



MINUTES OF THE BBC TRUST MEETING

Held on 16 June 2016
at the BBC Trust, 180 Great Portland Street, London

Present:

	Rona Fairhead	Chairman
	Sir Roger Carr	Vice-Chairman
	Sonita Alleyne	Trust member
	Richard Ayre	Trust member
Items 54-63	Mark Damazer	Trust member
	Bill Matthews	Trust member for Scotland
	Aideen McGinley	Trust member for Northern Ireland
	Nick Prettejohn	Trust member
	Elan Closs Stephens	Trust member for Wales
	Suzanna Taverne	Trust member
Items 57-66	Lord Williams	Trust member

Apologies:

	Mark Florman	Trust member for England
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From the Trust Unit:

	Alex Towers	Director, Trust
	Kate Atkins	Chief Adviser, Governance
Item 63	Becky Davison	Annual Report Project Manager
Item 59	Peter De Val	Head of Legal
Items 63, 65	Alison Gold	Head of Public Services Strategy
Items 54-60, 64	Georgina Hodges	Chief Research and Audiences Adviser
Items 54-60, 63	Kath MacLeod	Head of Communications
Item 54-61	Fran O'Brien	Head of Editorial Standards
	Tristan Pedelty	Head of Policy and Charter
Items 54-61, 63	Gareth Tuck	Head of Finance

From the BBC Executive:

Items 61-63	Tony Hall	Director-General
Items 61-63	Anne Bulford	Managing Director, Finance & Operations
Item 63	Ian Haythornthwaite	BBC Director of Finance
Item 61	Gautam Rangarajan	Director, Strategy
Items 61-63	Dame Fiona Reynolds	Non-Executive Director
Items 61-63	Clare Sumner	Director-General's Chief of Staff

External attendees:

Item 63	Richard Wilson	Partner, Ernst & Young LLP
Item 63	Mike Rudberg	Partner, Ernst & Young LLP

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54 MINUTES AND MATTERS ARISING

- 54.1 The Trust approved the minutes of the meeting held on 19 May 2016 as an accurate record of proceedings, subject to some drafting changes. It noted the matters arising from the meetings.

55 REPORTS FROM TRUST COMMITTEES

- 55.1 The Trust discussed and noted the reports of its June committee meetings.
- 55.2 Suzanna Taverne, Chairman of the Services Committee, said representatives from Deloitte had briefed the committee on their annual audit of the BBC's fair trading arrangements. The committee would discuss Deloitte's final report on the audit in July.
- 55.3 Nick Prettejohn, Chairman of the Value for Money Committee, said the committee had discussed the National Audit Office's report on the BBC World Service and how the Trust should respond to the report.

56 REPORTS FROM NATIONS AND AUDIENCE COUNCILS

- 56.1 The Trust considered key issues in the nations, including participation in the Charter review process by politicians and others in the devolved nations.

57 DIRECTOR'S REPORT

- 57.1 The Director, BBC Trust presented his report, which provided an overview of work undertaken by the Trust.

58 CHAIRMAN'S UPDATE

- 58.1 The Chairman noted she had been called to give evidence to the House of Commons Culture, Media and Sport Select Committee in July.

59 CHARTER REVIEW

- 59.1 The Chairman provided an update on discussions with the Government on the drafting of the new BBC Charter and Agreement following the publication of the White Paper.

- 59.2 Members reiterated the importance of ensuring that the drafting was consistent with the Trust's principles, particularly around the independence of the BBC. This included the process for making appointments to the new BBC Board and the terms on which the National Audit Office would carry out financial and value for money audits.
- 59.3 The Director, BBC Trust briefed members on transition to regulation of the BBC by Ofcom. Members agreed it was important that this was completed in good time.

60 NEW FUNDING FOR WORLD SERVICE

- 60.1 The Trust's Head of Business Strategy gave an update on discussions with the Government on the terms and conditions of an additional investment of £290 million over four years in the BBC World Service.
- 60.2 He said discussions were ongoing on how the funding would be spent, including on new services, and on the conditions and reporting arrangements that would apply. He would bring a draft agreement for the Trust to consider in due course.
- 60.3 The Trust noted the progress that had been made and restated that continuation of the new services beyond 2019/20 must be subject to the continuation of Government funding.

61 DIRECTOR-GENERAL'S REPORT INCLUDING QUARTERLY PERFORMANCE REPORT

- 61.1 The Director-General updated the Trust on recent BBC programmes and events. He noted the range, depth and diversity of the BBC's EU Referendum coverage and welcomed an initiative in which members of the Trust's Audience Councils gave feedback on the coverage to senior managers in News.
- 61.2 The Director-General noted the return of *Top Gear* with a new presenting team. He said programmes like *Top Gear* benefitted from significant time-shifted viewing, with the launch episode attracting more than 2 million iPlayer requests.
- 61.3 He said CBBC and CBeebies remained the most popular children's channels for 6 to 12-year-olds and welcomed the decision to run Shakespeare-related content on both channels during the BBC's recent Shakespeare season. This included a CBeebies production of *A Midsummer Night's Dream*.

- 61.4 Trust members noted that the Radio 1 *Big Weekend* had taken place at Powderham Castle near Exeter the previous month. The event had succeeded in encouraging viewers and listeners to go online, particularly to Radio 1's site where weekly unique browsers were up by 25% to 1.3 million.
- 61.5 The Director-General briefed Trust members on the BBC's service and financial performance between January and March 2016, the final quarter of the 2015-16 financial year.
- 61.6 The Managing Director, Finance and Operations briefed Trust members on the BBC's financial performance in this period which would be reported on in the BBC Annual Report and Accounts, published in July.
- 61.7 The Director-General provided an update on BBC Three's performance since its move to a purely online channel. He said BBC Three programmes were performing well and the channel's management team was looking at ways to increase audience reach, including through social media.
- 61.8 He highlighted a strong quarter for BBC drama, which included *The Night Manager*, *Happy Valley* and *Call the Midwife* on BBC One.
- 61.9 Trust members discussed a range of issues with the Executive, including how the BBC could best serve younger audiences in a changing media environment.

62 DAME JANET SMITH PROGRESS UPDATE

- 62.1 The Managing Director, Finance and Operations updated the Trust on progress against the recommendations in Dame Janet Smith's report into the culture and practices in the BBC during the years in which Jimmy Savile and Stuart Hall worked for the Corporation.
- 62.2 Trust members discussed and noted the arrangements around child protection policies, complaints and whistleblowing procedures, and the procedure for investigating complaints. They also noted the findings and actions to be taken following an internal review of policies and processes and the outline of a further external audit, to be conducted by Good Corporation.
- 62.3 The Managing Director, Finance and Operations said a progress report would be published alongside the BBC Annual Report and Accounts in July. The BBC's final response to Dame Janet Smith's review would be published later in the year.

63 BBC ANNUAL REPORT AND ACCOUNTS

- 63.1 The Trust's Head of Communications presented the BBC Annual Report and Accounts for 2015-16.
- 63.2 The representatives from Ernst & Young LLP presented an overview of their audit of the BBC following previous discussion at the Trust's Value for Money Committee, and the Trust noted their report.
- 63.3 The Trust reviewed and approved its section of the Annual Report (Part 1).
- 63.4 The Trust considered and accepted the Executive section of the Annual Report (Part 2) and the full financial statements.
- 63.5 The Trust noted the Executive Board's annual assurances on governance, risk management and internal control. It also noted the BBC's performance against its public commitments, contained in the full financial statements.
- 63.6 The Chairman, Director-General, Managing Director, Finance and Operations and a representative from Ernst & Young LLP signed the relevant pages of the Annual Report and Accounts and the full financial statements. The report and financial statements would be laid before Parliament and published in July.

64 EQUAL OPPORTUNITIES IN EMPLOYMENT

- 64.1 The Trust's Chief Adviser, Audiences and Research sought approval for the Trust's observations on the BBC's arrangements for promoting equal opportunities in employment.
- 64.2 Trust members discussed the observations which are based on the progress and information presented in the BBC equality information report and in the context of the BBC's diversity strategy.
- 64.3 The Trust approved the observations for publication, subject to some drafting changes, alongside the BBC Annual Report and Accounts in July. The Trust delegated authority to member Sonita Alleyne to approve the final version for publication.

65 S4C ANNUAL REPORT AND ACCOUNTS

- 65.1 The Trust's Head of Public Services Strategy sought approval for the S4C's Authority's Annual Report and Accounts, including a covering statement from the Trust.

65.2 Trust members discussed the positive aspects of S4C performance in the past year and the challenges it faced in serving a changing population of Welsh speakers.

65.3 The Trust approved the S4C Authority's Annual Report and Accounts and also approved the covering statement, subject to some drafting changes. The Trust delegated authority to member Elan Closs Stephens to approve the final version of the statement for publication.

66 CONFLICTS OF INTEREST

66.1 See item 65. Under the agreement between the S4C Authority, the Trust and DCMS, the Trust member for Wales Elan Closs Stephens is an ex-officio member of the S4C Authority. This is declared in her register of interests, which is publicly available on the Trust's website.