MINUTES OF THE BBC TRUST MEETING

Held on Wednesday 16 and Thursday 17 March 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
Mark Damazer Trust member
Mark Florman Trust member for England
Bill Matthews Trust member for Scotland
Aideen McGinley Trust member for Northern Ireland
Items 27, 30-33 Nick Prettejohn Trust member
Elan Closs Stephens Trust member for Wales
Suzanna Taverne Trust member
Lord Williams Trust member

From the Trust Unit:

Alex Towers Director, BBC Trust
Kate Atkins Chief Adviser, Governance
Jon Cowdock Head of Business Strategy
Peter De Val Head of Legal
Alison Gold Head of Public Services Strategy
Georgina Hodges Chief Research and Audiences Adviser
Kath MacLeod Head of Communications
Fran O’Brian Head of Editorial Standards
Tristan Pedelty Head of Policy and Charter
Gareth Tuck Head of Finance
From the BBC Executive:

<p>| Items 30-33 | Tony Hall               | Director-General      |
| Items 30-33 | Anne Bulford           | Managing Director, Finance and Operations |
| Items 30, 31| James Harding          | Director, News and Current Affairs  |
| Items 30-33 | Phil Harrold           | Company Secretary      |
| Item 32    | Ian Haythornthwaite    | Director, Finance      |
| Item 33    | Valerie Hughes-D’Aeth  | Director, HR           |
| Items 30-33| James Purnell          | Director, Strategy and Digital |
| Item 30    | Gautam Rangarajan      | Director, Strategy     |
| Items 30-33| Dame Fiona Reynolds    | Senior Non-Executive Director |</p>
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MINUTES AND MATTERS ARISING

26.1 The Trust approved the minutes of the meeting held on 23 February 2016 as an accurate record of proceedings. It noted the matters arising from the meeting.

REPORTS FROM TRUST COMMITTEES

27.1 The Chair of the Editorial Standards Committee said the committee had discussed the Executive’s response to the Trust’s request that it evaluate its processes for managing potential conflicts of interest for senior managers. The Trust had published its conclusions, along with a summary of the Executive’s response and details of the changes being made.

27.2 The Chair of the Value for Money Committee updated the Trust on the BBC’s draft budget for 2016-17, ahead of discussion with the Executive later in the meeting.

DIRECTOR’S REPORT

28.1 The Director, BBC Trust presented his report, which provided an overview of activity undertaken by the Trust.

28.2 He noted the publication of Dame Janet Smith’s report into the culture and practices of the BBC during the years in which Jimmy Savile and Stuart Hall were associated with the Corporation.

28.3 Members noted the Trust’s financial results to 31 December 2015, the forecast for the full 2015/16 financial year and a draft budget for the financial year 2016/17.

CHARTER REVIEW

29.1 Trust members discussed Charter review following the publication of Sir David Clementi’s report into BBC governance and regulation.

29.2 Members agreed that Sir David’s recommendation for a strong BBC board and a strong external regulator was in line with the Trust’s own position. However, further work was needed to ensure that a future system was clear and effective and that the BBC’s independence was assured.
29.3 Members agreed that the process for making appointments to the BBC board needed to be carefully designed to ensure that if there was to be any Ministerial involvement, it was proportionate and appropriate. Members endorsed a package of measures to help maintain and enhance the BBC’s independence overall and the Chairman said she would present these to the Secretary of State at their next meeting.

29.4 The Chairman said the Trust would continue to focus on ensuring that the public voice was heard during the Charter debate. She said the Trust would work closely with the Government and Ofcom in the coming weeks with the aim of getting a new system in place by the end of the year.

30 DIRECTOR-GENERAL’S REPORT AND QUARTERLY PERFORMANCE REPORT

30.1 The Director-General presented the Executive’s quarterly performance report for October to December 2015 which showed that the total time audiences spent with the BBC had increased year-on-year, especially among 16-34 year old men in the ABC1 social grouping.

30.2 The Managing Director, Finance and Operations highlighted the main finance and assurance issues in the report, including the key risks.

30.3 The Director, Strategy and Digital updated the Trust on the Executive’s ongoing work around Charter review.

30.4 Trust members discussed a range of issues with the Executive, including the reach of the BBC iPlayer, the take-up of personalised services such as MyBBC, the performance of BBC Three following its re-launch as a purely online service and the performance of the BBC’s online and mobile news services.

30.5 The Director-General highlighted recent BBC output, including the BBC One dramas The Night Manager and Call the Midwife and BBC Four’s Perfect Pianists. He noted that BBC News had broadcast In the Mind, a series of special reports about mental health issues.

30.6 Trust members noted that 10 March had marked the 10th anniversary of BBC News School Report in which BBC journalists helped young people produce their own news reports about the stories that mattered to them. They also noted the upcoming Sport Relief weekend in which people across the UK would be taking part in a wide range of sporting events.
30.7 The Director-General noted viewer complaints regarding audibility and sound quality on the BBC One drama *Happy Valley*. He said he took all such complaints seriously and had asked BBC Television to look into the matter.

30.8 The Director-General updated Trust members on the Executive’s work on actions arising from the Dame Janet Smith report.

### PUBLIC PERCEPTIONS OF IMPARTIALITY

31.1 The Director, News and Current Affairs briefed the Trust on research into public perceptions of impartiality.

31.2 He said the public still regarded the BBC as the most impartial broadcaster. However, a number of factors are affecting perceptions of impartiality for all broadcasters, including events such as the Scottish referendum, the growth of smaller parties and the prevalence of digital and social media which had led to greater fragmentation of attitudes and opinions.

31.3 Trust members discussed the research findings with the Executive and agreed the importance of safeguarding the BBC’s reputation for impartiality.

31.4 The Director, News and Current Affairs outlined work that was already underway to reinforce the BBC’s commitment to impartiality and to communicate that effectively.

### BBC BUDGET 2016/17

32.1 The Managing Director, Finance and Operations presented the draft BBC budget for 2016/17 in the context of projected financial plans for the next three years. The draft budget had previously been scrutinised by the Trust’s Value for Money committee.

32.2 She noted that the BBC was undergoing a substantial period of change as it approached the end of the current Charter and the final year of the *Delivering Quality First* (DQF) strategy.

32.3 Members discussed a range of issues with the Executive including licence fee and commercial income, operating expenditure, delivery of savings planned under DQF and future savings targets.

32.4 The Trust approved the BBC budget for 2016/17 and noted the Executive’s forecast for 2017/18 onwards. The Chairman commended the Executive on delivery of DQF savings.
33. **SENIOR MANAGEMENT PAY STRATEGY**

33.1 The Managing Director, Finance and Operations discussed the BBC Executive and Senior Manager pay strategy with the Trust.

33.2 She said that significant progress had been made on reducing the senior manager pay bill and headcount. This had been achieved at the same time as the BBC was facing growing challenges in attracting and retaining key staff in increasingly competitive recruitment markets such as TV and digital.

33.3 Progress would be presented in the Annual Report and Accounts. The Executive would then return to the Trust in the autumn to present a proposed new set of targets in line with the revised organisational structure.