



MINUTES OF THE BBC TRUST MEETING

Held on Thursday 19 June 2014
at the BBC Trust Offices, Great Portland Street, London

Present:	Diane Coyle	Acting Chairman
Items 77 – 89 and 91-92	Sonita Alleyne	Trust member
	Richard Ayre	Trust member
	Alison Hastings	Trust member for England
	David Liddiment	Trust member
	Bill Matthews	Trust member for Scotland
	Aideen McGinley	Trust member for Northern Ireland
	Nick Prettejohn	Trust member
	Elan Closs Stephens	Trust member for Wales
Items 77 - 86	Suzanna Taverne	Trust member
	Lord Williams	Trust member
From the Trust Unit:		
	Nicholas Kroll	Director, BBC Trust
	Alex Towers	Deputy Director
	Mark Devane	Head of Communications
	Alison Gold	Head of Public Services Strategy
	Philip Lillico	Chief Adviser, England
	Fran O'Brien	Head of Editorial Standards
	Gareth Tuck	Chief Financial Adviser
Item 79	John Hamer	Project Manager, Annual Report
Item 81	Ann Bastow	Strategy Adviser
Items 87-92	Georgina Hodges	Chief Research and Audiences Adviser
Item 87	Leanne Buckle	Senior Editorial Complaints Adviser
Item 88	Jonathan Mackay	Senior Strategy Adviser
Item 88	Jamie Nicholson	Strategy Analyst
Item 90	Peter DeVal	Head of Legal
Item 90	Bronwen Roscoe	Senior Strategy Adviser

From the BBC Executive:

Items 77 - 82	Tony Hall	Director-General
Items 77 - 82	Anne Bulford	Managing Director, Finance and Operations
Items 77 - 82	Fiona Reynolds	Senior Independent Director
Items 77 - 82	Gautam Rangarajan	Director, Strategy
Item 77	Danny Cohen	Director, Television
Item 78	James Purnell	Director, Strategy & Digital
Item 78	James Heath	Director, Policy & Charter
Item 79	Amber Cobb	Head of Corporate Engagement and Briefing
Item 79	Laura Gosling	Corporate Affairs Manager

External Attendees

Item 79	Jonathan Downer	KPMG LLP
Item 79	Nick Found	KPMG LLP

AGENDA

- 77 QUARTERLY REPORT TO THE BBC TRUST**
- 78 CHARTER REVIEW**
- 79 BBC ANNUAL REPORT AND ACCOUNTS 2013-14**
- 80 ANNUAL REVIEW OF COMPLIANCE WITH THE FOUR COMMERCIAL CRITERIA**
- 81 WORLD SERVICE GROUP THAI EMERGENCY NEWS OPERATION**
- 82 APPOINTMENT OF A NON-EXECUTIVE DIRECTOR**
- 83 MINUTES AND MATTERS ARISING**
- 84 ACTING CHAIRMAN'S UPDATE**
- 85 TRUST COMMITTEES REPORT**
- 86 DIRECTOR'S REPORT**
- 87 BBC COVERAGE OF RURAL AREAS IN THE UK: IMPARTIALITY REVIEW - DRAFT FINAL REPORT**
- 88 BBC TELEVISION SERVICE REVIEW - DRAFT FINAL REPORT**
- 89 S4C ANNUAL REPORT AND ACCOUNTS**
- 90 AUDIT OF LOCAL TELEVISION MULTIPLEX PROVIDER**
- 91 ITEMS FOR NOTING**
- 92 BUSINESS HANDLING AND COMMUNICATIONS**
- 93 CONFLICTS OF INTEREST**

77 QUARTERLY REPORT TO THE BBC TRUST

- 77.1 The Director-General gave his monthly update to the Trust. He reported that coverage of the European and local elections had gone well and had shown the strength of the BBC's network of local political reporters. He also praised the recent news reporting from Iraq and Syria.
- 77.2 He reported on his recent announcement of proposals to address the on and off-screen representation of the Black, Asian and minority ethnic community. This would include a new senior leadership development programme; a £2.1m diversity creative talent fund; more training internships alongside the BBC's existing apprenticeships; and the establishment of an Independent Diversity Action Group, to be chaired by the Director-General.
- 77.3 The Director-General also noted that the negotiations were ongoing with the unions regarding the 2014 pay offer.
- 77.4 The BBC's Director of Strategy presented some of the key pan-BBC performance information, including audience perceptions of the BBC.
- 77.5 The Director of Television presented some recent statistics showing use of the BBC's television services. He noted some of the challenges in serving all audiences across the television portfolio, and outlined some of the plans to provide programmes and content to those licence fee payers who were less well served by the BBC.
- 77.6 The Trust discussed the impact of DQF savings on the performance of BBC services, with a focus on children's.
- 77.7 The Trust noted the performance of BBC in Northern Ireland, Scotland and Wales.
- 77.8 The Managing Director, Finance and Operations provided a status report on some of the BBC's current projects and risks, and an update on regulatory compliance.

78 BBC CHARTER REVIEW

- 78.1 Trust members discussed initial ideas about the BBC's approach to the Charter review process.

79 BBC ANNUAL REPORT AND ACCOUNTS 2013-14

- 79.1 The Trust's Head of Public Services Strategy presented the BBC Annual Report and Accounts for 2013-14.

- 79.2 The Trust reviewed the report by external auditors KPMG LLP, which had previously been discussed by the Trust's Value For Money Committee.
- 79.3 The Trust considered and accepted the Executive section of the Annual Report (Part 2) and the full financial statements which had both been approved by the Executive.
- 79.4 The Trust reviewed and approved its section of the Annual Report (Part I). It also approved a "letter of representation" from the Trust to KPMG, providing assurances about the information in Part I of the Annual Report.
- 79.5 Following the meeting, the Acting Chairman, Director-General, Managing Director, Finance and Operations and a representative from KPMG signed the relevant pages of the Annual Report and Accounts and the full financial statements, which would be laid before Parliament and published on 21 July.
- 79.6 The Trust noted the BBC World Service Annual Review for 2013-14. It also noted that following the transition to licence fee funding on 1 April 2014 in future years BBC World Service reporting would be incorporated into the BBC's Annual Report and Accounts.

80 ANNUAL REVIEW OF COMPLIANCE WITH THE FOUR COMMERCIAL CRITERIA

- 80.1 The Managing Director, Finance and Operations introduced the BBC Executive's annual review of compliance against the commercial criteria, as required by the BBC Agreement and the Trust Protocols.
- 80.2 The Trust noted the report.

81 WORLD SERVICE GROUP THAI EMERGENCY NEWS OPERATION

- 81.1 The Director-General outlined the BBC Executive's request to launch an emergency Thai language service, delivered via mobile and social media, for a limited period, under the provision of the BBC Agreement and the World Service Operating Licence. He noted that any such service was subject to the dual approval of the BBC Trust and the Foreign Secretary.
- 81.2 The Trust approved the service for a three-month period from the commencement of the service and noted that any extension beyond this period would require additional approval.
- 81.3 The Trust suggested that the Executive develop a set of criteria which could be used when considering future emergency services.

81.4 The Chairman would write to the Foreign Secretary to seek approval for the launch of the service.

82 APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

82.1 The Trust approved the appointment of Dharmash Mistry as a Non-Executive Director of the BBC Executive Board for three years with effect from 1 September 2014.

82.2 In accordance with the terms set out in the Charter, the nomination would then go to the Executive Board for approval.

83 MINUTES AND MATTERS ARISING

83.1 The Trust approved the minutes of the meeting held on 22 May 2014 as an accurate record of proceedings. The Trust approved the publication of the minutes with no redactions.

83.2 The Trust noted the matters arising from previous meetings.

84 ACTING CHAIRMAN'S UPDATE

84.1 The Acting Chairman updated the Trust on events and activities during the last month.

84.2 She invited members of the Trust to comment on the draft version of the speech she would be giving at the London School of Economics on 23 June 2014.

85 TRUST COMMITTEES REPORTS

85.1 Suzanna Taverne, Chair of the Services Committee, reported that following a request from the BBC Executive, the committee had removed the minimum condition to premiere 20 foreign language films each year from the service licence for BBC Four. She noted that the licence would still contain a commitment to transmit foreign language films. The committee had also received the annual audit report from the BBC's Fair Trading auditors, a six-monthly report on the performance of BBC Monitoring, and had had an initial discussion about the forthcoming review of music radio services.

85.2 Nick Prettejohn, Chair of the Value for Money Committee, reported that the committee had approved the business case for a new headquarters for BBC Cymru Wales in Cardiff. The committee had also discussed the emerging findings from KPMG's external audit of the BBC's accounts to 31 March 2014 and had met with representatives from the National Audit Office for a progress report on the ongoing value for money reviews of

Delivering Quality First and Managing the BBC's Estates.

- 85.3 Alison Hastings, Chair of the Editorial Standards Committee, reported that the committee had partially upheld one appeal, the findings of which would be published in July. The committee had considered the draft impartiality report on the BBC's Coverage of Rural Areas of the UK, and had discussed the draft Trust conclusions on the Executive's report on science impartiality review actions.

86 DIRECTOR'S REPORT

- 86.1 The Director, BBC Trust presented his report, which provided an overview of activity undertaken by the Trust.

87 BBC COVERAGE OF RURAL AREAS IN THE UK: IMPARTIALITY REVIEW - DRAFT FINAL REPORT

- 87.1 The Trust's Head of Editorial Standards and the Senior Editorial Complaints Adviser introduced the draft report of the Trust's impartiality review of the BBC's coverage of rural areas in the UK. The report had previously been discussed by the Editorial Standards Committee.
- 87.2 The Trust noted the recommendations which had been made by Heather Hancock, the author of the report, and discussed the issues raised.
- 87.3 The Trust approved the draft report and delegated responsibility for overseeing any final changes to the lead Trustee. The report would be published on 26 June 2014.

88 BBC TELEVISION SERVICE REVIEW - DRAFT FINAL REPORT

- 88.1 The Trust's Head of Public Services Strategy introduced the draft report of the Trust's service review of BBC One, BBC Two, BBC Three and BBC Four.
- 88.2 Trustees discussed some of the key findings from the review which included consideration of how well BBC television served all audiences, and the performance of each channel against the terms of its service licence.
- 88.3 The Trust approved the draft report and delegated responsibility for overseeing any final changes to the lead Trustees. The report would be published on 17 July 2014.

89 S4C ANNUAL REPORT AND ACCOUNTS

89.1 The Head of Public Services Strategy presented the S4C Authority's Annual Report and Accounts along with the BBC Trust's covering statement. The statement had been discussed by the Trust member for Wales and the Chair of the S4C Authority.

89.2 The Trust accepted the S4C Annual Report and Accounts and approved the Trust's covering statement. These would be laid in Parliament in July.

90 AUDIT OF LOCAL TELEVISION MULTIPLEX PROVIDER

90.1 The Trust's Deputy Director provided an update on the ongoing audit of the local television multiplex provider.

91 ITEMS FOR NOTING

- 91.1
- a) Documents for sealing
 - b) Draft Trust conclusions on the Executive Report on Science Impartiality Review action
 - c) Trust Unit Financial Results 2013-14
 - d) BBC World Service Annual Review

92 BUSINESS HANDLING AND COMMUNICATIONS

92.1 The Trust discussed the handling and communications of items considered at the meeting.

93 CONFLICTS OF INTEREST

93.1 For discussion on the Audit of Local Television Multiplex Provider (item 90), Sonita Alleyne noted that she was a Board member of Archant, which runs Mustard TV, the local television service in Norwich. This is declared in Ms Alleyne's register of interests, which is publicly available on the Trust's website. Sonita Alleyne left the meeting while this item was discussed.