

# **BBC** Executive Board

**9 February 2009**

**1030 – 1530**

**Rm 3028, Broadcasting House, London**

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## **Attendees**

### **Present**

Mark Thompson (Chair), Director-General  
Mark Byford, Deputy Director-General  
Jana Bennett, Director, Vision  
Tim Davie, Director, Audio and Music (A&M)  
Erik Huggers, Director, Future Media and Technology (FM&T)  
Zarin Patel, Group Finance Director  
John Smith, Chief Executive, BBC Worldwide  
Caroline Thomson, Chief Operating Officer  
Mike Lynch, Non-executive director  
David Robbie, Non-executive director  
Samir Shah, Non-executive director  
Robert Webb, Non-executive director

### **With**

Jessica Cecil, Head of the Director-General's Office  
Lynsey Tweddle, Head of the Executive Unit (secretary)  
John Tate, Director, Policy and Strategy (items 3-6)  
Sharmila Nebhrajani, Director, Financial and Commercial Strategy Content (item 3)  
Catherine Smadja, Head of Special Projects, Policy and Strategy (item 3)  
Seetha Kumar, Controller, BBC Online (item 4)  
Kerstin Mogull, Chief Operating Officer, FM&T (items 4 and 5)  
John Turner, Finance Director, FM&T (items 4 and 5)  
Andy Baker, Controller, Operations and Technology (item 5)  
Gautam Rangarajan, Head of Policy and Development (item 6)  
Nicholas Eldred, General Counsel (item 9)  
Balbir Binning, Controller, Fair Trading (item 9)

### **Apologies**

Marcus Agius, Senior non-executive director  
Val Gooding, Non-executive director  
Stephen Kelly, Director, BBC People

The Board noted that the April Executive Board had been cancelled and business items would therefore be considered at the Executive Board conference later in April.

## **1 Minutes of BBC Executive Board held on 12 January 2009**

- 1.1 The minutes from the January Board were approved and the summary for publication noted.

## **2 Update on Disasters Emergency Appeal Request**

- 2.1 Mark updated the Board on the DEC appeal request decision.

## **3 Strategic contingency exercise**

- 3.1 This paper noted that in autumn 2008, the Trust had approved the launch of Phase Two of the 2008/09 efficiency programme, the Strategic Contingency Exercise. Phase One had identified savings, in addition to planned Continuous Improvement efficiencies. Phase Two, the Strategic Contingency Exercise, was launched to identify a further contingency to cover additional likely financial risks. The paper explained the potential outcomes if such contingency was not found.
- 3.2 **The Board discussed the potential financial risks and the individual savings initiatives, approving the initiatives outlined in the paper. It was agreed that work was needed to identify further contingency once the three year budget had been approved in March.**

## **4 BBC Online new investment**

- 4.1 This paper noted that the BBC Trust had asked management to submit three further scenarios for investment in BBC Online as well as an evaluation of the impact. The paper had been discussed by the Trust Audiences and Performance Committee. It was noted that no final decision would be taken on investment until the strategic contingency exercise has been presented to the Trust and the conclusions included in the BBC's budget for the remainder of the licence fee period.
- 4.2 The Board agreed how important it was for the Controller, BBC Online to have appropriate decision making authority with respect to the BBC Online Service Licence and asked directors to ensure that content divisions liaised appropriately with the Controller, in line with this authority.

## **5 W1 Project: Phase 2 Technology**

- 5.1 This paper described the current technology investment proposal for Phase 2 of the project and sought approval for the total investment. It noted that the technology being installed would primarily support the future operations of News and Global News.
- 5.2 **The Board approved a maximum sum for the core technology and the brought into scope projects of Phase 2 of the W1 project. The costs associated with sale and leaseback (if required), were also approved. The Board delegated responsibility to Finance Committee for scrutiny of the World Service costs and charging model prior to progression to the Trust Finance and Compliance Committee and approved the paper for onward progression to the Trust.**

## **6 Public Service Broadcasting Review – partnerships update**

- 6.1 The Board discussed the latest developments with BBC Worldwide options. It was noted that further work on this would return to the Board in March alongside work on the response to Lord Carter's Digital Britain report.

## **7 Director reports**

### **a) Audiences and All services**

- 7.1 Tim Davie provided a short update on audience figures and services for the last month, noting key highlights for Vision, Audio & Music and online.

### **b) Journalism**

- 7.2 Mark Byford provided an update on journalism matters.

### **c) Regulatory and Industry**

- 7.3 Caroline Thomson provided an update on regulatory and industry matters.

### **d) Commercial**

- 7.4 John Smith provided an update on commercial matters.

### **e) Finance**

#### ***Finance report – December 2008***

- 7.5 The finance report summarised the 2008/09 financial results for the BBC for the year to December 2008 and highlighted the key points. The Board also reviewed the quarterly update on continuous improvement which accompanied the finance report.

- 7.6 **The Board noted the reports.**

## **8 Compliance report – quarter 3 2008/09**

- 8.1 This paper presented the third quarterly compliance report for the financial year 2008/2009.

## **9 Quarterly performance report – quarter 4 2008**

- 9.1 This report provided a review of performance for the third calendar quarter of 2008 and had been discussed by the BBC Direction Group the week before.

- 9.2 **The Board noted the report.**

## **10 High Definition on Digital Terrestrial Television: multiplex re-organisation update**

- 10.1 Previous papers had updated the Executive Board on the proposed re-organisation of the Digital Terrestrial Television (DTT) platform, which was aimed at enabling Freeview viewers to receive free-to-air, Public Service Broadcasting (PSB) High Definition (HD) services. This paper provided a further update.

**10.2 The Board noted the technical and financial update on the reorganisation and approved the proposals.**

## **11 Trials register**

11.1 This paper noted that the Executive Board was required to provide to the Trust a register of pilots and trials, updated on a quarterly basis. This paper contained the current Trials Register updated with feedback from the divisional trials representatives.

**11.2 The Board agreed that the trials register was up to date and comprehensive.**

## **12 BBC Archive Strategy terms of reference**

12.1 This paper set out the Terms of Reference for the development of a pan-BBC Archive Strategy, led by the Director of Archive Content with representatives from all BBC divisions.

**12.2 The Board approved the terms of reference for onward progression to the Trust.**

## **13 Service Licence management controls**

13.1 The principal purpose of this paper was to seek approval of proposed protocols for formal Service Licence governance responsibilities. In addition, the paper provided an update regarding the work being undertaken to strengthen the financial controls and reporting around service licences.

13.2 The Board agreed it was important to ensure the next level of responsibility and accountability was also clear, particularly with respect to pan-BBC aspects of service licences.

**13.3 The Board approved the paper for onward progression to the Trust.**

## **14 Pacific Quay technology implementation: post implementation review**

14.1 This paper set out the key lessons from the technology implementation at Pacific Quay from an FM&T perspective, with the aim of ensuring that these could be applied as appropriate to other BBC technology projects.

**14.2 The Board approved the paper for onward progression to the Trust.**

## **15 Appointment of BBC Trustees to the Board of BBC Pension Trust Ltd**

15.1 This paper reminded the Board of the governance arrangements for the Board of BBC Pension Trust Ltd and recommended new arrangements for agreeing BBC nominated Trustees.

**15.2 The Board agreed that the four BBC nominated Trustees should be selected on the basis of an agreed role specification and skill set, and that the Memorandum & Articles of Association be amended. The Board authorised the Board of BBC Pension Trust Ltd to make the necessary changes to the Scheme Rules.**

## **16 Party Election Broadcast criteria – delegation of Executive approval**

- 16.1 This paper reminded the Board that the draft criteria and allocation for Party Election Broadcasts for the European Elections across the UK and local elections in England needed the approval of the Trust, and highlighted in particular the elections due to be held on 4 June 2009.
- 16.2 The Board delegated authority to Mark Byford, as Deputy Director-General, to approve the recommendation of draft criteria on behalf of the Board prior to submission to the Trust.**

## **17 Any other business**

- 17.1 No other business was raised.

## **For noting**

### **18 Minutes and Actions from Finance Committee**

- 18.1 This paper reminded the Board that the Finance Committee (FC) was established under the delegated authority of the BBC Executive Board and that the purpose of the FC was to ensure the practice of good financial governance across the BBC and the enforcement of the BBC's Investment Policy and Guidelines.
- 18.2 In line with the standing orders of the FC this paper provided the Executive Board with summary minutes of recent FC meetings, covering details of all business covered and key actions and outcomes agreed.
- 18.3 The Board noted the summary minutes and actions.**