



## Communications and Digital Committee

### Corrected oral evidence: The work of the BBC

Tuesday 18 July 2023

2.30 pm

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Members present: Baroness Stowell of Beeston (The Chair); Lord Foster of Bath; Baroness Fraser of Craigmaddie; Lord Griffiths of Burry Port; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Kamall; The Lord Bishop of Leeds; Lord Lipsey; Lord Young of Norwood Green.

Evidence Session No. 1

Heard in Public

Questions 1 - 15

### Witnesses

I: Tim Davie CBE, Director-General, BBC; Dame Elan Closs Stephens DBE, Acting Chair, BBC; Clare Sumner CBE, Director of Policy, BBC.

### USE OF THE TRANSCRIPT

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## Examination of witnesses

Tim Davie CBE, Dame Elan Closs Stephens DBE and Clare Sumner CBE.

**Q1 The Chair:** Good afternoon. This is the Communications and Digital Committee and a one-off hearing with the BBC. I am very pleased to welcome Tim Davie, director-general; Dame Elan Closs Stephens, the interim chair; and Ms Clare Sumner, director of policy.

This session has been scheduled for some weeks now, so it is not in response to any particular event. I am pleased, none the less, that the substance of our session today, which is a follow-up to our report last year on BBC future funding, is covered on the front page of the *Times* and other newspapers. But that is obviously coincidental.

Before we get to the main topic of this session, I have questions about recent events and the latest controversy surrounding the BBC, and questions about accountability and independence. Both are important to public confidence in the BBC, whether it is dealing with a crisis or its future and the loyalty of licence fee payers. To reassure witnesses, we have no intention of seeking to pre-empt the investigations that are ongoing or to intrude into personal or personnel matters, which are not topics for us.

I will start by asking you, Mr Davie, to give us an update on the two pieces of work that you announced last week: in particular, the timing of those pieces of work, when you expect them to conclude, and what we might see by way of publication when they are concluded.

**Tim Davie:** Thank you, Chair. I appreciate the chance to update the committee. This has been a difficult affair where we have tried to calmly and reasonably navigate difficult concerns surrounding the allegations—duty of care, privacy and legitimate public interest.

I am sure the committee is aware of the action steps that we have announced. Let me update you directly on where we are. The first is the fact-finding investigation, which in some ways is normal procedure for the BBC. If you have allegations about an individual, you look at those allegations, go through the facts, and, as in any organisation, with due care and attention decide whether you are into any kind of process with the individual based on the facts you have. We are in the process of looking at those facts. We are keen to receive any information, because we want to understand anything that is out there. It is difficult to give you a precise time on that, because we have to go through that diligently and assess the information.

There are also duty-of-care concerns within that. On that specifically, I am not in control of all the variables, so it could take weeks, a couple of months, or even longer depending on what we get and in managing the individuals involved flawlessly. My main priority is to be fair, to make sure that we get all the information into that process, and to act judiciously. That process is under way, well managed by the world-class experts in the area that we have in the BBC.

Secondly, clearly in a case like this, which has been difficult, you always get learnings. It may be worth asking my chair to give you a sense of the broad overview of this element. I have asked for a review of protocols and procedures, including the learnings of this case, in order to go through the process of understanding what we need to do and whether there are any adjustments to make to our protocols and procedures from this. That will be led, from an executive point of view, by the highly experienced chief operating officer Leigh Tavaziva. From an executive side, I will let the chair give you a sense of how the board is overseeing that. We are also involving external expertise to make sure that we are properly held to account.

Thirdly, I immediately asked for a quick look at what is red flagged to ensure consistency during the period in which we do the review. It would be slightly bureaucratic of me to have a process running, but not immediately fix things that are obvious in making sure that there is consistency in what gets flagged up. We are doing that work immediately.

I did not answer the question about the timing of the second element. I think that group will report in the autumn, maybe late autumn. That is the kind of timing, I suspect.

**The Chair:** Dame Elan, do you want to add to how the board is overseeing this process?

**Dame Elan Closs Stephens:** Thank you very much, Chair. I think the presence of the board, the board's oversight of this, the governance issue in relation to the whole incident, actively knowing what the executive is doing, and thinking about whether that is proportionate and the right form of action have been vital in this whole occurrence.

For your information and your sense of the locus of the board in all this, I was informed immediately by the director-general when the *Sun* seemed to be asking questions. The board met on the Saturday afternoon and on the Sunday afternoon. I was back in London on the Monday and, I am sorry to say, I have been here ever since and will be until Friday. So we have been taking an overview of this. My letter to the Secretary of State has been shared with you, Chair—

**The Chair:** Yes, thank you.

**Dame Elan Closs Stephens:** —and with the Chair of the Commons Select Committee and, as a courtesy, with the chair of Ofcom. Of course, Ofcom does not have a locus in this sort of non-editorial complaint, but I thought that, as a courtesy to our regulator, they should be informed.

Our plan of action is that the chief operating officer takes charge of this investigation with a very senior Deloitte partner, Simon Cuerden—I have asked whether it is possible to name him here today—who has extensive experience in this field. I have also asked Sir Nick Serota, who is our senior independent director, to oversee this on behalf of the board.

The terms of reference are being worked through and will be in front of the full board this coming Thursday, in two days' time. They will be

published in due course and the inquiry will get under way as soon as possible

**The Chair:** Will they be published straight after your board meeting?

**Tim Davie:** Yes, they will be published this week.

Q2

**The Chair:** Very good. There are a couple of things I want to come back on, particularly with you, Mr Davie. Before I do, could I stick with you, Dame Elan? It is very reassuring to know that the board met on Saturday afternoon and Sunday afternoon when this whole matter, if I can describe it as that, erupted the weekend before last. We know that politicians took to the airwaves and the Secretary of State made it public that she wanted to speak to the director-general directly to find out what was going on. With hindsight, do you think it would have been helpful if there had been more visibility of what the board was doing at that time in order to show accountability of the BBC?

**Dame Elan Closs Stephens:** It is interesting, because we had the annual reports and accounts on the Tuesday, and obviously we had a duty to Parliament to put the annual report and accounts before you. We invited something like 40 journalists, who were on Zoom. As you would expect, I gave an introductory talk. I took them through the incident and how the board was dealing with it, and then I made further general observations about the importance of the independence of the BBC. Unfortunately, not a single paper reported on that. I must have been naive, but they were so interested in the eye of the storm that none of them talked about the kind of accountability I had been talking about.

I then saw the Secretary of State on the Wednesday. That was a normal meeting, supposedly, and I introduced myself to her, although I had spoken to her on the Monday. All I can say is that the Secretary of State has a complete right to opine on this issue, to make a public statement on it and even to ring the director-general, but an opinion is not a directive. I have been put in place by the board to maintain the independence of the BBC. To me, the independence of the BBC is the bedrock of it—independence from government, from opposition, from commercial pressures and from particular people who protest. The whole issue of our impartiality as a board dwells on the fact that we are independent and that we have independence of thought and independence of opinion. That, for me, is fundamental.

You are right; I would have wished for the governors to have been a bit more to the fore of our journalists' coverage of this, but I cannot dictate that to them.

**The Chair:** I absolutely get that you cannot dictate how the media reports any event. On the weekend in question, it seemed that everybody was piling in and having perfectly reasonable inquiries, wanting to get reassurance on how the BBC is handling this matter and all that sort of thing. The nature of their interest was perfectly reasonable, but it is also important for people to know that the board, which has responsibility for making sure that the interests of the licence fee payers as a whole are being properly represented, is discharging its

responsibilities. That helps with the BBC's independence, of course.

**Dame Elan Closs Stephens:** I take your point. I also want to add that we had a duty to act with calm and rationality in the face of lack of rationality and calm. There were an awful lot of questions that could not be answered. There was huge pressure to disclose the name of somebody to whom we had a duty of care and a duty of privacy, in addition to the family and the young man concerned in this maelstrom. On the one hand, I was seeking to establish the right of the board to oversee what was happening, but at the same time I was trying my best to make for a calm and rational discussion of the issue before we all got carried away in what could have been very wrong directions.

**Q3 The Chair:** Understood. Can I go back to the original complaint? Mr Davie, we had Ofcom before us last week and, as has already been acknowledged, they made clear that this is not a matter for them and that it is quite distinct from an editorial complaint where there might be a right of appeal to them. In light of that, can you update us on the current situation with the original complainants? Is the BBC still in contact with them, and do they understand the process that is being followed and what they can expect once it is completed?

**Tim Davie:** Inevitably, I can only go so far, because I want to protect privacy here. Let me just say that since the weekend that we have been discussing, we have been in touch with the complainant. Obviously, we want to be engaged, appropriately listening and understanding concerns.

**The Chair:** You are in contact with them.

**Tim Davie:** I have just confirmed that we have spoken.

**The Chair:** That is helpful to know. As part of the review that is being carried out on the protocols and procedures of handling this sort of thing, do you want to add anything more on the difference between handling this kind of complaint versus editorial complaints? Most of us are clear and confident about how editorial complaints get handled, but this is somewhat different.

**Tim Davie:** As you know, we sometimes get to hundreds of thousands of complaints about various scheduling issues. Tennis is the latest; we have had more complaints about tennis scheduling than any other item, certainly in the last few weeks. You have all that coming through. We can talk in more detail about the process—you are well-versed in it, Chair—and its various stages: stage 2 and then to Ofcom.

Complaints of this nature come in. They might be serious allegations. We have a lot coming into the BBC; we are a huge organisation. Different things, some of which are malicious, some of which may be small or potentially big issues—it is a difficult thing to judge—come into our Audience Services centre. If they have a concern that clearly needs to be looked at, it gets passed to our corporate investigations team. We have very experienced people with perfect experience levels for this. They look at what to do with the contact and the information they have in front of them and then decide how to treat it. Is it obviously a serious case? Are

there clearly allegations of criminality? They look at a number of factors to see how to deal with that matter. They will work through that and deal appropriately with how it goes through—whether it could lead to a fact finding and a disciplinary, go to the authorities or be dropped. Those are the kinds of things that we go through with that group.

**Q4 The Chair:** Following on from that, generally speaking, what can you tell us about how the BBC management holds the highest-profile and highest-paid presenters to account for their responsibility to uphold the BBC's reputation? I stress that I am speaking generally rather than about anybody specific.

**Tim Davie:** Of course. I have spoken publicly about this before. I think the history of this industry is such that we should all be concerned and appropriately diligent about the abuse of people in powerful positions. When you have presenters or people in power you need to ensure that you are very clear about your expectations culturally as well as the policy.

I think we have done really good work at the BBC, and I am proud of the work we have done over the last few years on having a clear code of conduct. We have had a very big push on our values as an organisation, and I think we have a good process. We could do more with it, but we have a good process that we introduced. If you have a concern at work, the normal route is to your line manager. You cannot always go there, because that might be where the problem is. So we have another route, which is our support-at-work line. You can ring up HR, which is not connected with your line management.

Critically, we have introduced our whistleblowing process. I am proud of it. It is working, but we have more to do to make sure that everyone has confidence in it. Most people are very confident about it, but we need to keep working on it. There are still gaps, which I think normal when you are deploying these things. It is external and confidential. I can talk about that process in more detail another time, but I am more than happy to do that now if the committee wants to get into that in more detail. That process has been introduced and is a route by which people can go all the way back and raise a concern with a non-executive director or even an external company. There is a safe place where they can go to raise concerns. We track that.

On transparency, there are not many organisations that would put that in their annual report. We do. We are more than happy to track it. Obviously, I cannot talk about the individual cases and everything going in there, but I think we have a good process.

**Dame Elan Closs Stephens:** Sir Nick Serota is a very distinguished man in his own right, but one reason for asking him to be involved with the investigation that is underway is that he is not only our senior independent director but the board member with responsibility for overseeing the whistleblowing arrangements.

**The Chair:** To be specific, is there something general about disrepute in the contract of high-profile presenters who have serious responsibilities

on their shoulders when it comes to the reputation of the BBC?

**Tim Davie:** Yes.

**The Chair:** Good. We may want to pick up on the governance framework more generally when we come to other questions. I will now draw a line under this part of the hearing and move to the main substance of the reason why we invited you here.

As I said at the start, this is a follow-up to the inquiry this committee conducted last year into BBC future funding and the report we published a year ago, exactly today as it happens. In some of the report's findings, it was important to be able to depoliticise the question about BBC future funding. That was one of the main aims: to get away from the position of "No licence fee, no BBC".

We were able to establish, as a cross-party and non-party Select Committee of Parliament, that future funding is a serious question for all sorts of reasons, including because of the pressures on the BBC, and that deciding how it should be funded into the future is becoming increasingly urgent. That is why it is good to see that the Government now seem to be moving on that, according to today's media report. We collectively concluded that the status quo was not an option. Therefore, even if it was decided that the licence fee should remain the way to fund the BBC into the future, that too would need to change. We looked at various models. As part of our report, we made some specific recommendations to the BBC, which is what we want to focus on in this session today. With that, we move to Baroness Harding.

**Q5 Baroness Harding of Winscombe:** As our Chair has just said, a year ago today we published our report entitled *Licence to Change*. In it, we argued that the BBC should use the debate on its future funding to embrace the challenges and opportunities and generate momentum towards that change and, in doing so, should set out a long-term vision and plan. Last October, Mr Davie, you were in front of us again and said that you were overseeing "a detailed strategy review of the BBC, which will take some time". It is now another nine months on. Can you update us on that work?

**Tim Davie:** Thank you. The question is utterly fair, and I realise there is a smidgen of frustration in the room about where we are on that. As a quick overview, it is important that we see the funding sitting underneath the bigger question about the BBC's role. I want to put this into the next charter. I do not think there is a problem with the mission and the purposes, but I think we need to clearly articulate what our role is as the world is changing so fast, and then get to questions of funding.

I am not positioning this as: we do all the strategic work and do no work on funding while that is going on. I will explain what I mean by that. We have already started work on the funding question, which Clare can take you through. We are also absolutely supportive of the Government doing work on our funding. We are encouraging that based on your very wise report, which said essentially that we need to look at options. It is not easy if you want to protect universality. The licence fee has a lot of

benefits, but, to echo what the Chair said, we want to look at the options. We have laid out a few principles on the funding side that we think are important from the BBC perspective and which we may want to get to in a minute.

Let me dial back up to the strategy, if I may. I apologise that this is taking a bit of time. We have had a change at the board level—if I can put it that way—and we have been doing quite a lot of work. We sense the urgency, but it is important for the committee to know that we have an outstanding day-to-day strategy which, if you look at the 2022-23 report, has delivered strong numbers for the BBC. Although there are challenges on the licence fee, our income is down only 1.6%. Competitively, the BBC has had a really good year. If you look at the annual report, it is drama, events, news coverage. So I do not think there is a burning crisis in the current working strategy.

Having said that, you will see in the next few months—I will say by year end, to be safe—that we really do want to come out with some work and some communication. In a world in which there is increased disinformation and 70% of the world does not have a free press—this is a serious global crisis—we have big decisions to make about the role of the BBC. To give you a little indication of the kinds of things we will be talking about, there is a real battle now for an organisation that has no agenda but finding the truth and reporting impartially. You know that I have decided to keep the BBC impartial. It has not been the easiest decision, but it is the right one. For all the noise around us—the last few weeks have been so noisy—we have made that decision. I think that will get more valuable, and we can use technology to help us with that.

The second area that makes us completely distinctive is home-grown talent. We develop talent. We are not just trying to get return on investment on our drama series; we are trying to get the right creative work and make a creative contribution. Critically, if you look at our numbers across the UK, we are now spread over more postcodes across the UK than we have ever been. Most of our successful dramas are anchored in place, like “Happy Valley”. We are doing great work and we are pushing more and more money outside. I think that will be part of our strategy for the future.

Lastly, in an algorithmic world you are getting more and more isolation echo chambers. We have a personal relationship of depth with the BBC—hopefully, all of you do—but we are unique in bringing people together via our funding rather than trying to just monetise and chase the market. We do not have to chase the market. I am trying to give you a sense of the territory that we will lay out in the next few months. I appreciate, and am very aware, that it has taken a little longer than we wanted it to, but I think we have really strong leadership with the board now and we are ready to go.

**Dame Elan Closs Stephens:** I will add a bit of colour to that and talk about where I see the strategic work taking place. It is very important to distinguish between the purposes of the BBC as enshrined in the charter and a reinvention of the model to meet the times. With your background,

Baroness Harding, I would like to talk through how I see that. I may be a touch historical here. The BBC has just celebrated 100 years. It has survived, because it has been able to reinvent itself for different ages every time there has been a technical challenge—from radio to television, from television to multi-channels, from multi-channels to iPlayer library, browsing on demand rather than linear. Now we are in a metaverse and AI situation, where people are so finely attuned to what is being thrown at them or how they are being drawn into different situations. It is time, once again, for us to look at the kind of iPlayer we offer. I think it should be far more sophisticated and far more part of this new age.

The challenge with our funding and our future is that we have to ride two horses. Unlike Netflix and the libraries and the streamers, we cannot leave people behind. It is a bit like the high street banks: you have to keep one branch open somewhere and have to have an online offer, because that is where the future is leading.

I would like to make clear that we are not reinventing the purpose of the BBC; we are trying to reinvent the offer. I have read Baroness Stowell's points to the VLV on left-behind people and people who may not be engaging with the BBC at the level we want them to be engaged at. One way to get there is not a top-down "We think you'll like this", but an offer that, through the algorithms, will make you come back for more. That is the sweeter way of doing it. But the principles must underpin all of that, because if we get drawn into a volume game, we are not the BBC that we are.

For me, the funding follows what you are trying to do. If you are trying to remain universal so that everybody has something from this, it follows that a funding model also has to bring us together in some ways rather than split us apart. Let us set out the function of the BBC, the way we see ourselves in the future, which we will be publicising and sharing with everybody, and then see what model and level of finance that requires.

**Baroness Harding of Winscombe:** Certainly you are preaching to the choir in this committee. In our report, we wanted to encourage you to set out what that plan should be to inform the funding discussions rather than the other way around. I am very encouraged to hear that. Can I take it from what you said that you will be publishing a strategy or a plan, whatever word we want to use, by Christmas?

**Tim Davie:** Yes.

**Baroness Harding of Winscombe:** Fantastic. May I ask one clarifying question? Then I think my colleague on the other side of the horseshoe will follow up on those points about universality. Mr Davie, it was probably last autumn at the Royal Television Society—I may have misremembered—when you talked about the BBC becoming a "digitally led public service media company". That is a subtly different role than the role of the BBC of 100 years ago, I would say, yet you have not used any of those words in the last five minutes. Can you join up the big vision speech that you gave nearly a year ago with what you have described, which sounds a bit more tactical?

**Tim Davie:** The speech was a broad plea that we do not look backwards as public service broadcasters. I say “broadcasters” in the plural, because I was looking at the market.

By the way, I enjoy it, but ensuring that we are bringing people along while also repurposing an organisation whose funding was cut, I am sorry to say, by 30% in the previous decade, and has now been cut by another £400 million, based on inflation, is such a difficult game. We have big questions. How do you do that on limited funding? I think we are pulling it off.

Forgive the language link not being there; it is utterly linked. We need to do more on this, because in the intervening months we have begun to see how technology is both a threat and a huge opportunity to digitally led organisation. We do not have to chase the market, as I said. We can choose to use AI and algorithms. Look at verification. Look at what we did on the Greek migrant boat story with new technology and fantastic R&D capability to understand what is going on in a story. That is a digitally led organisation, but it is working against its purposes.

In that speech I was trying to jolt us all and to say—I know I spooked people slightly on the digital switchover side—that, over time, people are moving to on-demand media habits. I think that 65 to 74 year-olds’ main source of local news is online. We are moving, and I wanted to make sure that the BBC is not confusing its purposes with the means of delivery. We have an organisation that was set up to fill broadcast slots. What we will set out in the autumn is absolutely linked to that. I take the point on the language. We just have to make sure that that bridge is clear.

**Q6 Lord Foster of Bath:** It is perfectly possible to consider funding models without having decided what the BBC is for, and in a sense our report did that. We said, basically, that a solely advertising-based model would not work and would not bring in enough money. We said that subscription was not really viable and would certainly lead to all sorts of access problems for people. However, our fundamental point, as has been said very clearly, is that if you are to make final decisions, you need to be absolutely clear not only about what the BBC is for but about how it will deliver that vision. You have been clear that you will work on that. I share a degree of disappointment that we are having to wait so long for it, but you have explained the other pressures that you are under.

My first, very quick question—I have some more detailed ones—is this. Given all these media stories that the Government will conduct their own review of funding models, do you think they should be advised to wait until after your report has been produced?

**Tim Davie:** Not necessarily, because this work will take some time. It is a bit like what you were saying about your report, and it relates to the Chair’s point about the overall purposes of the BBC. You may debate funding levels to a point, but you cannot break the funding mechanic from the editorial vision of an organisation. Advertising and subscription lead you in completely different directions.

We have set out five clear principles, which you may or may not have seen, for what, in our view, a funding mechanic, in any circumstances, has to deliver. First, does it deliver the mission of the BBC? We have a mission through our charter. Does it deliver that? Secondly, does it safeguard our impartiality and our independence? Some funding models do not do that.

Thirdly, does it provide a sustainable financial model? One thing most people should do is look at public service broadcasters outside the UK to see how precious what we have is and how fragile public service broadcasting and free media are around the world. With respect, we are in our bubble. There are major problems around the world for the free press and public service media. Does it provide a sustainable financial model? You cannot plan year to year while navigating the changes.

Fourthly, does it help the creative economy to grow? As a leader, I have always been very clear that I am not here to defend the BBC wholly as an organisation. That is not my sole job. My job is to grow the creative industries. I am fiercely passionate about this. The BBC has to be accretive to a commercial, thriving creative sector. If you talk to most of the commercial businesses in the sector, they see us as accretive to their businesses. Not everyone does—we have some fun and games with certain companies—but overall we should be celebrating a wonderful sector that has outstripped the market and put in jobs, and it is because we have a curious and wonderful blend of public intervention and private enterprise. To me, any solution has to do that.

Lastly, does it deliver fair value for audiences? My job is not to get the licence fee as high as possible; it is to make sure that we get support for it, that people want to pay it, and that they think it is great value. With respect, I think that construct will hold regardless of where we focus this institution, and I do not want to stop the work going on. I think you proved in your analysis that you could begin to fence out some of those arguments while we do our work.

To reinforce the point, the BBC has a good strategy on value for all and you can track us against it. We are delivering very well in our competitive performance on commercial. We have some threats, like every media player, but we are not on our knees. It is not simply because we have had a bit of chop that we have delayed doing this; we also want to get it right, take our time and set a proper course. It is very important.

**Q7 Lord Foster of Bath:** That is very helpful, thank you. I will pursue one of those points, which is fair value for audiences. Of course, the question is “Who is your audience?”—and is it universal and so on? You may well recall that when you last came before us we explored the whole issue of universality and what it meant. You admitted that you could probably go away and work on your answer. You have had over a year. What is your answer now?

**Tim Davie:** Thank you. I recall very well that particular voyage into the topic of universality and the semantic challenges it provided. We have

done some work, and our definition of “universality” is that the work you are doing passes three thresholds. It is not singular. Let me explain what I mean.

First, the work you create must be relevant to all audiences, not just the wealthy. There is a big thing here. Even before you start to measure what you are doing, what is your intent? Are you trying to bring people in or are you trying to monetise an audience? Part of universality is the editorial desire to be relevant to everybody.

Secondly, is it accessible? Can people get hold of your output? We must make sure that everyone can access the BBC. We do not want individuals to be cut off from the BBC and unable to get hold of it. Universal broadcast coverage is critical. It would be useful to have a conversation on digital access, because I am worried about that as we move through the next few years.

Thirdly, in our view it is not enough to make things for everyone and be accessible but not be used by or regularly engage our audiences, because that lets us off the hook and allows us not to deliver value. Our third test on universality is: are we regularly reaching and engaging everyone in the UK with our services? At the moment, seven out of 10 adults are using the BBC daily, nine out of 10 are using the BBC weekly, and 96% are using the BBC every month. I look at those numbers weekly with the board to assess how we are doing, because at the end of the day that is where the action is.

**Lord Foster of Bath:** Thank you. I would love to pursue that further, but I know other colleagues want to come in. I suspect Baroness Fraser might pursue your “relevant to everyone” claim, but that is for her later.

Q8

**Lord Griffiths of Burry Port:** I am aware that we catch you, unforeseeably for you or us, at a time when you are reeling with stuff that has been thrown at you and you have to cope as best you can, as well as facing the expectations of this committee, which has challenged you to embrace the future, to be on the front foot, to have a vision and to go for it. I want to commend what I have heard so far, which suggests to me that that is where you find yourselves.

**Tim Davie:** Thank you.

**Lord Griffiths of Burry Port:** I would simply like to hear the third voice. Clare Sumner has been mentioned in dispatches once, but would she like to add anything to what we have heard so far, from her point of view as director of policy?

**Clare Sumner:** Thank you. I would like to echo that, strategically, we are focusing on how we evolve the BBC. When you talk to European public service broadcasters, it is striking that the BBC is the only PSB that operates globally, nationally across the UK and locally. Therefore, we have quite a special place in the heart of the UK, but also, through the World Service and some of the great British context that we export, in the world itself. If I may say so, the eyes of the European Broadcasting Union and other PSBs are on us.

Our approach is obviously to look at the five tests that Tim set out. We are also going back to previous work that we have done on the over-75s, for example, looking at three main areas that reflect what we are talking about. There are several elements to fairness. One is value, which is at the core of the BBC strategy. The second, which this committee gave some very helpful insight on, is whether the licence fee is a regressive tax. Should we do more on progression? Are there things we should look at to support lower incomes?

At the moment, we support over 900,000 households with over-75s through a combination of being linked to pension credit, and designated care homes. There are precedents for these things. Interestingly, when you look at Germany and other countries, most operate a flat fee. They are not progressive unless they are linked to taxation or, in the case of Finland, as you know, a personal levy. I think we must set this debate in a UK cultural context. Another issue that we are looking at is the financial scale that Tim talked about. Some models, such as a universal levy, increase the number of households; other models change that picture.

Finally, how do we operationalise these things? How do we put independence at the heart of the BBC, and do it in a feasible way? With the over-75s implementation, it took us over two years to move around 4 million people from one system to another. We did that quite successfully. We moved nine out of 10 people over that period and that was during Covid, so it was quite a difficult period for the BBC.

The other key element of this debate will be the government review, which we welcome and will engage with. It is perfectly possible that as part of that process, or indeed on our own—you were challenging us to think about this—the BBC will need to put forward what it thinks and the assessments and work that we have done. I do not have a timetable for that today. You can see the structure and that probably the strategy will come first, but we are highly conscious that we have to do that.

The third and possibly most important element is the role of the public and our audiences. Consultations on the BBC have always attracted over 100,000 people. During the last charter review from the Government, I think the figure was 190,000. When the BBC consulted on over-75s, it was 190,000. People care deeply about these things. We will need the public to tell us what they think about the role of the BBC going forward and how it should be funded.

Ultimately, this decision will rest with government and parliamentarians. We are not saying, for example, that we do not think we should have a careful look. We heard Elan's history of how the BBC has changed; the licence fee too has evolved with technology, most recently in 2016 to ensure that iPlayer was part of what your licence fee paid for.

Nothing is in aspic and all options need to be on the table, including the current one as well as radical things. We are open for that and we are doing detailed work now. We are not in a position to share that, but, as I am sure you can appreciate, that is partly because we want to look at this from all the angles. Thank you for the opportunity.

**Lord Griffiths of Burry Port:** Well, as an over 75 year-old, I thought I needed to hear what you just said.

**Dame Elan Closs Stephens:** All of us, together, have to get this right. That is a platitude, but let me stay with it for a moment. We will be projecting a form of the BBC and a funding model for 10 years from April 2028. In view of the acceleration of change in our whole world—in fact, I would almost say that a new industrial revolution is upon us—we need to be as openminded, intelligent and ambitious as we can be to put something in place in 2028 that will be flexible, open-ended and interesting enough to take us through massive change, such as perhaps we have not seen in our lifetimes. Being my age, I have seen enormous change, but I think this one is of a different order.

We have to get it right. I welcome everything that you have done. You have set out options for the public. I am glad that the Government will have a look again. I hope that the public and the various pressure groups will take an interest. I hope that together we can come to a conclusion about what we want and how we will pay for it.

Q9

**Lord Young of Norwood Green:** My question relates to the statistics that Mr Davie gave us. You did not break them down into age demographics. As you know, the younger generation is key. I am sure you have those stats, and I am interested to hear them.

**Tim Davie:** Thank you for the question. The stat that I gave you was 90% of all adults. We bob around at 80% or 85%. That number is not massively lower among 16 to 34 year-olds and young people in overall reach once a week or once a month to the BBC, because they will come in for Eurovision or a tennis match. The challenge for us, in management speak, is habitual usage: how many times are they coming in per week and for how many hours?

We are definitely hitting them. We have the biggest revision service in the UK, Bitesize, which has had a very good few months. We are having an impact on them. The question is: are they locked into habitual usage? I am hopeful that many of you around the committee room will have your habitual usage, something like the “Today” programme or whatever your pleasure is—Radio 3, if you are that way inclined. That is what locks in value for the licence fee. Being direct with you, the biggest challenge is making sure that habitual usage is locked in. Over time, we may have slightly less time, because that is inevitable when there is infinite choice, but I think the BBC’s importance will be as high as ever to knowing where the truth is, to understanding what the community is doing as a whole and to getting your local news. I am optimistic that so-called young people want that as well.

One of the biggest challenges, which we need to be clear about, is: how do we get the capital and the right funding? We are defying gravity at the moment with the outstanding work of people delivering the iPlayer. We are in the game with massive US companies, with huge battles for engineering and coding talent. I am paying significant discounts, which is sensitive even in itself. We may cover that later in the committee. How

do we ensure that we are competitive in digital product development and so on, so that we can push into that system the wonders that we do? We have done a pretty good job, but the jeopardy is quite high. That also relates to the strategy and what we need to do to make sure that products like iPlayer are still in the game in 10 years' time.

**The Chair:** We will move on to some of the more contemporary decisions and challenges that you face.

**Q10 The Lord Bishop of Leeds:** There has been some interesting use of language. We have heard about the new industrial revolution. The thing about revolutions is that they are a process rather than an event, which means that not everybody moves at the same pace. We have heard about fair value for audiences, without specifically saying which audiences get the most fair value. One of the questions that the BBC is facing, with funding challenges and choices such as Digital First, which make perfect sense, is: what about the linear audiences that are not moving at the same pace? Does fair value simply mean that we tick a box for the Luddites—we have to keep them onside somehow—rather than them seeing substantial value in the broadcasting that you do?

Secondly—touching on local radio, which we may follow up on—you have talked about universality, but one of the things we discovered during Covid was the importance of the local. There might be a tension here between the direction of travel in respect of your policy or strategy and what is happening in wider society on community. Ms Sumner and Mr Davie, could you respond to that?

**Clare Sumner:** To your first point, it is absolutely fair value for all audiences. That is part of the way you have to look at universality. In effect, relevance will come to give something to everybody, but not necessarily meaning that you have to give it all to the same people.

The other important thing about fair value is, of course, the price point of the licence fee compared to some of our competitors', ensuring that it is competitive and that people feel they are getting great value. From time to time we do deprivation studies, where we take the BBC away from people who do not love us and who say that they do not use us. It is notable that they miss quite a lot of the BBC and they want it back again. When you say that it is 44p a day currently, they say, "Blimey, we didn't realise that great value for the BBC is what we're getting".

**Tim Davie:** Elan, you wanted to say something, and I might, too. These are really good questions. They are at the heart of the debate about our choices.

**Dame Elan Closs Stephens:** Thank you. You have described beautifully the tensions that will always exist in a universal broadcaster. These are the sorts of debates that the board has to have. Of course, we are a unitary board, so we have executive and non-executive members, and we are all engrossed with the balance between what it is to be a global and a world-class broadcaster, selling some of its IP abroad very successfully, and the local and the particular.

Let me answer the first part of your question. When I talked about universality and our new vision, I made an analogy with the banks. We have to ride two horses. We cannot leave behind people who are digitally deprived. I come from Wales, and there are patches of Wales that still have almost dial-up accessibility. That is a terrible thing to say in this digital age. That was amplified during Covid as well: the haves and the have-nots, the people who could access education at home and those who could not. Because we are paid for on a universal basis, we have a universal obligation. However, the gradual shift of resources over time has to be very carefully managed. As you say, it is part of a tension that will not be resolved. This will carry on.

You are absolutely right that Covid emphasised for us our localness and the care we had for each other, but it also emphasised the ultra-national, the umbrella. The then Prime Minister's address to the nation brought in 15 million people, if I remember rightly, on the night when he told us all to stay at home. There is also a much bigger picture than the local. Then there are the nations. During Covid, for example, we were delivering the curriculum through Bitesize to Scotland, Wales, England and Northern Ireland, which all have different school curricula and different emphases. We were doing it for all of them.

Again, it is not just the tension between local and global; it is local, national and regional. It is ultimately the responsibility of the governance of the system to weigh all those things in balance and to satisfy our licence fee payers that we are being fair.

**The Lord Bishop of Leeds:** I am getting at the ease with which people assume a way of seeing the world, which can change very radically. For example, 10 years ago people were saying that we now live in networks, not localities, that everything is online and all of that. Then you discover that we do, because we are physical people.

Mr Davie, the last time you came—I was not here—you referred to the semantic challenges that you had. Is universality, or universalism, a bit of a weasel word—a bit like inclusion, which is a word I never use because it simply includes the people who agree with my definition of inclusion, which is automatically, by definition, exclusive? Is universality or universalism a good aspiration that hides the need for discrimination?

**The Chair:** We will move to some specifics, because we are getting very esoteric.

**The Lord Bishop of Leeds:** Well, it underlies the language.

**Tim Davie:** I think it is the right aspiration, so I do not think it is a weasel word. The issue is that it is fiendishly complex. Your summary is absolutely how we, as guardians of the BBC during our tenure, are trying to get the balance right between delivering and making sure that everyone is served. I want to super-serve people. Sometimes, by the way, people outside the BBC, who may not be that friendly, ascribe all kinds of words to us, such as commercialisation and we do not want the old. Forgive me, it is nonsense. We want to make sure that we are delivering value across the people who pay for it.

I am not looking for sympathy, but it is fiendishly complicated. There is the whole notion in the corporate world of the return on an investment of £3.7 billion. In a commercial operation—this is why the funding model is so important—the return on investment is very straightforward. It is profitability, and everything else follows from that. I have run commercial businesses and, believe me, there are other challenges, but that bit is quite easy. This is a multi-variable game, and when we talk about local and other things we have a complex set of filters. They are not impossible to manage. It is about the best way to spend that money that results in usage. This is really important, because the last thing on universal is: is it being used? We do not want to do all the right things, but they are not watched or used.

I know that sounds obvious, but I talk to people, and we know that the licence fee—guess what—is supported by people who use the BBC. This is important, because we are not just a market failure organisation. So we need to be relevant. We need to make sure that we are in the channels of distribution that people are at. That means the traditional linear channels, but, also, if people want their news online, we need to be there. This puts an enormous strain on our finances as we transform and make sure that we do not leave anyone behind. We are trying not just to chase ratings but to triangulate public service with maximum impact, like where you spend your money. That means that we make some choices.

We talk about local, and our intent is to keep the high standards of public service broadcasting and never leave people behind, but sometimes we need to make adjustments to the thickness of the provision in one distribution. That is the game, and that is what we are trying to do.

**Q11** **Baroness Healy of Primrose Hill:** We understand the financial constraints, but how do you respond to the concerns that the restructuring of local radio will lead to worse services for audiences? The criticism particularly emphasises the lack of consultation and the impact on black and Asian audiences, local communities, and local radio staff. There is a whole gamut of criticisms, and I would like to give you a chance to address them.

**The Chair:** To pick up on where we were going before Lord Bishop's question and this one, my desire for a bit more specificity was because we know that Ofcom has criticised the BBC for a lack of clarity in some of its decisions and the impact that has on certainty for audiences.

**Tim Davie:** Understood. First, local is an utterly essential part of the BBC's offer and will probably become more important, if you look at what holds democracies together. To your point, by the way, do not start me on that or I will get the esoteric warning—justifiably—but if you look at what we should be backing, it should be local connections, local news, all the things we deliver. We have made a choice, and even though our budget is under enormous pressure, we will keep investment in local. That is the first thing.

We think, however, that you need to move a minority of that money from linear to online. In most places, I love local radio. I think it does an outstanding job, and the connection is fantastic. We have brilliant people in local radio. If you go to a city or to a street in the UK, you will find that about 15% on average will listen to local radio and the connection with them is outstanding, but I worry that we need to make sure not just that local news is tracked in linear radio but that we have the right current affairs capability. I think our online offer needed to be upweighted.

We are making choices and we cannot do it all, which is why it is painful. If I had more money, I would not have to make these choices. The choices we have made are in the afternoon. Some 70% of listening and the things we are protecting, like sport, are in the morning. In the afternoon, we are moving to 20, not 39, programmes. That is not ideal, and it is incredibly painful. I understand that if you are one of the people who listen to those shows it is difficult, but it is right in a media organisation to move money across from linear services to make sure that we are not missing anyone out. Most audiences over 55 are now getting their news from online. I know that the companionship of local radio is precious. I would love to keep all the services, but I cannot, in my tenure, say at the end of a few years, "We didn't keep local relevant". It is really tough. The radio organisation is significant, and I care about it, but it is the right decision.

**Baroness Healy of Primrose Hill:** Thank you. Dame Elan, would you like to add to that? You said that there must be at least one bank left on the local high street. Is there a danger that older people in particular miss out if everything begins to go online? I know the morning programmes are preserved.

**Dame Elan Closs Stephens:** We were concerned that the time from the early morning, the drive programmes and the precious time of 10, 11 and 12 up to lunchtime is the crux of local radio listening and the way in which you inform yourself about your community. Even with the reduction, 20 different programmes in the afternoon is more than anybody else offers, and we are the only people providing long-term, constant speech radio, which is differentiated for all localities.

I understand that to do the online offer we have to take money from the afternoon and the late evening. I appreciate that there may be people who feel a sense of loss there, but we also have to make certain that our other audiences believe that the BBC is a worthwhile institution for their knowledge of their own community. Quite often, the afternoon or night-time programmes might not be as factual about your community.

**The Chair:** Dame Elan, could you give some sense of how the board takes account of the market impact of these kinds of decisions? We hear concerns from commercial organisations about the impact on them in some of these areas. Again, this goes back to the difference in the governance framework that you are now operating in.

**Dame Elan Closs Stephens:** It is very difficult, because at the moment you are saying, quite rightly, "Please do more local", and local

newspapers are saying, "You're lessening our revenues, because we're listening to BBC radio". You will know what the BBC is like with data and paper and the amount of facts and tables that come to any board. Looking at this Thursday's board, there is something like 180 pages. Please be assured that we, as a board, evaluate the figures that are put before us, and we have to make these very difficult decisions.

- Q12 **Lord Young of Norwood Green:** Mr Davie, given the budget pressures and the extent to which such choices are made about cost savings versus audiences, I want to focus on one aspect. You pay some very large salaries. I could mention a number, but I will mention one because it is significant. You pay something like £1.3 million to Gary Lineker. However good he is, he is not the asset. The asset is "Match of the Day". I could sell "Match of the Day" anywhere, and so could anyone else in this room. People think they are indispensable. I remember Des Lynam saying the same thing. Jeremy Clarkson thought he was indispensable. "Top Gear" goes on. They are not. I have heard before that it is going rates. I remember when the director-general was paid £100,000 a year. I thought it was ridiculously appalling. I think you are very lucky. You have one of the best jobs in the world, full stop.

**Tim Davie:** Agreed.

**Lord Young of Norwood Green:** We have managed to secure you at £400,000. I am not arguing about whether that is the figure or not.

**Tim Davie:** You have just given me a pay cut, but that is fine. It is £400,000-plus.

**Lord Young of Norwood Green:** You could run "Match of the Day" with some really good presenters. You have them now; you have women and others. I can make an even more startling suggestion. Get a young person. Interview a few. Get them to make a contribution on "Match of the Day". There are other examples, but when you are being scrutinised very carefully and you have talked about the size of the budget cuts, it is time you had a long, hard look at paying such extraordinary rates when there is still plenty of talent out there who would do it at a much lower cost. My question is: can you justify it, and is it a long-term policy?

**Tim Davie:** I think we have done a good job overall of taking on the talent pay gap and putting pressure on talent and senior pay. I do not agree that anyone around the table can do this. We could give it a go. A broadcaster who has played for England, got the experience and done the thing is of immense value to us. Let us just set this in context for a minute. I understand and respect the PR challenges with it, but it is really important. We have 24,000 individuals who come on air and contribute on the BBC. Only 68 are paid more than £178,000. If we said that no one gets paid more than £150,000, that would save the BBC—

**Lord Young of Norwood Green:** I am not suggesting that.

**Tim Davie:** Okay, but let us do that. It saves us £5 million or £6 million on a budget of £3.7 billion. I understand the communication issues, but in actual hard savings, if we took it down it is not a hugely material

chunk of money in the overall BBC budget. You could use it in other areas. I am sure there will be people thinking, "I could definitely use that money", and I respect that, but the individuals who represent 0.3% or 0.4% deliver about 40% of our viewing and listening. They are where the action is for most people's relationship with the BBC. We can debate that other people could present these shows, but I believe that some of these individuals do a difficult job extremely well.

Having said that—I sound like I am just saying, "No, no, no, and here's my argument"—we continually look for opportunities, and our lead presenter of "Match of the Day" has taken his salary down. We are looking at how we continually offer increased value for money and take those opportunities. There is no doubt, however, that the market—it may change a bit now, because it goes in and out in different situations—is pretty hot for talent who carry an audience. That is worth investing in at a very limited level.

**Dame Elan Closs Stephens:** I spent years in a university in the theatre, film and television department, which brought out many quite major talents. I want to add to what the director-general has just said by saying that our people make it look easy. I will just leave it at that.

**The Chair:** I am sure that will not satisfy Lord Young.

**Lord Young of Norwood Green:** No, it is a debate.

**Tim Davie:** We might be able to arrange a screen test at some point.

**Lord Young of Norwood Green:** I am getting past it, I think.

**Q13 Baroness Fraser of Craigmaddie:** I had better start by declaring an interest, because I am on the board of Creative Scotland, which includes Screen Scotland. I also run a Scottish charity, Cerebral Palsy Scotland, so it will not surprise you that my favourite bit of the BBC charter is that you have to "reflect, represent and serve the diverse communities of all the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom".

This committee reported last year that "Previous data from Ofcom suggest that audiences with disabilities, those in Scotland and those from lower socio-economic backgrounds typically express lower satisfaction with the BBC". I am grateful to Lord Foster for sending me the figures that were provided at the time. The percentage of the audience group that thinks that the BBC informs, educates and entertains is relatively high, but the percentage of each audience group that thinks that the BBC is effective at reflecting people like them goes down to 50%.

You recognised at the time of our report that you needed to do more. You have spoken about some audiences—Ms Sumner talked about the over-75s—but what have you done since we published our report, and what more is there left to do? I like your commitment, Mr Davie, to homegrown talent and growing the creative industries. How does that sit with the lift and shift that we sometimes see in Scotland about moving production in Scotland and not of Scotland?

**Tim Davie:** Shall we take the relocation of people and how that works at the end? There are a number of strands to that, and Clare might want to talk about it.

I am thrilled by our performance over the last two years in pushing more money, power and production outside London, and Scotland has benefited from that as well. I will ask Clare to give you a sense of the scale of movements.

You have another question, which is the work that we are doing. Clare is the executive sponsor in accessibility, making sure that people with disability get maximum value from the BBC. You can tangle them up, and it is fair to tangle them, but there is a whole question there about our accessibility, and we take that extremely. We are talking to charities. We are doing enormous amounts of work. In the Coronation we offered different streams, very successfully, but we have work to do. At the top level, by the way, the number for the BBC is an incredibly important one that we track at board level, and we look at across communities and geographies. We are seeing some good movement in places as we move the output.

**Clare Sumner:** The Across the UK programme that we launched has been successful on two key angles. One is representation and portrayal. We know that audiences want to see themselves reflected in our content, and we are ahead of schedule on that. We said that by 2024 we would have more than 100 drama and comedy titles commissioned outside London and that really portray the UK. Seventy have been transmitted, and 29 of those are from the devolved nations. Some of the most watched are "Happy Valley", "Sherwood", "Vigil" from Scotland, "Keeping Faith" from Wales, and "Blue Lights" from Northern Ireland. These programmes have been incredibly successful. They have also been watched quite a lot, and brought in C to D audiences, which I know has been a concern of this committee. They have had the connection with community and the audiences that we talked about earlier.

Another thing that we have been doing, which you have perhaps been noticing in the background, is making sure that our news programmes and reporters come from across the UK. One thing that we have invested in and made a local choice in is investigative journalism, because that is an area where we need to go deeper, and our communities want to find out more about what is happening in their areas.

Part of the Across the UK programme—and you have touched on this—is that it becomes an economic engine room. The licence fee, fundamentally, and our principle 4 about the creative sector, is a huge stimulant. For every £1 of economic investment from the BBC, there is a £2.64 GVA. We hope that the Across the UK programme will have generated around £850 million as a GVA number, and supporting 50,000 jobs across the UK, as the BBC does, is critical.

What is brilliant about this programme is that you get the key connection on representation and portrayal, which, rightly, makes the BBC special. This is what British audiences want. Ofcom talks about seven out of 10 audiences wanting great British content that reflects themselves and

their lives. We have brilliant creatives, and we are bringing in more talent from different backgrounds, including disabled writers, so that we can have authentic storytelling in what we do. Of course, there is always more to do, and I would say that as disability champion, but we are looking at these areas and investing in them, which is important.

**Tim Davie:** I will pick up the lift and shift, because it is fair. I am open about the fact that there is some concern. You relocate somewhere and people go back and forth on the train. What kind of transfer is that? I may be trumpeting one big production in Scotland, but if it is a six-part production, to be honest with you that might mean people coming in. I spend a lot of time with the various creative bodies—you are linked to one of the main ones—talking about this topic. It is not just about the BBC. We have to be a catalyst. We know what happened in Salford: do not start me on creative clusters and what that takes.

The good news is that, because we are pushing the money out, we are beginning to see a bit of scale. In Scotland, you have “Vigil”, “Shetland”, “Control Room”, “Guilt”, so you begin to say, “Okay, we have quite a few”. That is the BBC doing four. Imagine if someone else does a few, and then we begin to get a material change in the number of projects based in Scotland, alongside continuing drama like “River City”. You can begin to see how that works, and I am just talking one genre.

On relocation, which is really important, I am proud of the fact that to be a network editor for BBC News now you do not have to be in London. Zoe Kleinman has relocated. There is no commuting going on. That is a team now. Initially, you may choose an editor who has expertise and you bring them in from elsewhere, but the long-term gain is amazing, because you can get talent and build the news hub doing network work alongside the BBC Scotland newsroom, and suddenly there are career opportunities and you do not have to go to London to work on network. That change is fundamental. This is what we did in Salford; we put real commissioning power outside the M25. I am really committed to that. It is different from shifting one programme or one presenter moving.

**Baroness Fraser of Cragmaddie:** That is great to hear, but I argue that 20 years ago you could have done that too, potentially. Take Scotland and BBC Alba. Its audiences are dropping, it is on the front page of the newspapers, but it has very little of its own content-generated drama.

**Tim Davie:** In our language network, okay.

**Baroness Fraser of Cragmaddie:** When we are talking about value for money, there is a difficulty here about where the content is being created from.

**Tim Davie:** We are evolving where that commissioning can come from. There is a degree of wheelspin that we cannot afford based on our limited finances. You have a whole hub of activity. This is not about truly local programming, but I would love drama created for BBC Scotland that has the ability to travel. I have to get more of my output earning its keep on two layers, which is that it is great drama for the UK, but it is

seriously brilliant that it is commissioned and comes from Scotland. We are working on that, and that is what is coming through. That is where it really zings and you do not have wheelspin. You can end up, bluntly, with a lot of small projects, and we have to get the cut-through. We make only 30 to 40 dramas a year. The other guys must be making 10 times that. The good news is that in drama we are bigger than the rest of them, but we have to do that by getting the right slots and the right commissions.

**Q14 Lord Lipsey:** I will go, if I may, to Gary Lineker—not his pay, which on the back of envelope I made out as a fraction of a farthing for each viewer he entertains each time he appears, but his public comments of the weekend before last. I am interested in how you are solving this rather difficult problem. Anybody who appears on television wants to be famous and treated a certain way, and this, that and the other. On the other hand, even when they are doing something privately, we know them from our television set and they have to be restrained in certain ways. How are you getting on with your review of what those people should say?

**Tim Davie:** John Hardie has done work on the social media review, navigating and trying to understand, because no one wants to restrict people unnecessarily. I have one simple objective, which is that the BBC is understood by people to be duly impartial. We have different standards for the newsroom and for general staff. We have a group of people who are the high-profile freelance community. There are not that many of them, and I will not repeat what you said.

We are trying to articulate that and to make sure that there is a reasonable framework where people can properly express views but are not compromising the position of the BBC on due impartiality. It is how we facilitate free speech. You do not know how Chris Mason votes. I do not know. That is how we facilitate free speech: by him not offering a view. There is an issue when people are high-profile in the BBC and are not in news. Is there any restriction on how that works? We are pretty close to coming up with how we navigate that tightrope.

**Lord Lipsey:** In a way, there is a similarity with Huw Edwards, because they are both doing things that, although they perhaps did not intend to, harm the organisation for which they are working. Will you promise to publish your findings and instructions on that?

**Tim Davie:** We will do it on social media. Part of what we need to do is have a public social media policy. I would be careful about equating any cases between individuals. This is very much about the social media review. We will publish something, I hope not too far away.

**The Chair:** I think it is fair not to seek to compare those two very different cases.

**Tim Davie:** Thank you.

**The Chair:** One thing I will push back on is that it is interesting that you define the Gary Lineker incidents as freedom of speech incidents. For a

lot of people, that is an accountability question.

**Tim Davie:** If I did, I did not mean to. What I said was that freedom of speech questions resulted from the incident. I was talking about the concept of freedom of speech. I was not referring to a freedom of speech incident.

**Dame Elan Closs Stephens:** It goes back to what the Lord Bishop was saying. For boards, for Tim, these are difficult balancing acts, and decisions have to be reached on a fair balance.

**Tim Davie:** We will come back with a recommendation. This will also evolve. The world of social media is not easy.

**The Chair:** It is also about reflecting your priority of ensuring that the BBC's impartiality is not changed.

**Tim Davie:** Of course, but I want to make the point that it is also about what really affects due impartiality. There is so much noise, and people get offended by everything nowadays. We understand where the real impact is to the BBC's impartiality. This is not just about proving to ourselves that we can do this, that and the other. It is about genuinely protecting something incredibly precious, which is the due impartiality of what we do. I like to act calmly and find my way through it. It has not been easy when we have talented people and are thinking our way through it. I hope we can find a way to triangulate the various objectives, but it is not easy. It will probably evolve over time, and this is an area that we will keep coming back to, hopefully.

**The Chair:** I think it is also about reflecting on whether audience groups feel that their perspectives are properly understood and respected and that they may not distinguish between a news presenter and a very high-profile presenter associated with the BBC expressing their views.

**Tim Davie:** Exactly right.

**The Chair:** It comes back to corporate accountability, which is incredible. As I said right at the beginning, accountability and independence are not just a question for times of crisis but an essential ingredient for the future of the BBC.

**Tim Davie:** I agree with every word of that. This is not a situation in which you can say that, as an institution, we absolve ourselves of the responsibility to understand what the right framework is for this. That is important. Something that I know you are passionate about and which we talk about all the time at the BBC is institutions that do not really listen to people and understand. The BBC has some strength in this because of our local operations. My impartiality drive, which I have been very public about, is less about purely left and right. It is often about just understanding people's perspectives across all kinds of social issues, where if you do not dig deep enough and understand different points of view you will be found out. The BBC has a responsibility to do that.

By the way, we are really pushing on that. We are the only organisation in the UK to have set a socioeconomic diversity target for our employees, because we have to have people with different views. We are at 21.1%,

and we set 25%. These people are from low socioeconomic groups. The measure is parental income at 14. You could choose a number of measures. It is very important.

**The Chair:** Do not get me going on definitions of working class associated with parents.

**Tim Davie:** I am more than happy with any help on that one.

Q15 **The Chair:** I have one other brief question that has not been covered, and I seek a brief answer. It is about the merger of World News and the News channel and the criticism that has attracted from many audiences. Do you have anything to say to assure people that that is acknowledged, and how that might be evolving?

**Tim Davie:** When you say criticisms from many audiences, I need to understand what that means.

**The Chair:** It has led to some people expressing concerns about whether it meets the needs of people from a rolling news point.

**Tim Davie:** I understand. I say that, because I think we need to be led by the audience data and what we are getting back from audiences. The News team will be very responsive to that. They will always say, "Is that working? Is that not working?" Overall, I am happy with the merger, but, like any editorial offer, it will keep evolving. We will keep looking at audience research, and we need to make sure that we have the right balances. That remains work in progress and will be ever thus, I think.

**The Chair:** All right. I am very grateful. We have covered an awful lot of ground, some of it very high-minded, which I would always expect from my colleagues here. I re-emphasise what we recommended in our report last year, which is that although questions about future funding are very important and are becoming increasingly urgent, we really want to see the BBC take the lead in the debate about future funding based on a clear articulation of your strategic vision for the future. You have set out the work that you have been doing on that, and we very much look forward to hearing the fruits of this before the end of the year.

In the meantime, we are very grateful to all three of you for giving up your time. I am particularly pleased to see Dame Elan here as the interim chair. I urge you as interim chair to ensure that, even if it is an interim position, your visibility in upholding the independence of the BBC and giving people confidence in the way the board is holding the director-general and his team to account is incredibly important, and we are very grateful to you for playing a part.

**Dame Elan Closs Stephens:** You can trust me on that.

**The Chair:** Very good. Thank you very much.