



Meeting of the BBC Fair Trading Committee

SUMMARY MINUTES

Wednesday 19 October, 2022

Virtual Meeting

ITEMS OF BUSINESS

1. Committee business
 - a) Apologies and conflicts of interest
 - b) Minutes of 26 April Fair Trading Committee
2. Quarterly management report
 - a) Studios Review
3. Deloitte Fair Trading Assurance Planning Report 2022/23
3. Fair Trading Risk Assurance Report
4. Commercial Separation – Strategic Options
5. Fair Trading Committee Terms of Reference
6. AOB

ATTENDANCE

Members:

- Ian Hargreaves Non-executive director (Chair)
- Muriel Gray Non-executive director

Board members present:

- Leigh Tavaziva Group Chief Operating Officer

With:

- Clare Sumner Director, Policy
- Chris Rowsell Head of Regulation
- Chris Sandford Head of Governance
- Jo Clarke Secretary to the Committee
- Laurie Slavin Deloitte (for item 3)
- Dinal Juta Deloitte (for item 3)
- Bhavin Shah Deloitte (for item 3)
- Balram Veliath Director, QRA (for item 4)
- Paul Oldfield Controller, Policy (item 5)

FAIR TRADING COMMITTEE SUMMARY MINUTES – 19 October 2022

1. Committee business

a) Apologies and conflicts of interest

- 1.1 There were no new conflicts of interest.

b) Minute of 26 April Fair Trading Committee meeting

- 1.2 The minutes were approved.

2. Quarterly Management Report

- 2.1 The Committee discussed the quarterly management report, which set out detail of significant trading and separation issues over the last quarter of the financial year. The Committee noted that there were no regulatory complaints received or in progress. Divisions were performing strongly with regard to training completion rates for both the Fair Trading awareness and advanced courses.
- 2.2 The Committee noted a progress update on organisational changes. The transfer of Children's in-house production into BBC Studios completed on 1 April.
- 2.3 The Committee noted the update on progress with the SLA project. Out of the 47 SLAs identified, only the Production Facilities SLA remained outstanding.
- 2.4 A proposal regarding renewal of the contract would come to the January meeting of the Committee. The Management Report was noted.

Studios Review

- 2.6 Following publication of Ofcom's Studios Review on 22 June, the Policy team had engaged with Ofcom to discuss the issues they had raised.
- 2.7 The Committee considered the Review and its key findings, noting that the none of the issues identified were substantive or systemic. A number of improved processes and controls had already been implemented regarding the administrative environment. The Committee discussed the proposed approach to addressing Ofcom's concerns. The Committee noted that as a result the way in which some secondary revenues were distributed might change.
- 2.8 The Committee approved the proposed approach to addressing Ofcom's concerns. It was agreed that the Chair of the Fair Trading Committee would write to Ofcom setting

out the approach to addressing its stated concerns on behalf of the Committee as representatives of the BBC Board.

3. Deloitte Fair Trading Assurance Planning Report 2022/23

- 3.1 The Committee were joined by representatives from Deloitte, who presented their plan for their Fair Trading assurance work for 2022/23. The planning report had come to the Committee earlier than had previously been possible and it was hoped that this would improve the quality of the report.
- 3.2 The Committee discussed the plan, with particular regard to the new areas of focus for the year. The Committee agreed that in addition to the transition of Children's from in-house production to BBC Studios, the move of News services to BBC Studios should also be included.
- 3.3 The Committee noted that in terms of external stakeholders, Deloitte had shared its plans with Ofcom and worked closely with the NAO in order to assure the NAO's Regularity assessment.
- 3.4 The Committee approved the Fair Trading Assurance plan for 2022/23.

4. Fair Trading Risk and Assurance Report.

- 4.1 The Committee noted the bi-annual risk report. The overall risk picture was stable. The Committee noted the work underway to address the outstanding concerns following Ofcom's review of BBC Studios as outlined earlier in the meeting, and the progress with SLA assurance.
- 4.2 The Committee discussed the need for a review of organisational risk appetite metrics. A paper would come to the January meeting of the Committee.

5. Commercial Separation: Strategic Options

- 5.1 The Committee considered a paper which provided an analysis of the regulatory constraints to the BBC acting as a more unified Group, and recommendations for actions that should be taken as a result. It presented a priority action list - consistent with the BBC's regulatory requirements and trading and separation obligations.
- 5.2 Committee members noted that the short-term actions proposed to optimise working across the Group were within the commercial regulatory framework and could be implemented rapidly. The Committee approved the implementation of the actions, subject to production of a stakeholder management plan, which would return to a future meeting. The Committee noted that potential longer term options were dependent on the future strategic direction of the BBC.

6. Fair Trading Committee Terms of Reference

6.1 The Committee approved the updated Terms of Reference.

7. AOB

7.1 The next meeting of the Committee would be in January.