

# **BBC** Executive Board

**6 July 2009**

**1030 – 1530**

**Rm 3028, Broadcasting House, London**

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## **Attendees**

### **Present**

Mark Thompson (Chair), Director-General  
Mark Byford, Deputy Director-General  
Lucy Adams, Director, BBC People  
Sharon Baylay, Director, Marketing, Communications & Audiences (MC&A)  
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  
Marcus Agius, Senior non-executive director  
Mike Lynch, Non-executive director (until item 5 only)  
Val Gooding, Non-executive director  
David Robbie, Non-executive director (until item 5 only)  
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 2, 3 and 5)  
David Moody, Director of Strategy, BBC Worldwide (item 2)  
Anna Mallett, Controller, Business Strategy (item 3)  
James Micklethwait, Programme Director, iPlayer Platform (item 4)  
Hugo Lindsay, Head of Policy and Commercial, FM&T (item 4)  
Kerstin Mogull, Chief Operating Officer, FM&T (item 5)  
Tim Senior, Director of Corporate Finance (item 5)  
William Greswell, Controller, Strategy, Vision, Archive and Rights (item 7)  
Jeremy Peat, Chair, BBC Pension Scheme (and Trust member) (item 8)  
Sandra Phillip, Secretary, BBC Pension Scheme (item 8)

## **1 Minutes from the Executive Board meeting on 8 June 2009**

- 1.1 The minutes from the June Board were approved and the summary for publication noted.
- 1.2 The Board discussed coverage of Wimbledon and the high audience figures across services.
- 1.3 The Board noted events since the last meeting including the publication of expenses for Executive Board and the announcement about further disclosures for a range of senior managers. The Digital Britain report had also been published.

## **2 Digital Britain**

### **a) Update and next steps**

- 2.1 The Board noted the key themes of the report, including the digital switchover date for radio (2015), a new levy on fixed telephone lines to help fund high speed broadband and the proposal to use any underspend on the Digital Switchover Help Scheme to fund the proposals in the report.
- 2.2 The consultation document on *'sustainable, independent and impartial news in the Nations, locally and in the regions'* sought views on the proposal to provide top-up funding for news consortia via top slicing of the licence fee. Responses were due in September 2009.

### **b) BBC Worldwide/Channel 4**

- 2.3 The Board noted that there had been no substantive change in the last two months. It was noted that alternative options and strategies had been suggested.
- 2.4 The Board also received an update on the position with UKTV.

## **3 Commercial Review update**

- 3.1 This paper explained the purpose of the commercial review. It noted that there were still ongoing discussions with Government on a potential Joint Venture between BBC Worldwide and Channel 4 and broader options for greater separation between the BBC and BBC Worldwide. The paper revisited the commercial review, laid out options and recommendations for approval and set out proposed activities for implementation.
- 3.2 John Smith provided a general update BBC Worldwide business matters and it was agreed that a mid-term review of BBC Worldwide finances should take place.
- 3.3 **The Board agreed, subject to further Trust consideration, to implement actions that were not materially impacted by the outcome of the Digital Britain review and provisionally approved all other recommendations such that implementation could begin once the wider agenda was clear.**

## **4 Project Marquee**

### **a) Project Marquee – the iPlayer Federation**

### **b) Project Marquee – BBC Commercial Subsidiary: supply of BBC/iPlayer Technology to Third Parties**

4.1 These papers were considered together. The first paper requested approval from the Board for the participation of the BBC public service in an iPlayer Partnership with Public Service Broadcasters (PSBs), through which the BBC proposed to ‘share BBC iPlayer’ through a Federation of PSB iPlayer sites and in which BBC iPlayer would participate. The Board was asked to note that the Federation, as contemplated, was dependent on the ability of the BBC to make iPlayer technology available to third parties through a BBC Commercial Service which in itself would make a significant contribution to the BBC’s Public Purposes. An application to the Board and the BBC Trust, requesting approval of the proposed Commercial Service against the 4 Commercial Service Criteria was also presented.

**4.2 The Board noted the progress of project Marquee and approved the recommended principles underpinning the partnership initiative as the basis for further discussion with the BBC Trust and with partners. The Board noted the minimal change to BBC iPlayer and the negative market impact of the iPlayer Federation on non-PSB content providers.**

**4.3 It was agreed that a sub-committee should be established including at least Mike Lynch, Zarin Patel and Erik Huggers. This would have delegated authority for all decisions, but options about the central site should return to the main Board.**

**4.4 The Board approved the principle of licensing iPlayer technology as a managed service on a commercial basis and the participation of the BBC in the iPlayer Federation and the iPlayer Federation Committee. It was noted that the 4Commercial Criteria paper would seek full Trust approval later in the year.**

## **5 Financial and Organisational Risks**

5.1 This paper updated the Board on the BBC’s current financial risk profile. The paper proposed a series of actions to release funds and reduce the ‘organisational strain’ on the BBC.

**5.2 The Board approved the assessment of risks and noted the resulting financial profile. The proposed steps to mitigate peak funding requirements were agreed and the Board confirmed the decisions regarding project delays and rescheduling.**

## **6 Board effectiveness review – follow up**

6.1 The Board had considered the results of the Board effectiveness review at its meeting in May 2009. The report confirmed that the Board was broadly working well according to the most important criteria and identified a number of areas

scoring highly. Some areas for improvement were also identified and this paper focused on those, recommending action to be taken to deliver improvements.

6.2 The Board agreed that the review should be carried out yearly but with external expertise only being sought every other year to provide a wider perspective.

**6.3 The Board agreed the proposed actions (subject to any further detailed comments) and that a progress report should return to the Board.**

## **7 Archive strategy: Phase One**

7.1 This paper outlined the key findings and recommendations from the first phase of the Archive Strategy project. The paper aimed to outline a long-term public service vision for the BBC archive, set out a hypothesis for a new set of release frameworks that could enable it, and propose next steps.

**7.2 The Board endorsed the direction of the overall public service vision for BBC archive content and supported further work on the proposed content access framework. The Board also approved the next phase of work for the Archive Strategy project.**

## **8 Pensions**

8.1 The Board received an update from Jeremy Peat (Chair of the BBC Pension Scheme) as part of the annual discussion with pension trustees.

## **9 Director updates**

### **a) Audiences and all services**

9.1 Erik Huggers provided a short update on audience figures and services for the last month, noting key highlights for Vision, Audio & Music and online.

### **b) Journalism**

9.2 Mark Byford provided an update on Journalism matters.

### **c) Regulatory and industry**

9.3 Caroline Thomson provided an update on regulatory and industry matters.

### **d) Commercial**

9.4 John Smith provided an update on commercial matters.

### **e) Finance**

9.5 Zarin Patel provided an update on the latest financial situation.

9.6 Lucy Adams informed the Board that 42% of grades 8-11 had decided to move to Salford.

## Papers for approval

### **10 High Definition on Digital Terrestrial Television – Arqiva transmission upgrade contract**

10.1 This paper explained the next steps required to launch Freeview HD services in December 2009 and sought approval for the major contract involved.

**10.2 The Board noted the total financial commitment associated with the upgrade of Multiplex B to support the broadcast of Freeview HD services. The Board approved the purchase of DVB-T2 transmission upgrade services from Arqiva, subject to the successful negotiation and subsequent approval by the BBC Trust.**

### **11 Expenses and centrally booked charges – transparency and framework**

11.1 This paper provided an explanation of management’s approach to the publication of expenses, including additional background on the framework, controls and policy in place.

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

### **12 BBC Strategy Review**

12.1 This paper articulated the broad structure, design and management of a pan-BBC Strategy Review, designed to update BBC strategy in response to fast-moving market and technology changes.

**12.2 The Board approved the proposed purpose and management of the Strategy Review and the next steps outlined, and endorsed the paper for onward progression to the Trust.**

### **13 DEC update**

13.1 Following the Director General’s decision in January 2009 to decline the Disasters Emergency Committee’s request for the BBC to broadcast an emergency appeal for people affected by the conflict in Gaza and the resulting appeals against this decision, the BBC Trust asked the Director-General to work with other broadcasters and the Disasters Emergency Committee (DEC) to review the appropriateness of an original 1971 agreement between the BBC and the DEC and the associated criteria for an emergency appeal.

13.2 This paper outlined the circumstances which led to the BBC Trust’s request to the Director-General and progress so far against the request.

**13.3 The Board noted the update and acknowledged that, although Executive Board approval was not formally required, the final Memorandum of Understanding would be shared with the Board.**

## **14 Quarterly property update**

14.1 This paper provided the first quarterly property update to the Board for 2009/10. It provided an update on the current activities of BBC Workplace together with key property metrics.

**14.2 The Board noted progress with WI and Salford and agreed that the next quarterly update should be scheduled for substantive discussion, with the Head of Corporate Real Estate attending. The Board approved the update for onward progression to the Trust.**

## **15 Executive submission to the BBC Trust's Review of Radio 2 and 6Music**

15.1 The BBC Trust had launched its review of Radio 2 and 6 Music in May 2009 as part of its rolling programme of service reviews as required in the Charter and Agreement. This document provided an executive summary of the BBC Executive's submission to the review.

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

## **16 Amendment to Terms of Reference for Radio Network Supply Review**

16.1 This paper reminded that Board that it had approved the Terms of Reference for the radio network supply review in March. A minor amendment to the ToR had since been suggested to make the intentions of the review more explicit. This was consistent with the original approach and did not change the scope of the review.

**16.2 The Board approved the amendment for submission to the Trust.**

## **17 BBC Trust Youth Review - changes to Service Licences**

17.1 This paper explained that, following the BBC Trust's Review of Services and Content for Younger Audiences, there were several changes proposed to the BBC Three, Radio 1 and 1Xtra Service Licences. This document summarised those changes.

**17.2 The Board noted the proposed changes to the BBC Three, Radio 1 and 1Xtra Service Licences.**

## **18 Any other business**

18.1 The Board discussed business continuity provisions with respect to swine flu.

## **Papers for noting**

### **19 Summary of papers and actions from Finance Committee**

- 19.1 The Board noted the summary of discussions and actions at the Finance Committee meetings held on 14 and 28 May and 4 June 2009.