and Digital presented the Executive’s summary work plan for 2013-14, which set out the BBC’s strategy, objectives and outline budget for the year ahead. The plan also included the BBC’s Statements of Programme Policy – its promises to licence fee payers about programmes and services for the coming year.

69.2 The Trust noted the Executive’s work plan ahead of publication.

70 **OTHER MATTERS**

70.1 *Radio downloads*

The Trust approved the Executive’s proposals to bring radio catch-up into line with what was available for television by introducing downloads protected by digital rights management (DRM) for all BBC Radio catch-up content, subject to rights availability. The Trust approved the regulatory assessment and agreed that no public value test was required.

71 **ITEMS FOR NOTING**

71.1 (a) Minutes from committees and Audience Councils

(b) Documents for sealing

72 **BUSINESS HANDLING AND COMMUNICATIONS**

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