

## MINUTES OF THE BBC TRUST MEETING

Held on Thursday 24 January 2008  
in the Council Chamber, Broadcasting House, London.

<b>Present:</b>	Michael Lyons	Chairman
Items 1–11	Chitra Bharucha	Vice-Chairman
	Diane Coyle	Trust Member
	Dermot Gleeson	Trust Member
Items 1–10, 14–19	Patricia Hodgson	Trust Member
	Rotha Johnston	Trust Member for Northern Ireland
	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
<b>Apologies:</b>	Alison Hastings	Trust Member for England
<b>In attendance from the Trust Unit:</b>	Nicholas Kroll	Director, BBC Trust
	Sally Willson	Head of Secretariat and Governance
	Alison Edwards	Adviser, Secretariat and Governance
	Tina Stowell	Head of Communications
Items 1–12	Fran O'Brien	Head of Editorial Standards
Items 1–8, 10 & 13	Mark Wakefield	Head of Performance
Items 1–10, 13–14	Christopher Woolard	Head of Finance, Economics and Strategy
Items 1–8, 15	Penny Young	Head of Audiences
Items 5 & 8	Gareth Barr	Policy Analyst
Items 6 & 10	Jon Cowdock	Chief Strategy & Policy Adviser
Item 7	Stephen Callow	Performance Adviser
Items 8 & 13	Len Murray	Adviser to the Trust
Items 10 & 14	Bronwen Roscoe	Senior Strategy Adviser
<b>For items:</b>		
Items 9–15	Mark Thompson	Director-General

Items 9–15	Mark Byford	Deputy Director-General
Items 9–15	Caroline Thomson	Chief Operating Officer
Items 9–15	Zarin Patel	Group Finance Director
Item 10	Kerstin Mogull	Controller - BBC Strategy Group
Item 10	Catherine Smadja	Senior Adviser, Strategy
Items 11 & 12	David Jordan	Director, Editorial Policy and Standards
Item 12	Helen Boaden	Director, BBC News
Item 13	Liz Cleaver	Head of Learning
Item 13	David Fawcett	Head of Policy Development
Item 14	Ashley Highfield	Director, Future Media and Technology
Item 14	Gary Marven	Programme Director, DMI
Item 14	Keith Little	Chief Information Officer
Item 15	Stephen Kelly	Director, BBC People
Item 15	Andrea Callender	Head of Diversity
Item 15	Caroline Prendergast	Head of Training & Development

## **AGENDA**

- 1. Minutes of the meeting held on 13 December 2007 and Matters Arising**
- 2. Reports from Committees and Audience Councils**
- 3. Director's Report**
- 4. Equality and Diversity Objectives and Strategic Workplan**
- 5. Ofcom Public Service Broadcasting Review: Update**
- 6. Establishing High Definition on the Digital Terrestrial Television Platform**
- 7. Indigenous Minority Languages**
- 8. Public Value Test: Gaelic Digital Service Final Conclusions**
- 9. Director-General's Report**
- 10. Digital Terrestrial Television Multiplex Re-Organisation**
- 11. Editorial Matters: Progress Report on the Director-General's 10 Point Action Plan And Review Of Editorial Compliance Systems**
- 12. Implementation of Business Impartiality Review Recommendations**
- 13. The Learning Strategy Beyond BBC Jam**
- 14. Digital Media Initiative**
- 15. Interim Reports from the Executive: Promoting Equal Opportunities and Training BBC Staff**
- 16. Items for Noting**
- 17. Business Handling and Communications**
- 18. Other Business**
- 19. Conflicts of Interest**

## **I MINUTES OF THE MEETING HELD ON 13 DECEMBER 2007 AND MATTERS ARISING**

- 1.1 The Trust approved the minutes of the Trust meeting held on 13 December 2007 as an accurate record of proceedings with one minor drafting amendment, following which the Chairman would sign the minutes on behalf of the Trust. Members agreed that the minutes should be published with the redactions as proposed.
- 1.2 Members noted the matters arising from previous meetings.

## **2 COMMITTEES AND AUDIENCE COUNCILS**

- 2.1 Members noted the reports from meetings of the Trust's committees and Audience Councils that had been held in December and January. The chair of each committee and Audience Council updated the Trust on priority matters within their reports.
- 2.2 The Trust agreed to delegate authority to the Audience and Performance Committee to assess annually the content supplied from BBC Wales to S4C under the terms of the Operating Agreement, and approved this change to the Committee's terms of reference.
- 2.3 The Head of Editorial Standards updated the Trust on the timetable for Ronald Neil's report into editorial standards which will report to the Trust in the spring.

## **3 DIRECTOR'S REPORT**

- 3.1 The Director, BBC Trust introduced his report and discussed proposals for Trust meetings out of London. Members agreed that they would increase the number of meetings formally held out of London from two to three meetings a year, this year in Scotland, Wales and one in England. From 2009, two meetings would be held in the English Regions and one in a Nation each year.
- 3.2 The Director, BBC Trust reported on a number of public policy activities, including Ofcom's public service broadcasting (PSB) review and the Convergence Think Tank set up by DCMS and DBERR. A further update on the various initiatives would be reported to the Trust in due course.
- 3.3 Members noted that they would discuss the Trust's workplan and the priorities which would be set for the coming year in more detail at its February conference.

## **4 EQUALITY AND DIVERSITY OBJECTIVES AND STRATEGIC WORKPLAN**

- 4.1 The Director, BBC Trust introduced his paper on the Trust's equality and diversity objectives and its strategic diversity workplan. He noted that its purpose was to ensure that both the Trust and Trust Unit enhanced their focus on equality issues, in

line with the Trust's purpose to serve audiences in all their diversity.

4.2 The Head of Audiences reported that external expertise had been commissioned to support the Trust Unit in targeting a wider community as part of the Trust's audience engagement work. She noted the Trust Unit was also reviewing the scope of its equality schemes.

4.3 The Trust welcomed the work to date and noted that the BBC and Trust had a duty to reflect the plurality of the whole UK and improve the BBC's connection to citizens not normally interested or engaged with public institutions.

4.4 Members noted that it would be helpful to ensure that Audience Councils were involved in this work, and the Head of Audiences agreed to discuss this further. The Trust approved the diversity objectives and workplan, and asked for a progress update in due course.

## **5 OFCOM PUBLIC SERVICE BROADCASTING REVIEW: UPDATE**

5.1 The Head of Finance, Economics and Strategy introduced the paper which updated the Trust on work undertaken by the Trust Unit and the Executive in beginning the work to formulate a response to Ofcom's review of public service broadcasting (PSB). He noted that Ofcom was expected to publish its consultation document in early April.

5.2 The Trust noted the paper and agreed to discuss the policy issues further at its February conference.

## **6 ESTABLISHING HIGH DEFINITION ON THE DIGITAL TERRESTRIAL TELEVISION PLATFORM**

6.1 The Trust's Head of Finance, Economics and Strategy introduced the paper which updated the Trust on developments since its approval of the BBC High Definition (HD) service in November 2007, in the context of the Trust's obligation under Clause 42 of the Agreement to secure the efficient use of the radio spectrum used by the BBC or its contractors.

6.2 He noted that Ofcom had published its proposals for establishing HD services on Digital Terrestrial Television (DTT), and the Executive had submitted a request for non-service approval to the Trust, through which it planned to establish four HD services on DTT. The Executive proposal would be discussed later on the agenda. He noted that the key difference between the two proposals was the security of BBC ownership of the multiplex licence, and the terms on which other public service broadcasters would have access to that multiplex.

6.3 The Trust noted that the Executive currently did not have all commercial partners in place for its proposal, and that it could not consider any application from the Executive until it was a firm proposal.

6.4 The Trust approved the recommendation that, should the Executive present a firm

proposal, it would be considered as a non-service application. The Trust's consideration would include an assessment of both public value and market impact, and a consultation on the proposals. The Trust also agreed that, in parallel, the Trust would continue to engage with Ofcom.

- 6.5 The Trust agreed to delegate authority to an ad hoc subgroup consisting of the Chairman, Dermot Gleeson, Diane Coyle and Patricia Hodgson to continue to oversee developments and approve matters as required. It also agreed that its decisions should be relayed to the Executive when the topic was discussed later in the meeting.

## **7 INDIGENOUS MINORITY LANGUAGES**

- 7.1 The Head of Performance introduced the paper which updated the Trust on work undertaken by the Audience Council Northern Ireland and other research on the provision of Irish and Ulster Scots programming. The paper also proposed general criteria for determining an appropriate level of minority languages provision, which were being presented for the Trust's approval.
- 7.2 The Member for Northern Ireland noted the work undertaken by the Audience Council, and the current low direct expenditure on Irish and Ulster Scots output. She noted that there was an opportunity for the Executive to work in collaboration with other language providers in Ireland and Scotland, both now and post digital switchover, and that there was also an opportunity to maximise external sources of funds where appropriate.
- 7.3 The Trust welcomed the paper and agreed that there was a case for an incremental increase in provision in both Irish and Ulster Scots. It agreed to invite the Executive to provide a purpose plan for minority languages as a whole, and a separate proposal on provision of indigenous minority languages in Northern Ireland to take account of the issues cited, including the nature and quantity of any enhancements.
- 7.4 The Trust also agreed that the following factors should be taken into consideration when assessing what constitutes an appropriate level of provision of minority languages: demand for services in a minority language from speakers, learners and those with an interest in the languages and culture (including non-speakers); the level of minority language content provided by the BBC and the market as a whole, and when compared to other minority languages; the legal and public policy context; the overall funding context, including funding allocated to other minority languages, and value for money; and the needs of those with knowledge or interest of minority languages balanced against the needs of licence fee payers generally. The Trust considered that these factors may be applicable to minority languages in general, but this would be kept under review.

## **8 PUBLIC VALUE TEST: GAELIC DIGITAL SERVICE FINAL CONCLUSIONS**

- 8.1 The Head of Finance, Economics and Strategy introduced the paper which set out the

final conclusions of the public value test on the Executive's proposals for a Gaelic Digital Service. He noted that the Trust had not been minded to approve the service in its provisional conclusions and had requested additional information from the Executive on a number of issues including the education strategy and how the service would achieve wider appeal beyond existing Gaelic speakers.

- 8.2 He noted that the Trust's Public Value and Fair Trading Committee (PVFTC) had considered the additional information provided by management in these areas, and concluded that there was evidence that the education strategy would deliver greater public value than originally anticipated, and that sufficient progress had been made in other areas. He reported that PVFTC considered that the proposal was now sufficiently refined to merit support, subject to certain conditions.
- 8.3 The Chair of PVFTC confirmed that the proposal was to launch the service on cable and satellite, as well as providing content on Radio Nan Gaidheal and on broadband. PVFTC was not recommending launch on DTT at this time. In order to ensure both value for money for licence fee payers, and that the service met the needs of the target audience in the best way, PVFTC recommended that the service be subject to review before digital switchover commenced in central and northern Scotland in 2010. The review would consider the actual performance of the service in achieving public value, including reaching a wider audience, and would consider launch on DTT.
- 8.4 The Member for Scotland noted he was content with the proposal, following the additional information provided, and that it was likely the service would launch in summer 2008.
- 8.5 The Trust approved the final conclusions and the draft service licence, subject to any final drafting changes. Authority to approve these final changes was delegated to the chair of PVFTC. The Trust agreed that an announcement would be made on 28 January.

## **9 DIRECTOR-GENERAL'S REPORT**

- 9.1 The Director-General introduced his report and updated the Trust on recent programming highlights including programming over the Christmas and New Year period.
- 9.2 The Deputy Director-General updated the Trust on the BBC's journalism, including the performance of the BBC's *10 o'clock News* since the relaunch of ITV's *News at Ten*, and the 8pm news summary on BBC1.
- 9.3 The Director-General reported that BBC iPlayer had launched successfully on Christmas Day. He would provide further information on its performance to the Trust in due course.
- 9.4 The Director-General updated the Trust on recent negotiations with the Trades Unions, and the agreement which had been reached to call off the proposed strike ballot.

9.5 *[withheld from published minutes - commercially sensitive]*

9.6 The Deputy Director-General reported on the Executive's plans to improve its broadband coverage of the UK parliaments and assemblies. Members asked to be kept updated as the project developed.

## **10 DIGITAL TERRESTRIAL TELEVISION MULTIPLEX RE-ORGANISATION**

10.1 The Chief Operating Officer introduced the first paper which proposed reorganising services on the BBC's Digital Terrestrial Television (DTT) capacity for the provision of High Definition (HD) services by the BBC and other public service broadcasters. She explained this was an alternative to Ofcom's proposals to provide HD on DTT, and the Trust was being asked to consider the proposals as a non-service application. She also introduced the second paper for the Trust to note, which explained how the requirements of Creative Future would be met by utilising the BBC's DTT capacity.

10.2 Members confirmed that the Trust would carry out its regulatory duties with regard to this proposal, and accepted that it was a non-service approval application, but noted that the application could not be accepted until it was a firm proposal and the commercial partners were fully signed up. Members also noted that timing was an issue, with any process which the Trust undertook likely to cut across the Ofcom timetable.

10.3 The Chairman thanked the Executive, and noted that the Trust would continue to engage with Ofcom on this matter. The Trust noted the papers, and agreed in principle to consider the non-service application once the Executive presented a firm proposal.

## **11 EDITORIAL MATTERS: PROGRESS REPORT ON THE DIRECTOR-GENERAL'S 10 POINT ACTION PLAN AND REVIEW OF EDITORIAL COMPLIANCE SYSTEMS**

11.1 The Deputy Director-General introduced the first paper which updated the Trust on progress on the Director-General's 10 point action plan relating to breaches in editorial standards, the running of competitions and the recommendations of the Wyatt report. He noted that each output division had now identified a board member with responsibility for editorial standards and editorial compliance processes, to ensure ownership at a senior level. He also noted that a number of actions had already taken place, including: the code of conduct for competitions had been launched; 60% of eligible staff had participated in the Safeguarding Trust workshop; and staff contracts had been updated to make explicit the BBC's expectations regarding trust and standards.

11.2 The Deputy Director-General reported that a policy was now in place for telephony, and the Executive had determined two viable options for the future management of premium rate telephony services by the BBC. He noted the Executive was awaiting the statement by Ofcom regarding the outcome of its consultation on the Ayre

Inquiry recommendations before making a decision on which of the options to pursue.

- 11.3 The Deputy Director-General also informed the Trust of two further breaches of editorial standards, both occurring in 2006, which had already been reported in detail to the Editorial Standards Committee.
- 11.4 The Trust noted the progress on the action plan. It agreed that it would issue a statement following the announcement of the past breaches later in the day. Members noted that the breaches did not raise any new issues which were not already being addressed by the action plan. The Trust confirmed that it should wait for Ronald Neil's report which would assess whether the changes which had been put in place were effective.
- 11.5 The Deputy Director-General then introduced the second paper which provided a review of the editorial compliance systems currently in place, to ensure they were robust and effective.
- 11.6 The chair of the Trust's Editorial Standards Committee (ESC) stated that there was good work in progress. He asked for fuller information regarding the compliance oversight of 'high volume low risk' programmes, and the Deputy Director-General agreed to provide details to ESC.
- 11.7 The chair of PVFTC reported that PVFTC would be discussing the non-editorial compliance issues in due course.
- 11.8 The Director-General noted that the Executive Board would be reviewing the risk register to ensure that there were no other areas of risk similar to the editorial issues.
- 11.9 The Trust noted the updates and thanked management for their work to date on implementing the action plan and reviewing compliance systems.

## **12 IMPLEMENTATION OF BUSINESS IMPARTIALITY REVIEW RECOMMENDATIONS**

- 12.1 Diane Coyle brought a potential conflict of interest to the attention of the Trust. This is set out in further detail at minute 19.1.
- 12.2 The Deputy Director-General introduced the paper which updated the Trust on the implementation of recommendations from the Trust's review into the impartiality of BBC business coverage.
- 12.3 The chair of ESC reported on the committee's consideration of the paper. The committee was generally pleased with progress to date, but recognised that the roll out of the training programme had been delayed due to the launch of Safeguarding Trust workshops, and that whilst progress had been made in widening the range of contacts, further work was still needed.
- 12.4 The Trust noted the report and that the ESC would receive a further update in

December on implementing the recommendations, particularly with regard to training and contacts. The Trust thanked the Director, News for managing the implementation of the recommendations.

### **13 THE LEARNING STRATEGY BEYOND BBC JAM**

- 13.1 The Chief Operating Officer introduced the Executive's paper on BBC Jam, which provided information on the potential for mitigating write-off costs, including the reuse of some of the content.
- 13.2 The Chairman noted that there was an appetite in the Nations for reusing the language content wherever possible, and the Trust was keen to see this happen.
- 13.3 In response to a question from the Chairman on value for money assessment, the Director-General confirmed that there would be a Post Investment Review of BBC Jam, which would report to the Trust's Finance and Strategy Committee (FSC). The Trust noted the Executive's paper on BBC Jam.
- 13.4 The Head of Performance introduced the second paper, which set out proposals for an approval process for the Executive's proposition in support of the Charter obligation to promote education and formal learning.
- 13.5 The Head of Performance noted that the Trust Unit had taken legal advice on whether a Public Value Test (PVT) should be carried out. The Trust agreed that it would not undertake a PVT to close BBC Jam. It also agreed that it would expect to undertake a PVT on the new learning proposition. This would include material from Jam which could be reused by the BBC and material to be sold externally. The Trust approved the release of Nations language content subject to a survey assessment of the market impact and a short public consultation.
- 13.6 The Trust agreed that the Trust Unit would liaise with the Executive about communications planning and handling to the full range of interested stakeholder groups.

### **14 DIGITAL MEDIA INITIATIVE**

- 14.1 The Director, Future Media & Technology introduced the paper which set out the Executive's proposals for Phase I of the Digital Media Initiative (DMI) a project to digitise the production process, including the creation of a digital archive, and requested funding approval to proceed.
- 14.2 The Chair of the Finance and Strategy Committee (FSC) noted that the committee had considered the proposals and had requested further information from the Executive in a number of areas, including project governance, savings and net present value calculations. He noted that most of this information had now been provided, however some was still outstanding.
- 14.3 The Project Director, DMI updated the Trust on the further benefits and contingency costs of the project.

- 14.4 The Chair of FSC noted that the committee would be provided with quarterly reports on DMI to enable it to hold the Executive to account for the project and to make sure it was progressing satisfactorily.
- 14.5 The Trust approved the investment in principle, subject to FSC and those other Members who had expressed concerns being satisfied with the further information to be provided by the Executive.

## **15 INTERIM REPORTS FROM THE EXECUTIVE: PROMOTING EQUAL OPPORTUNITIES AND TRAINING BBC STAFF**

- 15.1 The Director, BBC People introduced the first paper setting out the Executive's arrangements for promoting equal opportunities as required under the Charter and Agreement. The Trust noted the work currently underway and the links between the Trust's own work, which had been discussed earlier in the meeting.
- 15.2 Members asked the Executive to provide more information about trends in diversity monitoring, and asked that this include consultants and special advisers as well as staff.
- 15.3 The Head of Diversity noted that the impact of the restructuring across the BBC had been broadly neutral in terms of diversity. Various initiatives were currently underway which should begin to show results on the diversity of the BBC's workforce profile and result in an improvement in diversity over the next three years. She noted that the new mentoring and development scheme was an example of how the BBC was reviewing its approach to increase the number of black and minority ethnic staff in senior decision making roles.
- 15.4 The Director, BBC People then introduced the second paper which reported on the BBC's arrangements for the training and retraining of BBC staff as required under the Charter and Agreement. He noted that the Training Board, chaired by the Deputy Director-General, was now working well and had been split into four separate sub-boards to deliver training tailored to the business needs.
- 15.5 The Head of Training and Development explained that further work was underway to reduce the unit cost of training and measure the return on investment to ensure the BBC was getting value for money.
- 15.6 The Director, BBC People noted that the final report would include further information on training the industry, and the connection of training to the public purposes.
- 15.7 The Trust noted the reports and thanked the Executive for the update. Final reports would be presented to the Trust in May.

## **16 ITEMS FOR NOTING**

- 16.1 The following items were noted:
- Value for Money Studies: 2008 Programme
  - Report of offline papers
  - Minutes of Trust Committees and Audience Councils
  - Documents for Sealing

## **17 BUSINESS HANDLING AND COMMUNICATIONS**

- 17.1 The Trust discussed the communication of matters considered at the meeting.

## **18 OTHER BUSINESS**

- 18.1 There was no other business

## **19 CONFLICTS OF INTEREST**

- 19.1 (Item 12) Diane Coyle has a declared interest (in the Trust's published register of interests) as being married to the BBC News technology correspondent. It was not necessary for Dr Coyle to leave the room at any stage during the meeting as a result of this.