MINUTES OF THE BBC TRUST MEETING

Held on Wednesday 24 and Thursday 25 April 2013
at the BBC Trust offices, Great Portland Street, London

Present:

Items 43 – 51
Lord Patten Chairman
Diane Coyle Vice Chairman
Sonita Alleyne Trust member
Richard Ayre Trust member

Items 43 – 54
Anthony Fry Trust member

Items 46 – 60
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:

Items 43 – 51
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

Items 48 – 51, 57
Peter De Val Head of Legal

Items 43 – 46, 52 – 60
Jon Cowdock Head of Business Strategy
Alison Gold Head of Public Services Strategy
Gareth Tuck Chief Financial Adviser
Georgina Hodges Chief Research and Audiences Adviser

Items 52 – 60
Jo Smart Legal Adviser
Linda Toft Communications Manager

Item 51
Bronwen Roscoe Senior Strategy Adviser

Item 51
Paolo Siciliani Chief Economic Adviser
Item 53  Anna Kealey  Strategy Analyst
Item 55  Victoria Wakely  Senior Editorial Adviser
Item 57  Brij Sharma  Senior Strategy Adviser

From the Executive:
Items 47 – 51  Tony Hall  Director-General
Items 47 – 51  Fiona Reynolds  Senior Independent Director
Items 47 – 51  Zarin Patel  Chief Financial Officer
Items 47 – 51  James Purnell  Director, Strategy and Digital
Items 47 – 51  Jessica Cecil  Chief of Staff, Director-General's Office
Item 49 – 50  Lucy Adams  Director, HR
Item 51  Tim Davie  Chief Executive, BBC Worldwide
Item 51  Bal Samra  Commercial Director and Director, Vision Operations
Item 51  Rebecca Hoyle  Controller, Commercial Strategy
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43 APRIL TRUST MEETING

43.1 The Trust meeting was held over two days – Wednesday 24 and Thursday 25 April. Items 44 – 51 were chaired by the Chairman. Items 52 – 60 were chaired by the Vice Chairman, while the Chairman and Director-General were giving evidence to the House of Commons' Culture, Media and Sport Select Committee.

44 MINUTES AND MATTERS ARISING

44.1 The Trust approved the minutes of the meeting held on 21 March 2013 as an accurate record of proceedings. The Trust approved the publication of the minutes with no redactions.

44.2 The Trust noted the matters arising from previous meetings.

45 DIRECTOR'S REPORT

45.1 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.

45.2 The Chairman of the Finance Committee updated Trust members on the Executive’s proposals to introduce a £150,000 cap on severance payments, which had been discussed with the Trust’s Remuneration and Appointments Committee.

46 TRUST PRIORITIES FOR 2013

46.1 The Trust’s Deputy Director introduced a discussion on the Trust’s priorities for 2013. The priorities were intended to provide a focus for Trust activity in the year ahead and guide the Executive to the areas where the Trust wanted to see early progress.

46.2 Members agreed that immediate priorities should be tied to the BBC’s four existing strategic objectives and the need for further cultural change in the BBC to deliver further advances in creativity and value for money in particular. Issues discussed included television drama, current affairs, the number of women appearing on air, a future review of the existing efficiency programme, the future for free-to-air TV platforms, partnerships with other cultural organisations and the BBC’s response to the Pollard report.

46.3 The Trust will have further discussions on these priorities, including with the Executive, and they will be central to the process of setting objectives for the new Director-General.
47 DIRECTOR-GENERAL’S MONTHLY REPORT

47.1 The Chairman welcomed Tony Hall and James Purnell to their first monthly Trust meeting, since taking up their posts as Director-General and Director, Strategy and Digital.

47.2 The Director-General briefed Trust members on his first few weeks in post, which had included visiting BBC services and departments across the UK and filling the two remaining vacancies on the Executive Board with the appointments of James Harding as Director, News and Current Affairs, and Danny Cohen as Director, Television. Members of the BBC’s new Management Board and the Non-Executive Directors had met to discuss future strategy.

47.3 The Director-General commended the tone and breadth of the BBC’s coverage of Baroness Thatcher’s death and funeral and updated members for information on issues arising from the recent Panorama programme, North Korea Undercover. He outlined recent highlights from BBC services, including the drama The Village on BBC One and The High Art of the Low Countries about Dutch and Belgian painters on BBC Four. He noted the launch of the 2013 Proms season.

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

48 EXECUTIVE RESPONSE TO POLLARD REVIEW

48.1 The Director-General updated Trust members on Executive action to address the recommendations of the Pollard review and the issues identified in the Newsnight programme of 2 November. He noted that, in addition to the managed risk programmes list, he was now alerted to high-risk programmes and content through a red-flag system.

48.2 The Director-General is due to update the Trust in June on his plans for better leadership, culture and communication within the BBC.

49 RESPECT AT WORK REVIEW

49.1 The Director, HR presented the report following the Executive’s Respect at Work review. The review had been set up in the wake of the Jimmy Savile affair to look at current BBC policies and processes relating to sexual harassment, as well as broader issues around respect and appropriate behaviour for staff and freelancers. The review was carried out with the help of Dinah Rose QC and Change Associates, working alongside the BBC’s own HR department.

49.2 The Director, HR said the review had found that, while incidents of sexual harassment at today’s BBC were rare, there was evidence of inappropriate behaviour and bullying. She said the Executive was proposing a number of actions in response to the review,
including providing greater clarity around the behaviour it expected from managers, staff, freelancers and talent. It also planned to rework its bullying and harassment policy in conjunction with the unions to focus more on informal rather than formal conflict resolution.

49.3 The Trust commended the report and said it would look to the Executive to deliver on the action it had committed to taking in response to the recommendations.

50 CHILD PROTECTION AND WHISTLEBLOWING REPORTS

50.1 The Director, HR presented the reports following the Executive’s review of the BBC’s child protection and whistleblowing policies and practices. The Trust had asked the Executive to provide assurance that its policies and practices in these areas were fit for purpose following the Jimmy Savile affair.

50.2 The Director, HR said the Executive had identified some areas for improvement in child protection and had sought to address issues as they had arisen. She had taken on overall responsibility for child protection at the BBC and the existing network of child protection managers had been strengthened. The Executive had found that its whistleblowing policies and practices were compliant and would extend them to cover editorial issues. It would also seek to increase awareness of the options available to staff who wanted to raise concerns.

50.3 The Trust discussed and approved the reports. The Chairman thanked the Executive for its work in these areas.

51 UK ROUTES TO MARKET

51.1 The Commercial Director updated the Trust on the Executive’s developing strategy on “UK routes to market”, which sought to make a much wider range of current and archive BBC content available to audiences. It covered the BBC’s emerging proposals for a “download-to-own” service, which would provide a new facility for members of the public to purchase digital content online [redacted – for commercial reasons] and download it to keep on a permanent basis.

51.2 Members discussed the Executive’s proposals, noting that they carried both public service and commercial implications. They discussed a range of issues with the Executive, including the changing digital landscape and the broader market context.

51.3 The Trust approved the Executive’s overall strategy on UK routes to market, including proposed changes to the terms of trade [redacted – for commercial reasons]. The Trust noted that the individual proposals underpinning the strategy would be subject to separate regulatory approval.
COMMITTEES AND NATIONS REPORTS

52.1 The Chairman of the Editorial Standards Committee updated members on the Trust’s review into how the BBC achieves an appropriate breadth of voice in its reporting of news and factual programmes. The Trust was due to discuss the findings of the review in the summer.

52.2 The Chairman of the Audiences and Performance Committee said the committee had discussed BBC performance in the four nations of the UK with senior BBC executives from Television, Radio, News and the English Regions. The Trust members for England, Northern Ireland, Scotland and Wales had attended the discussion.

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

BBC ONLINE AND RED BUTTON SERVICE REVIEW

53.1 The Trust’s Head of Public Services Strategy presented the draft report following the Trust’s service review of BBC Online and BBC Red Button. The review had been led by the Trust’s Audiences and Performance Committee.

53.2 The report concluded that BBC Online was highly valued for its quality and distinctiveness. It was one of the BBC’s highest reaching services, providing content to 22 million people each week. The report noted some long term questions around Online’s role in the BBC’s digital future, and set out some actions for the Executive, including better navigation, greater personalisation for users, and the development of Online’s local offer.

53.3 BBC Red Button was valued by its 13 million weekly users for its daily provision of news and sport headlines, weather and other information, together with its extended coverage of major events, including the Olympics, Wimbledon and Glastonbury. The report concluded that Red Button would remain an important service for licence fee payers and would increasingly provide a gateway to BBC Online content. The report was supportive of the development of the Connected Red Button which would provide content via the internet, and was already available in some Virgin Media homes.

53.4 The Trust approved the report for publication. It also noted plans to consult publicly on the merger of the Online and Red Button service licences and delegated oversight of these plans to Suzanna Taverne, lead Trustee for the service review.

NATIONAL AUDIT OFFICE REPORT ON THE BBC’S MOVE TO SALFORD

54.1 The Trust’s Chief Financial Adviser introduced a discussion on the National Audit Office’s value for money report on the BBC’s move to Salford.
Trust members heard the report was positive about how the BBC had managed the move to Salford, which had been completed on time, within the revised budget, and without any adverse impact on broadcast continuity. However, the report noted that the BBC had not benchmarked all elements of its relocation allowances against the market and identified some weaknesses in the way the BBC had managed allowances.

Members discussed the report and the impact of the BBC’s move of some of its departments to Salford. While there were positive early signs about the creativity and working culture of the Salford operation, they agreed that the long-term success of the move depended on whether the BBC could meet the original objectives to achieve a sustained improvement in audience approval in the north of England, embed new ways of working to deliver efficiency targets, and provide sustainable economic benefits to the region.

The Trust noted the report’s findings and recommendations and the key messages that its Finance Committee had agreed should be included in the Trust’s published response to the National Audit Office’s report.

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

The Trust’s Senior Editorial Adviser updated members on plans for the Trust’s next impartiality review, which would examine BBC coverage of rural affairs in the UK.

Members agreed that Heather Hancock should be appointed independent lead author of the review, subject to administrative arrangements being agreed. Ms Hancock is a Managing Partner at Deloitte UK and formerly chaired the BBC’s Rural Affairs Committee. The Trust would consider terms of reference for the review in May.

**BOARD EVALUATION**

The Trust’s Head of Governance presented the outcomes of the Trust’s board evaluation exercise for 2012-13.

Members noted that the events of the past year - revelations about sexual abuse by Jimmy Savile, the departure of a newly-appointed Director-General, and wholesale changes in the senior management – had put strains on the Trust, as on the entire BBC. Members recognised the need to clarify, both internally and externally, the distinct roles of the Trust and the Executive as laid down in the Charter; to ensure better communication between the two, especially at times of crisis; and to be transparent about the measures the Trust took on behalf of licence fee payers to hold the Executive to account for its management of the BBC.

Members also noted that, despite the Savile affair having dominated the final months of 2012, the Trust had continued its full programme of strategic and regulatory work, including service and impartiality reviews, scrutinising the BBC’s budget proposals, assessing the case for new investments and major projects, and listening to audiences
across the UK.

56.4 The Trust noted the outcomes of its board evaluation exercise and discussed how to report these in the BBC’s Annual Report for 2012-13.

57 LOCAL TELEVISION

57.1 The Trust’s 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.

57.2 The Trust approved in principle a further interim payment to Comux, pending the final funding agreement. It delegated authority to the Vice Chairman to approve the interim payment and the final funding agreement in due course.

58 OTHER MATTERS

58.1 Strategy and Approvals Committee terms of reference
The Trust approved minor amendments to the terms of reference for its Strategy and Approvals Committee.

59 ITEMS FOR NOTING

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

60 BUSINESS HANDLING AND COMMUNICATIONS

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