MINUTES OF THE BBC TRUST MEETING

Held on 19 May 2016
at the BBC Trust, 180 Great Portland Street, London

Present:

Rona Fairhead Chairman
Sir Roger Carr Vice-Chairman
Sonita Alleyne Trust member
Mark Florman Trust member for England
Bill Matthews Trust member for Scotland

(by telephone)

Aideen McGinley Trust member for Northern Ireland
Nick Prettejohn Trust member
Elan Closs Stephens Trust member for Wales
Suzanna Taverne Trust member
Lord Williams Trust member

Apologies:

Richard Ayre Trust member
Mark Damazer Trust member

From the Trust Unit:

Alex Towers Director, BBC Trust
Aurora Ascione Chief Economic Adviser
Jon Cowdock Head of Business Strategy
Karl Davies Chief Adviser, Wales
Becky Davison Annual Report Project Manager
Peter De Val Head of Legal
Alison Gold Head of Public Services Strategy
Rachel Hallett Adviser, Governance
Georgina Hodges Chief Research and Audiences Adviser
Kath MacLeod Head of Communications
Andrew Makin Finance and Strategy Adviser
Fran O'Brien Head of Editorial Standards
Natalie Rose Senior Editorial Strategy Adviser
Gareth Tuck Head of Finance
**From the BBC Executive:**

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<th>Director-General</th>
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<td>Anne Bulford</td>
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<td>Sian Gwynedd</td>
<td>Head of Programmes (Welsh Language)</td>
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<td>Phil Harrold</td>
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<td>James Purnell</td>
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<td>Director-General’s Chief of Staff</td>
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**External attendees:**

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<th>Dame Jil Matheson</th>
<th>Chair, independent impartiality review panel</th>
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<td>Huw Jones</td>
<td>Chairman, S4C Authority</td>
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<td>Marian Wyn Jones</td>
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MINUTES AND MATTERS ARISING

43.1 The Trust approved the minutes of the meetings held on 19 April and 11 May as an accurate record of proceedings. It noted the matters arising from the meetings.

REPORTS FROM TRUST COMMITTEES

44.1 The Chairman of the Complaints and Appeals Board Bill Matthews reported that the Board had asked the Executive about cross-promotion on BBC public service channels of programmes available for sale from BBC Store. The Executive had provided information about the measures taken that ensured that such promotion was consistent with fair trading guidelines and the Trust’s Competitive Impact Code.

44.2 The Chairman of the Value For Money Committee Nick Prettejohn updated Trust members on the progress of the National Audit Office (NAO) review on the World Service.

44.3 The Chairman of the Services Committee Suzanna Taverne reported that the committee had considered the Executive’s proposal that S4C should be hosted on iPlayer, following a successful pilot. The committee had agreed that no further regulatory work was required. As recommended by the committee, the Trust approved the proposal to continue hosting S4C on iPlayer, and noted that the BBC Online service licence would be amended accordingly.

44.4 The Chief Economic Adviser provided an update, previously given to the Services Committee, on the Trust-commissioned independent review of the BBC’s transfer pricing regime.

44.5 The Head of Editorial Standards updated the Trust on complaints heard by the Editorial Standards Committee at its May meeting. She reported that the committee had approved the Executive’s request to continue the financing of domestic governance content on Global News by appropriate external funders, following a two-year trial period.

DIRECTOR’S REPORT

45.1 The Director, BBC Trust presented his report, which provided an overview of work undertaken by the Trust Unit.
45.2 He summarised the outcome of the Government’s White Paper which had been published in the previous week, and said that the Trust would continue to work closely with the Department for Culture, Media and Sport to resolve outstanding issues and negotiate points of detail, as well as on the drafting of the new Royal Charter which was expected in the summer.

45.3 The Director also noted that work had already begun on the transition from the Trust and Executive Board to a BBC Unitary Board led by Rona Fairhead. He said discussions were underway with Ofcom - which would become the BBC’s external independent regulator under the new Charter - on the transfer of regulatory functions.

45.4 The Trust approved the Inside the Trust section of the BBC Annual Report and Accounts, which included information about members’ remuneration and meeting attendance.

46 **CHAIRMAN’S UPDATE**

46.1 The Chairman noted the contents of the White Paper overall, in particular the continuation of the core mission of the BBC and its public purposes; a recognition of the importance of an independent BBC; the commitment to an 11-year Charter; the support for a process for setting the BBC’s funding (which the Trust believed should go further to allow for some public scrutiny before any final Government decisions); and the commitment to increase the licence fee in line with inflation until 2021/22.

46.2 The Chairman said she was pleased and privileged to have been asked to lead the new Unitary Board, and noted that to avoid any conflict of interest, she would not be able to take part in regulatory decisions during the period of transition to that new Board.

46.3 She thanked Trust members and Trust Unit staff for their work leading up to the White Paper, which had resulted in a framework that they could build upon to deliver a strong and independent BBC.

47 **CHARTER REVIEW**

47.1 The Trust discussed those areas where, following publication of the White Paper, it would continue discussions with Government to ensure that the BBC’s independence was protected.

47.2 This needed to be looked at in aggregate and matters to consider included the make-up of the Unitary Board; the process by which its members were appointed; the process for setting the level of funding for
the BBC; the role of the NAO and the proposed ‘mid-term review’.

47.3 Members also noted the importance of ensuring that the transition to regulation by Ofcom was completed in good time.

48 **MAKING SENSE OF STATISTICS – IMPARTIALITY REVIEW**

48.1 The Head of Editorial Standards reminded Trust members that the Trust had committed to annual impartiality reviews in 2011, and that the reviews’ conclusions were informed by evidence including audience research, content analysis and interviews with BBC staff and external stakeholders.

48.2 The Chair of the independent review panel presented the draft impartiality review on the BBC’s use of statistics. She highlighted the importance of the BBC’s role in using statistics in an accessible way to help audiences understand and apply them to their lives.

48.3 The Trust discussed with the panel Chair the importance of good training for BBC journalists, and recognised that there were pockets of expertise and particular journalists within the organisation that should be used as role models.

48.4 The Trust thanked the panel Chair for her work on the draft report. The report would be finalised and published later in the summer together with the Trust’s response to it.

48.5 Trust members noted that the impartiality reviews had played an important part in the Trust’s work of holding the BBC to account on behalf of licence fee payers, and recommended that similar work should continue under the new Unitary Board.

49 **DIRECTOR-GENERAL’S REPORT**

49.1 The Director-General said that the recommendations made in the White Paper overall formed the basis to create a strong, creative BBC. He acknowledged there were areas where the BBC and the Trust would continue discussions with Government, including proposals for NAO access to the commercial subsidiaries and a mid-term review of the Charter.

49.2 He noted that the BBC was close to agreement on funding 150 local news reporters in a partnership with local newspapers. Details of the scheme were still being agreed, including how it would work across the UK’s devolved nations. He noted that the BBC intended to review
whether the scheme represented good value for money for the licence fee after three years.

49.3 The Director-General spoke about the Online Creative Review which had been announced earlier in the week.

49.4 Trust members asked the Director-General about the issue of television sound quality, and he reported that work was continuing across Television and Engineering to ensure that audibility requirements were well understood by all suppliers and commissioners.

49.5 He updated Trust members on follow-up actions from the Dame Janet Smith review, and said that a progress report would be published in July.

50 EXECUTIVE WORK PLAN AND STATEMENTS OF PROGRAMME POLICY

50.1 The Trust approved the BBC’s Statements of Programme Policy which explain to audiences how each service will contribute to the Corporation’s public service remit over the year.

50.2 It also noted the Executive Board’s work plan for 2016/17, which set out the BBC’s strategy, objectives and budget for the year ahead.

50.3 Both documents would be published by the BBC Executive.

51 BBC CONTRIBUTED PROGRAMMING FOR S4C

51.1 The Trust has a conflicts of interest process in place for discussions related to S4C (see minute 53).

51.2 The BBC’s Head of Programmes (Welsh Language) reported to the Trust on the performance of programming contributed by the BBC to the Welsh language broadcaster S4C.

51.3 She said that the inclusion of S4C on iPlayer had been a success, but that audience reach remained a challenging issue, as did attracting learners and less fluent speakers of Welsh. She noted that the loss of the Pobol y Cwm Sunday omnibus and changes to rugby scheduling had had a negative impact on reach, but welcomed the reinstating of the Wednesday evening episode of Pobol y Cwm.
51.4 The Head of Programmes (Welsh Language) also presented the 2016/17 plans for programming supplied by BBC to S4C, which had previously been approved by Audience Council Wales and by the S4C Authority. The plans focussed on coverage of major events: the Welsh Assembly Election, the European referendum, and the Welsh football team’s appearances in the Euro 2016 football tournament.

51.5 The Trust approved the programming plans, as required by the Operating Agreement between the Trust and S4C.

52 S4C PERFORMANCE REVIEW 2015/16

52.1 The Chairman of the Trust noted that 2016/17 was the final year of the Operating Agreement between the Trust and S4C, and said that the two organisations would be meeting to discuss the future of the BBC and S4C partnership under the new Charter.

52.2 The Chairman of the S4C Authority presented a summary of S4C’s performance in 2015/16, reporting that Welsh speakers both inside and outside Wales had shown a high appreciation of S4C’s content.

52.3 He noted that in February this year, the Secretary of State for Culture, Media and Sport had announced the reversal of the decision in the autumn spending review to cut the channel’s funding by £1.7m by 2020. Instead, the funding for the channel had been frozen pending a government review of its remit, governance and funding, to be completed after the BBC Charter review process.

52.4 Trust members discussed with S4C Authority members the challenges of providing content on a single channel to appeal to all parts of the Welsh speaking audience, and balancing the requirements of fluent and less fluent Welsh speakers.

52.5 The Chief Executive of the S4C Authority explained that the channel aimed to use social media and interactive formats to make its content more personalised and promote awareness and engagement amongst younger audiences.

52.6 The Chairman of the S4C Authority expressed his appreciation of the constructive relationship between the Authority and the Trust, facilitated by the Trust member for Wales. He also acknowledged S4C’s excellent working relationship with the BBC, and said this would be strengthened by the move of some of the channel’s functions to BBC Cymru’s new premises in Cardiff.
52.7 He said that S4C would present its Annual Report and Accounts for consideration by the Trust. Following approval, it would be sent to the Secretary of State for Culture, Media and Sport, together with a covering statement agreed and signed by the Trust member for Wales and the Chairman of the S4C Authority.

53 CONFLICTS OF INTEREST

53.1 Under the agreement between the S4C Authority, the Trust and DCMS, Elan Closs Stephens, the Trust member for Wales, 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.