MINUTES OF THE BBC TRUST MEETING

Held on Tuesday 9 January 2007
in the Sonning Suite, Radisson Edwardian Hotel, 350 Oxford Street, London; and
Wednesday 10 January 2007
in the Council Chamber, Broadcasting House

Present:
Chitra Bharucha  Acting Chairman
Diane Coyle  Trust Member
Dermot Gleeson  Trust Member (for items 1 – 5)
Alison Hastings  Trust Member for England
Patricia Hodgson  Trust Member
Janet Lewis Jones  Trust Member for Wales
David Liddiment  Trust Member
Mehmuda Mian Pritchard  Trust Member
Jeremy Peat  Trust Member for Scotland
Richard Tait  Trust Member (for items 1 – 4)

Apologies:
Rotha Johnston  Trust Member for Northern Ireland

In attendance
from the Trust
Unit:
Nicholas Kroll  Director
Sally Kendall  Head of Secretariat and Governance
Tina Stowell  Head of Communications
Mark Wakefield  Head of Performance
Christopher Woolard  Head of Finance, Economics and Strategy
Penny Young  Head of Audiences
Phil Harrold  Senior Adviser, Secretariat and Governance

Item 6  Alison Edwards  Adviser, Secretariat & Governance
Item 7  Jo Greasley  Project Manager, Trust Transition

For items:
2  Mark Thompson  Director-General
2  Zarin Patel  Group Finance Director
2  Caroline Thomson  Chief Operating Officer
2  David Levy  Controller, Public Policy
3 & 4  Mike Granatt  Consultant to the Trust Unit
5 & 6  Nicholas Eldred  General Counsel
5 & 6  Jaron Lewis  Lawyer, BBC Legal
AGENDA

1. Declaration of Interests
2. Licence Fee
3. Governance Principles
4. Strategic Priorities and Work Plan
5. Hutton Minutes
6. Code of Practice and Confidentiality Undertaking
7. Protocols and Transition
8. Any other business
MINUTES

1 DECLARATION OF INTERESTS

1.1 The Chairman asked members if they had any interests to declare related to items on the agenda; there were none.

2 LICENCE FEE

2.1 The Trust was presented with an update from BBC management on latest developments related to the licence fee settlement. Members noted the background materials that had been provided by the Trust Unit in advance of the meeting, outlining the background to the Governors’ previous consideration of the issue.

2.2 [withheld from published minutes]

2.3 [withheld from published minutes]

2.4 [withheld from published minutes]

2.5 [withheld from published minutes]

2.6 [withheld from published minutes]

2.7 [withheld from published minutes]

2.8 [withheld from published minutes]

2.9 [withheld from published minutes]

2.10 [withheld from published minutes]

2.11 [withheld from published minutes]

3 GOVERNANCE PRINCIPLES

3.1 Members had a discussion about the broad principles that they would like to see underpin the work of the Trust. Discussion focussed on the need to act in the best interests of licence fee payers, protecting the independence of the BBC, demonstrating openness and transparency and having a detailed understanding of the concept of ‘public value’ and what constitutes high quality public service broadcasting.

3.2 Members also discussed how they believed that the relationship between the Trust and the Executive Board should be established to maintain an appropriate degree of separation, within the formal framework of the Protocols, whilst ensuring that the Trust was not unduly distant from direct knowledge of the realities of the BBC’s operation.

3.3 It was agreed that members return to these issues as the work of the Trust continued.
4 STRATEGIC PRIORITIES AND WORK PLAN

4.1 The Trust noted that the Charter and Agreement imposed a number of requirements upon the Trust in terms of forward business for the coming months.

4.2 Members agreed that whilst the tasks required by the Charter needed to be undertaken, the Trust would also need to develop its strategic priorities to ensure that the governance framework was used effectively. Members discussed the priorities and challenges for the coming months and agreed that further work should be undertaken to develop a strategic work plan.

4.3 It was agreed that the Trust would publish an administrative timetable for handling the business required by the Charter and consider a strategic work plan in due course.

5 HUTTON MINUTES

5.1 The General Counsel introduced the item, which concerned the minutes of the Board of Governors meeting of 28 January 2004. He explained that these minutes had been requested under the Freedom of Information Act and that the Board of Governors had withheld releasing them under s.36 of the Act. This decision had been appealed to the Information Commissioner who had upheld the BBC’s decision. The Information Commissioner’s decision had since been appealed and this case was heard by the Information Tribunal. The General Counsel explained the Tribunal had released its decision the day before, which had ruled against the Commissioner, and the BBC was now being instructed to release the minutes.

5.2 The General Counsel explained that the BBC had the option to either appeal the Tribunal’s decision to the High Court, or to release the minutes as ordered. He explained the Governors’ original decision to withhold followed careful consideration of all the issues and was informed by clear legal advice that was largely predicated on protecting the precedent of being able to withhold some of the Governors’ discussions within the board room.

5.3 The Trust sought further advice from the General Counsel on whether or not it was prudent to take further legal action to protect the principle of keeping some board room discussions, such as those under consideration, private. It agreed that the BBC should not appeal.

5.4 The Trust agreed to release the minutes of the Board of Governors meeting on 28 January 2004. The Trust also considered the minutes of the Board of Governors meeting of 5 February 2004, which dealt in part with similar matters. Although the minutes of 5 February were not in the scope of the original Freedom of Information request, the Trust voluntarily agreed to publish those minutes as well, subject to seeking legal advice on appropriate redactions. It was agreed that the Trust Unit should contact former Governors to make them aware of the Trust’s decision.
6 CODE OF PRACTICE AND CONFIDENTIALITY UNDERTAKING

6.1 The Head of Secretariat and Governance introduced the item, noting that the clauses related to the management of conflicts of interests had been previously agreed by the Trust.

6.2 The Trust made minor amendments to the draft Code and approved it for publication to come into effect immediately.

6.3 The General Counsel introduced the confidentiality undertaking that he had drafted following a request from the members at the Trust’s meeting in November. Members discussed the draft undertaking and the General Counsel agreed to consider some amendments as a result of the discussion. A revised document would be submitted to the Trust for consideration at the next meeting.

7 PROTOCOLS AND TRANSITION

7.1 The Trust considered a paper from the Trust Unit proposing draft protocols that set out the detailed framework within which it will carry out its functions. Members noted that five protocols had previously been considered by the Trust in December.

7.2 The Trust discussed, made minor amendments to, and approved for publication the following protocols:

- Appointments to and remuneration of the Executive Board
- Trust standards on openness and transparency
- High level strategy
- World Service
- BBC Monitoring
- Commercial strategy
- Digital switchover
- Financial reporting and monitoring
- BBC risk management and internal controls
- Trust oversight of licence fee collection
- Fair trading and competitive impact
- Legal compliance
- Quotas and targets
- Content standards
- Procedures for new public services
- Procedures for new ‘non service’ activities
- Procedures for handling pilots and trials
- Trust investigations
- Audience Councils
- Annual Report and Accounts

Members agreed that the changes discussed would be finalised in consultation with the Chairman of the relevant Trust committee.

7.3 The Trust requested that further work be undertaken on two protocols and that amended documents be circulated to members outside of the meeting for approval:
   - VFM investigations
   - Procedures for new commercial services

7.4 Members noted that the protocols would be published once finalised. The Acting Chairman would formally write to the Director-General to present them to the Executive Board and to ensure that the BBC acts in compliance with them.

7.5 The Trust noted that all protocols would be reviewed by the Trust Unit within six months to ensure that they were operating effectively and the outcomes of this review would be presented to the Trust in due course.

8 ANY OTHER BUSINESS

8.1 The Trust agreed the text of a letter to the Secretary of State outlining the key issues it sought clarification on with respect to the licence fee, and authorised the Acting Chairman to continue to lead discussions with Government on this matter.