

# **BBC** Executive Board

**7 September 2009**

**1030 – 1530**

**Rm 3028, Broadcasting House, London**

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## **Attendees**

### **Present**

Mark Thompson (Chair), Director-General  
Mark Byford, Deputy Director-General  
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)  
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 - 6)  
Gautam Rangarajan, Head of Strategy (items 2 and 3)  
Mark Oliver, Oliver & Ohlbaum (item 3b)  
Helen Normoyle, Director of Audiences (item 3b)  
Kerstin Mogull, Chief Operating Officer, FM&T (item 5)  
Madeline Denmead, Acting Director, Procurement and Revenue Management (item 7)  
Pipa Doubtfire, Head of Revenue Management (item 7)  
Diane Reid, Charitable Appeals Advisor (item 8)  
Gerald Oppenheim, Vice Chair, Appeals Advisory Committee (item 8)  
David Ramsden, Chief Executive, BBC Children in Need (item 9)  
Chris Day, Group Financial Controller (item 10e)  
Nicholas Eldred, Group General Counsel (item 11)  
Balbir Binning, Controller, Fair Trading and BBC Compliance Officer (item 11)

### **Apologies**

Lucy Adams, Director, BBC People  
Val Gooding, Non-executive director

## **1 Minutes from the Executive Board meeting on 6 July 2009 and conference call on 13 July 2009**

- 1.1 The minutes from the July Board were approved and the summary for publication noted. The note from the 13 July conference call was approved.

## **2 General update, including Digital Britain**

- 2.1 The Board discussed events since the last meeting in July, including an update on Digital Britain.

## **3 Strategy review**

### **a) Introduction**

### **b) Progress update**

### **c) Emerging themes and discussion**

- 3.1 The Board discussed progress, emerging conclusions of the first phase, a market review to 2016, audience insight and the political/opinion former context of the strategy review work. This also included an update on Digital Britain, with the Board recognising that it was important for the BBC to look at appropriate scale and scope. The formal response to the Digital Britain report would come from the Trust and be circulated offline to the Board. The Board noted the key headlines of the response.
- 3.2 The Board was updated on the results of a Guardian/ICM poll and also the Edinburgh TV festival.

## **4 BBC Worldwide governance proposal**

- 4.1 This paper outlined the current governance arrangements for BBC Worldwide (BBCW) and recommended some potential changes to the BBCW Board including its role (vis-à-vis other Boards involved in BBCW decision making), its size and its composition. It also addressed the appropriateness of current cross-directorships (between the BBCW Board and the BBC Executive Board). It noted that some decisions on BBCW governance were linked to the outcome of the broader Digital Britain debate since the future direction of the business could affect the balance of skill-sets required to govern BBCW.

### **4.2 The Board agreed the following:**

- **to propose a three year rolling strategy for BBCW to the Trust;**
- **the threshold at which commercial transactions are referred to the Trust should decrease to £30m;**
- **the size of the BBCW Board should be reduced in line with best practice;**

- the Chairmanship of the **BBCW Board** should be combined with a **BBC non-executive director** role;
- there should be a broad balance of **BBCW executives**, **Independent non-executives** and **BBC non-executives** on the **BBCW Board**;
- there should be material changes to current cross-divisional directorships. Specifically the **CEO BBCW** should no longer be a member of the **BBC Executive Board** and the **BBCW Board** should no longer have executive representation from **Vision**; and
- where possible the **BBCW Board** should align with the combined code and where it does not fully align there should be clear reason and logic.

**4.5 The Board approved the paper for progression to the Trust.**

## **5 Update on portfolio of critical projects**

**5.1** The purpose of this paper was to update the Board on delivery progress for the BBC's portfolio of 'critical projects'. The update highlighted any risks and interdependencies and proposed actions to mitigate the risks.

**5.2 The Board noted progress on delivery as well as the risks and actions to mitigate those risks.**

## **6 Quarterly performance report – quarter 2 2009 (April – June)**

**6.1** This paper provided the quarterly performance report for BBC services during quarter 2, 2009.

**6.2 The Board discussed the information provided in the report, including the talking points.**

## **7 Update on Action Plan in response to the BBC Trust review of Licence Fee collection**

**7.1** This paper explained that in June 2009, the Executive Board and the Trust approved an Action Plan designed to address the recommendations made by the Trust in their review of licence fee collection arrangements. The paper provided an update on progress towards delivery of the Action Plan.

**7.2** The Board reviewed a sample of the new letters, noting that the letters were not permitted to reference the BBC directly. It was noted that the trial for the new payment scheme was aiming to see whether behaviour would change and would also ascertain whether costs for the new scheme were recoverable.

**7.3 The Board approved the recommended approaches for changes to instalment payment schemes and the costs identified for implementation of the Action Plan. The paper was approved for onward progression to the Trust.**

## **8 BBC Charitable Appeals Annual Report 2008/09**

8.1 The purpose of this paper was to give the Board an overview of the BBC's Charity Appeals for the period 2008/9 and to update the Board on the work of the BBC's independent Appeals Advisory Committee (AAC) and the Appeals Unit. The Board noted that under governance arrangements put in place in June 2006, the AAC reported to the Executive Board.

8.2 The Board noted that less money had been raised over the year, but this reflected the fact that there had been no Red Nose Day appeal (Sport Relief generally attracted less funds). The underlying fundraising trend remained stable, however, and the Appeals Unit was now able to look at change over time.

**8.3 The Board noted the report.**

## **9 BBC Children in Need Annual Report 2008/09**

9.1 This paper provided an update on the activities of the BBC Children in Need Appeal for 2008/09. It was submitted in line with the governance arrangements for the Charity agreed by the BBC Executive Board and Trust in 2007.

9.2 The Board congratulated Children in Need on its success over the last year, raising the highest amount ever in a challenging economic climate. The Board noted that there continued to be huge support across the BBC for Children in Need, with new champions joining every year. However, despite the success of the last year Children in Need were not complacent and recognised that challenges existed.

**9.3 The Board noted the report.**

## **10 Director updates**

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

10.1 Sharon Baylay introduced a new chart for updating the Board on audience figures and services for the last month, which included key highlights for Vision, Audio & Music and online.

10.2 The Board agreed the new monthly performance sheet was useful and that this should be accompanied by commentary from output directors highlighting relevant elements from their areas. It was agreed that it was important for the monthly sheet to correspond appropriately with the quarterly performance report.

### **b) Journalism**

10.3 Mark Byford provided an update on Journalism matters.

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

10.4 Caroline Thomson provided an update on regulatory and industry matters. The Board noted that the Royal Television Society conference would be taking place in September 2009.

**d) Commercial**

10.5 John Smith provided an update on commercial matters.

**e) Finance**

10.6 Zarin Patel provided an update on the latest financial situation and the Board noted the quarterly finance and continuous improvement reports.

**Papers for approval**

**11 Compliance report – quarter 1 2009/10**

11.1 This paper provided the Compliance Report for the first quarter of 2009/2010.

**11.2 The Board discussed and noted the contents of the report.**

**12 BBC Executive supplementary submission to the BBC Trust review of BBC 6 Music**

12.1 This paper reminded the Board that it had approved the main submission to the BBC Trust's review of Radio 2 and 6 Music in July 2009. However, as the review of 6 Music coincided with Management's own strategy review of the service, the Trust agreed the submission should follow a two-stage process, allowing the future strategy section to take into account new developments. This paper therefore covered the future strategy for 6 Music and proposed service licence amendments.

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

**13 Response to the BBC Trust Review of Children's services**

13.1 This paper provided a round-up of the BBC Executive's responses to the Trust's Review of Children's services, which concluded in February 2009.

**13.2 The Board approved the recommendations in the paper for onward progression to the Trust.**

**14 Draft Editorial Guidelines**

14.1 This paper summarised the proposed changes to the Editorial Guidelines since the 2005 edition.

**14.2 The Board noted the update and that the Editorial Standards Board and Trust Editorial Standards Committee had both reviewed the revised guidelines. The Trust and Trust Editorial Standards Committee had agreed the guidelines should go out for consultation.**

## **15 BBC Online market impact assessment and Publisher MOTs: (April – June 2009)**

15.1 This paper provided the first quarterly update to the Trust on the new system of management controls for prospective market impact assessment and Publisher MOTs.

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

## **16 Digital Switchover**

### **a) Digital Switchover quarterly update**

16.1 This paper provided an update on the latest developments for the digital switchover programme.

**16.2 The Board approved the update for onward progression to the Trust.**

### **b) Help Scheme performance measures**

16.3 This update provided the third quarterly report on Help Scheme performance against the Trust success measures.

**16.4 The Board approved the report for onward progression to the Trust.**

## **17 Trials register**

17.1 This quarterly report provided a register of pilots and trials.

**17.2 The Board noted that the register was up-to-date, accurate and comprehensive.**

## **18 Syndication update**

18.1 This paper explained that the BBC currently syndicated content in line with the BBC Syndication Guidelines and the On Demand (iPlayer) Public Value Test. The paper provided a regular update on syndication activity within the Public Service.

**18.2 The Board noted the existing syndication activity and the new governance proposals for on demand syndication and approved the update for onward progression to the Trust.**

## **19 Ofcom Tier 2 regional production definition change**

19.1 This paper explained that in June, Ofcom had issued a letter proposing a change to its guidance on the definition of regional production. The paper set out the BBC's proposed response.

**19.2 The Board agreed the draft response to Ofcom and approved the onward progression of the response to the Trust.**

## **20 BBC Films strategy**

- 20.1 This paper outlined the BBC Films strategy, it did not cover film acquisition but was closely aligned. It provided, among other things, an overview of BBC Films, a brief market context, the main objectives for BBC Films, measures of success and priorities for the next three years.
- 20.2 The Board approved the BBC Films strategy and the onward progression of the strategy to the Trust. It was noted that the paper would feed into the Trust's Review of the BBC Films strategy in late 2009.**

## **21 Any other business**

- 21.1 The Board noted that Terry Wogan would be stepping down as presenter of Radio 2's breakfast show.

## **Papers for noting**

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

- 22.1 The Board noted the summary of discussions and actions at the Finance Committee meetings held on 22, 25 and 29 June and 7 July 2009.

### **23 Pay TV market investigation – proposed BBC response to Ofcom phase 3 consultation**

- 23.1 This paper reminded the Board that in June, Ofcom had published its third consultation document on the pay TV industry. The paper set out the BBC's proposed response, which remained in line with the BBC's previous position on the matter and supported Ofcom's proposals.
- 23.2 The Board noted the summary of Ofcom's third consultation and likely final phase of their market investigation of the pay TV sector. The Board also noted that Ofcom's proposals were broadly in line with the views expressed by the BBC in its previous responses and that the BBC's proposed response, mainly repeated the position taken earlier, reiterating support for Ofcom's position.**