

## MINUTES OF THE BBC TRUST MEETING

Held on Monday 24 October 2011  
in the BBC Trust boardroom, Great Portland Street, London

<b>Present:</b>	Lord Patten	Chairman
	Diane Coyle	Vice Chairman
	Richard Ayre	Trust member
Items 120 – 131	Anthony Fry	Trust member
Items 120 – 125, 129 and 130 (by telephone)	Alison Hastings	Trust member for England
	Rotha Johnston	Trust member for Northern Ireland
	David Liddiment	Trust member
	Bill Matthews	Trust member for Scotland
	Mehmuda Mian	Trust member
Items 120 – 131	Elan Closs Stephens	Trust member for Wales

### In attendance from the Trust Unit:

	Nicholas Kroll	Director, BBC Trust
	Alex Towers	Deputy Director
	Phil Harrold	Head of Governance
	Kate Atkins	Senior Adviser, Governance
	Mark Devane	Head of Communications
	Fran O'Brien	Head of Editorial Standards
Items 120 – 123 and 127	Alison Bexfield	Head of Finance and Compliance
Items 120 – 128 and 133	Alison Gold	Head of Public Services Strategy
Item 120 – 128, 131 and 132	Jon Cowdock	Head of Business Strategy
Items 124 and 125	Natalie Rose	Senior Editorial Adviser
Item 126	Paolo Siciliani	Chief Economic Adviser
Item 127	Brij Sharma	Senior Strategy Adviser
Item 126, 127, 130 – 132	Peter De Val	Head of Legal

**From the  
Executive:**

Items 129 – 132	Mark Thompson	Director-General
Items 129 – 132	Marcus Agius	Senior Non-Executive Director
Items 129 – 132	Caroline Thomson	Chief Operating Officer
Items 129 – 132	Helen Boaden	Director, News
Items 129 – 132	Jessica Cecil	Head of the Director-General's Office
Items 129 – 132	Chris Waiting	Chief Adviser to Chief Operating Officer
Item 131	James Heath	Controller, Policy
Item 131 and 132	John Tate	Director, Policy and Strategy
Item 132	Richard Dawkins	Controller, Journalism and A&M Strategy

**Apologies:**

Zarin Patel	Chief Financial Officer
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## **AGENDA**

- I20 Minutes and matters arising**
- I21 Committees and Audience Councils**
- I22 Committee terms of reference**
- I23 Director's report**
- I24 Impartiality review of BBC coverage of the Arab Spring**
- I25 Impartiality seminars**
- I26 On-demand syndication review**
- I27 Fair trading policy review**
- I28 Progress against service review outcomes**
- I29 Director-General's monthly report**
- I30 Editorial assurance draft report**
- I31 Local television**
- I32 International news services**
- I33 Other matters**
- I34 Items for noting**
- I35 Business handling and communications**
- I36 Conflicts of interest**

## **I 20 MINUTES AND MATTERS ARISING**

I 20.1 The Trust approved the minutes of its meeting on 22 September and its conference on 28 and 29 September as accurate records of proceedings, subject to one drafting change. The Trust approved the publication of the minutes with no redactions.

I 20.2 The Trust noted the matters arising from previous meetings.

## **I 21 COMMITTEES AND AUDIENCE COUNCILS**

I 21.1 The Chairman of the Audiences and Performance Committee provided an update on the Trust's service review of BBC Radio 5 Live and 5 Live Sports Extra. The Trust was due to consider its final report on these services in December.

I 21.2 The Chairman of the Finance and Compliance Committee said the committee had approved the Trust response to the National Audit Office (NAO) report on the BBC's efficiency programme. The report would be laid in Parliament on 1 November 2011 and subsequently published by the NAO and made available on the Trust's website.

I 21.3 The National Trust member for Northern Ireland reported that around 30 people had attended a public meeting as part of the Trust's consultation on the *Delivering Quality First* (DQF) proposals. The National Trust member for England requested that clarification be given on the Trust website as to how the ongoing DQF and service review consultations were linked.

## **I 22 COMMITTEE TERMS OF REFERENCE**

I 22.1 The Trust's Head of Governance presented draft terms of reference for the Trust committees which had been revised to take account of the final conclusions of the Trust's governance review. While the broad committee structure and responsibilities were being retained, changes included the establishment of an International Services Committee to oversee the BBC's international public services and a Complaints and Appeals Board to deal with all non-editorial appeals to the Trust.

I 22.2 The Trust approved the revised committee terms of reference and agreed that the new committee structure should be implemented in December, alongside some changes in committee membership.

## **I23        DIRECTOR'S REPORT**

- I23.1        The Director, BBC Trust presented his report, which provided an overview of activity undertaken by the Trust and previewed the key issues to be considered by the Trust at the meeting.
- I23.2        The National Trust member for Wales and the Trust's Head of Governance provided an update on discussions between the S4C Authority, the Trust and DCMS over the future funding, governance and accountability of S4C until 2017.
- I23.3        Members heard that the Trust Chairman would be writing to the S4C Chairman later that day. The letter would set out the proposed allocation the Trust would make from the licence fee towards S4C for the last two years of the current licence fee settlement. For 2015-16 this would be £75.25m and for 2016-17 £74.5m. The amounts for 2013-14 and 2014-15 had previously been set at £76.3m and £76m respectively. Members noted that this allocation would be subject to agreement between S4C, the Trust and the UK Government. The Trust would publish details as soon as the agreement was reached.

## **I24        IMPARTIALITY REVIEW OF BBC COVERAGE OF THE ARAB SPRING**

- I24.1        The Vice Chairman introduced this item which sought approval for the terms of reference and the author of the Trust's impartiality review of BBC coverage of the "Arab Spring". The review would be overseen by the Trust's Editorial Standards Committee. The Chairman asked the Trust to consider the appointment of the author of the review without his involvement, as the author proposed by the Editorial Standards Committee was known to him.
- I24.2        Trust members discussed the terms of reference of the review and agreed it should look at the BBC's coverage of recent events in Tunisia, Egypt, Libya, Bahrain, Syria and Yemen. It would include coverage on BBC network TV and radio, online content and BBC World News. Members agreed that the "Arab Spring" had put the spotlight on the BBC's global coverage and presented significant challenges to the Corporation as it aspired to the highest standards of international reporting. Members agreed that it would not be appropriate for the scope of the review to be wider than the coverage of conflicts collectively known as the "Arab Spring".
- I24.3        Members agreed that the Trust's final report on the review should be informed by an authored report by an independent expert, analysis of BBC coverage, audience research and stakeholder engagement. Members discussed a recommendation from its Editorial Standards Committee that Edward Mortimer, a former Director of Communications at the United Nations, be appointed author of the review. The Trust approved the appointment of Mr Mortimer as author; this decision was taken without the Chairman's involvement.

- I24.4 The Trust agreed to publish details of the review later that week. The review was due to conclude in summer 2012 and the final report would be published.

## **I25 IMPARTIALITY SEMINARS**

- I25.1 The Trust's Head of Editorial Standards presented proposals for a series of impartiality seminars on emerging and current topics which posed challenges for the BBC in relation to achieving due impartiality in its output.
- I25.2 Members considered the proposals and agreed that the seminars would support the Trust's work in ensuring impartiality in all of the BBC's output, including its programme of impartiality reviews. Members discussed the format of the seminars, including whether they should be internal BBC events or open to external participants. They also considered possible topics for the seminars, including BBC coverage of the economy.
- I25.3 The Trust agreed a framework for the impartiality seminars, including that the seminars would feature BBC and external participants and that each seminar would result in a document for publication. The Trust agreed that the format of seminars and documents for publication might vary, depending on the subject under review. The Trust's Editorial Standards Committee would return to the Trust with suggested topics for the first two seminars.

## **I26 ON-DEMAND SYNDICATION REVIEW**

- I26.1 The Trust noted the agreed conflicts of interest process in place for discussion related to the BBC syndication policy (see note at minute I36).
- I26.2 The Trust's Head of Business Strategy presented the draft report of the Trust's review into the syndication of BBC on-demand public service content to third parties. The Trust had started its review of the BBC's syndication policy in December 2009 and had put its provisional conclusions out to consultation in January 2011. The review had been overseen by the Trust's Strategic Approvals Committee.
- I26.3 Members discussed the draft report and the proposed new syndication policy. The Trust's view was that public value was best served by ensuring that as many people as possible could access BBC on-demand content via a wide range of third party platforms and devices. The draft report and policy set audience-facing principles which the BBC had to comply with. The Trust was also mindful of value for money considerations and issues around competitive impact, and had taken account of concerns raised by interested parties during consultation.
- I26.4 The Chairman of the Strategic Approvals Committee noted that the review had been a long and complex process and thanked the Trust Unit staff who had worked on the project.

- I26.5 The Trust agreed to approve the draft report and policy for publication in November and that it was appropriate to conduct a final round of consultation. It delegated approval of any amendments prior to publication to the Chairman of its Strategic Approvals Committee.
- I26.6 The Trust expected to consider and finalise the proposed syndication policy in early 2012 in the light of any responses received from the consultation and would then instruct the Executive to prepare a new set of syndication guidelines, which would also be subject to Trust approval.

## **I27 FAIR TRADING POLICY REVIEW**

- I27.1 The Trust's Head of Finance and Compliance presented the draft report of the Trust's review of its fair trading policy, which had been led by its Finance and Compliance Committee.
- I27.2 Members heard that the Trust had a duty to review its policy at least every three years. Following this review – which had included a public consultation – a number of changes were being proposed to simplify the policy and make it clearer and easier for the industry to understand. Changes included combining the main policy, code and framework documents into a single document.
- I27.3 The Trust approved the draft report for publication in November and delegated any final drafting amendments to the Chairman of the Finance and Compliance Committee.
- I27.4 The Chairman thanked the Head of Finance and Compliance for her contribution to the Trust since its launch, prior to her taking up a new role within the BBC Executive.

## **I28 PROGRESS AGAINST SERVICE REVIEW OUTCOMES**

- I28.1 The Trust's Head of Public Services Strategy introduced this item which provided an update on progress made on the actions from the Trust's service reviews.
- I28.2 Members noted that the Trust was now close to having reviewed all of the BBC's 28 UK public services. Reviews of the remaining services – Radio 5 Live, the News and Parliament channels, local radio and the Asian Network – were underway. Reviews had led to changes in the direction of BBC strategy, including clear support for the role of BBC Online in delivering the Corporation's public purposes, a more distinctive Radio 2 in peak time, and the identification of children's output as an editorial priority and increased investment in it.
- I28.3 Members welcomed the improvements to BBC services resulting from the reviews and asked that the Trust's work in this area was made available to BBC staff and to audiences, as appropriate.

## **I29 DIRECTOR-GENERAL'S MONTHLY REPORT**

- I29.1 The Chairman welcomed the Executive to the meeting, including the Senior Non-Executive Director, who was attending a monthly Trust meeting for the first time.
- I29.2 The Director-General noted the publication earlier that month of the Executive's proposals on the implementation of the new BBC strategy, *Delivering Quality First*. He said the process between the Trust and the Executive in developing the proposals had worked well.
- I29.3 The Director, News noted key stories covered recently in the BBC's journalism output, including the global financial crisis and the killing of Libyan leader Muammar Gaddafi. Members discussed the use by the BBC and other media outputs of images of Gaddafi's dead body, noting that complaints on this matter could come to the Trust on appeal.
- I29.4 The Director-General outlined recent highlights from BBC services, including *The Great British Bake Off* on BBC Two, Stephanie Flanders' new series *Stephanomics* on Radio 4 and interviews with leading scientists in *The Life Scientific*, also on Radio 4.
- I29.5 He updated Trust members on BBC North in Salford, noting that 1,350 staff were now based in Salford, working on a range of BBC programmes and services including *Blue Peter* and Radio 5 Live.
- I29.6 The Senior Non-Executive Director briefed the Trust on the role of the Non-Executive Directors (NEDs) in helping to deliver the BBC's services in accordance with the priorities set by the BBC Trust. He highlighted their work on the BBC's new strategy proposals, *Delivering Quality First*, and other matters including executive pay and technology developments. He said the NEDs brought a wide range of experience in the public and private sectors to the Executive Board, including in finance, technology and corporate governance. It was important that the NEDs worked effectively with the Trust in the interests of the BBC and licence fee payers.

## **I30 EDITORIAL ASSURANCE DRAFT REPORT**

- I30.1 The Director-General presented the Executive's draft report of the BBC's editorial practices and policies in investigative journalism. He had commissioned the review in July following disclosures about the use of phone hacking in the British press. The review had later been expanded to encompass additional information requested from the BBC by Lord Leveson's inquiry into the culture, practices and ethics of the press.
- I30.2 The Director-General said the findings of the review were very encouraging; there was no evidence of phone or computer hacking or bribery. He said the BBC does use private investigators occasionally, most commonly for surveillance



or security services (to ensure the safety of journalists or to check the safety or carry out a 'recce' of a location where filming is taking place) and to obtain the whereabouts or identity of individuals who are the subjects of significant public interest programmes. The Director-General said that the review did not suggest there were shortcomings in either the principles or practices in the Editorial Guidelines and that he would be recommending some changes to the guidelines or guidance to strengthen these safeguards further.

- I30.3 Trust members noted the Director-General's account of the review and agreed to discuss it in more detail in December, once it had been considered by the Executive Board and the Trust's Editorial Standards Committee.

## **I31 LOCAL TELEVISION**

- I31.1 The Trust's Deputy Director provided an update on the BBC's role in delivering the Government's ambitions in local television and noted that the Chairman and Director-General were due to have discussions with the Secretary of State for Culture, Olympics, Media and Sport later that day.

- I31.2 Members noted that, as part of the licence fee settlement, the BBC had been asked to provide £25 million to support local television. The Government's goal was for Ofcom to license the first local TV stations from summer 2012, with 10 to 20 local services in operation by 2015 and 50 plus in the longer term. The services would be available on digital terrestrial television.

- I31.3 Members discussed their preferred model for the supply and oversight of licence fee funding to support local television. They were clear that the BBC's contribution should not exceed £25 million and that the BBC's involvement in the project should be time limited. They underlined the importance of these limits in circumstances where cuts were being proposed to BBC local radio services.

## **I32 INTERNATIONAL NEWS SERVICES**

- I32.1 The Director-General set out principles to underpin the integration and improvement of the BBC's international news services. He also proposed a programme of work to develop operational plans based on these principles.

- I32.2 The Director-General said the BBC's vision for its international news services was to be the most trusted and most used news provider in the world, reaching 250 million people each week, despite facing financial, technological and competitive challenges. To do this, the BBC needed to implement a multi-platform strategy that enabled its best journalism to be as widely available as possible, while tailoring output for different audience groups and markets.

- I 32.3 Trust members endorsed the principles put forward by the Director-General which recognised that international news was intrinsically public service and should be fully controlled by the BBC's public service News Group and funded strategically. International news activities should be integrated with clear lines of control and responsibility, moving to a single newsgathering operation for BBC news as quickly as possible. Members agreed the Executive should begin work to develop operational plans based on these principles.
- I 32.4 Trust members discussed various issues raised by the proposals, including the benefits of different distribution platforms and investment in BBC World News.
- I 32.5 The Trust agreed it should consider the World Service's financial plan in November and encouraged the Executive to complete its work on the international news services as early as possible in 2012.

### **I 33 OTHER MATTERS**

- I 33.1 BBC Online management controls review  
The Trust approved the report of its review of BBC Online management controls on the recommendation of its Strategic Approvals Committee. The report would be published in November.

### **I 34 ITEMS FOR NOTING**

- I 34.1 (a) Minutes from committees and Audience Councils  
(b) Documents for sealing  
(c) Report of offline approvals

### **I 35 BUSINESS HANDLING AND COMMUNICATIONS**

- I 35.1 The Trust discussed the handling and communication of items considered at the meeting.

### **I 36 CONFLICTS OF INTEREST**

- I 36.1 For discussion related to the syndication review, Elan Closs Stephens noted that her son was a director of a digital media company and of a distribution provider and that she was, therefore, potentially conflicted on matters related to the BBC's syndication policy. This is declared in Ms Stephens' register of interests, which is publicly available on the Trust's website.