HOUSE OF COMMONS

Digital, Culture, Media and Sport Committee

Oral evidence: The Work of the BBC, HC 99

Thursday 12 March 2020

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Watch the meeting

Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Jo Stevens; and Giles Watling.

Questions 1-131

Witnesses

I: Lord Hall of Birkenhead, Director-General, BBC; Sir David Clementi, Chairman, BBC; and Clare Sumner CBE, Director, Policy, BBC.

HOUSE OF COMMONS

Examination of witnesses

Witnesses: Lord Hall, Sir David Clementi and Clare Sumner.

Q1 **Chair:** Thank you for coming in today. It is much appreciated. This is our first hearing of the Select Committee in this Parliament.

You have probably seen media reports about the BBC's plans for resilience in the face of COVID-19. Will you outline for the Committee your precise plans should one of your major broadcast hubs become impacted?

Lord Hall: We are dividing our response into two: what we do in broadcast terms, and what we do to make sure that we can carry on delivering the services that people would need if, or when, things get worse.

On our broadcast response, our aim has been to deliver as much useful public information as we can. If you listened to the "Today" programme this morning, you would have heard us answering listeners' questions; that theme will run right over "Today". We have set up a coronavirus podcast for people to come back to, again, to listen to the best information that we can have at the time. We did a special on BBC1 last week, and we did a Radio 4 special on Monday, I think. We will keep up that sort of broadcasting over this period.

Already—about two days ago—we had had 52 million unique users online coming to the BBC for information about coronavirus. If you look at our website, quite apart from the top news stories we also have a very big slab on what to do, the best information we can have, how to wash hands and so on—a lot on public information. It is one of those occasions, rather like the floods, when you see people coming to the BBC and our news services for the best information we can get.

No. 1 is keeping that information there, to seek as many answers as we can to keep the public informed. That is one part of it. We are spending a lot of time within the organisation talking about how we can best do that, and whether there are things we can learn and do better and so on.

The second is our resilience. I am chairing a group; Bob Shennan, the managing director, is chairing a daily group. We are putting out information to the staff. This morning's work has been about guests coming into the building and checking that we know the history of guests, where they have been and so on.

We are also looking at our resilience for if a service were to be hit for a while: what we would do and how we could best manage that. I am chairing another session this afternoon, or whenever we have had the latest from Cobra, but in the end we have to make sure that at the core,

our news services keep transmitting on television and on radio. We are making sure that we have got every eventuality in that covered.

Q2 **Chair:** Is there any way in which the public will notice anything changing or anything different in terms of these resilience plans, based on their experience with broadcasting?

Lord Hall: You have to—and we are—gaming out what happens if X% of the staff were off sick, or what happens if there were a case in one of our stations or newsrooms: what we would do and how we would cope with that. Those are things that we are looking at right across the piece.

Q3 **Chair:** Could there be paring back of services, then?

Lord Hall: There could be. I hope there will not be, but you could imagine a local station or some other part of our network of news operations being out of action for a period. We are working through how we could cope with that so that—going back to what is obviously prompting your concerns—we can keep broadcasting the information that the public need.

Q4 **Chair:** So what you are suggesting there, effectively, is that you will have a core news network that you are focusing on, but potentially other parts of the news network could go dark.

Lord Hall: At the moment, we are intent on keeping absolutely everything open and all our networks going, because we know that globally, nationally and locally people turn to us for information, as they did during the floods. What we are doing is to make sure we can keep going if a service were, for some reason, compromised because there was illness in a team or whatever. We are not planning on anything other than keeping everything going at the moment, but we need to plot just in case something happens.

Q5 **Chair:** So effectively, there is potential there for a partial shutdown if there were substantial numbers off sick at the BBC.

Lord Hall: I go back to our primary purpose, which is to keep our services going. If we were hit to a very high degree by sickness, then our priority is to make sure we have a service that people can turn to, and that that service keeps going.

Q6 **Chair:** Thank you. The Secretary of State, Oliver Dowden, has stated that the BBC lacks "genuine diversity of thought and experience". Do you agree with Mr Dowden—yes or no?

Lord Hall: Yes or no? I talked to our management teams about diversity of thought a few months before the Secretary of State made that speech, because I think diversity of thought is a very good way of looking at how organisations should be. I have grown up as a programme maker, so I believe in teams, and I think diversity of thought within teams is really important. That means not just diversity in our organisation—BAME diversity, disability diversity or male-female diversity—but diversity of background, which is very important. He is on to an issue that I think is really important for our organisation.

Q7 **Chair:** So the answer is yes.

Lord Hall: I believe it is an important issue for our organisation. I am not saying we are not diverse of thought, but it is an absolute principle that we should stand by.

Q8 **Chair:** Why do you think Mr Dowden has said this?

Lord Hall: I do not know; you must ask him. I suspect—well, let me tell you what I believe, because quite clearly I cannot answer for him. Diversity of thought is important because at the core, if you are to have an organisation that is going to function well, it is going to find ideas—it could be in drama, in news, or whatever—wherever they might come from, and you never know where good ideas are going to come from. Because you never know where good ideas are going to come from, you need diverse teams, and that also means teams that think differently.

In my time at the BBC, I have put a big emphasis on not just diversity more broadly, but social diversity. The fact that we now publish stats showing our social diversity is good. It matters that we have people not just from the south-east but from all round the UK, from all sorts of backgrounds. That makes for better programmes and for better ideas. The fact that our apprentice level has gone from about zero when I arrived to roughly over 2% of our workforce now—a lot of those are diverse people in all senses—is a good thing for the organisation.

Q9 **Chair:** So he does not think you are just too woke as an organisation? That is not his view—he is not saying he thinks you are too woke and not reflecting widely enough the culture and thought diversity of the country.

Lord Hall: Look, you can never reflect totally every single strand of opinion in a country, but we should be aiming to do exactly that. My belief is that the make-up of the BBC should reflect the different strands of opinion and demographics make-up of the population of the UK. That is what I have been aiming for.

Q10 **Chair:** So you reject the charge that you are too woke—basically this is what he is suggesting.

Lord Hall: I believe that we should be diverse in all that it means. That means social diversity as well as diversity by where you come from, diversity in BAME and so on. I do not know whether that is woke or not, to be honest with you. That is what I think a good organisation should be. I go back: you get better ideas for programmes—news programmes and so on—by reflecting the diversity of the UK, and I think that is exciting. Equality of expression and people's ability to say what they want to say is also important in that.

Q11 **Chair:** In your resignation email, you stated that you believe the BBC is a better place than when you took charge. That may have been the case 18 months ago, but that statement appears now to me to be palpably untrue. You are in a fight effectively to the death with certain elements within No. 10, you are sacking journalists and you face a huge public relations iceberg in June about the over-75s licence fee—as is the

Government. That deal was your responsibility. Do you feel regret in any way or any personal responsibility for the state of the BBC right now, which is not, as you put, in a better place?

Lord Hall: Look, I take responsibility for the state of the BBC—of course I do: I am the chief executive and Director-General, so I have got to do that. But what was in my mind when I wrote that is that, creatively, the organisation is on fire, producing dramas and natural history programmes that are actually changing the world, and science and comedy programmes on radio and television. We are winning awards all around the world. Creatively, I think we are doing a fantastic job.

If you look at our news services, we are the most trusted news provider in the UK. Globally, we are now used each week by around 430 million people, which is bigger than Twitter or Netflix. We have set up BBC Studios, which is winning awards for its programmes. That is a radical change in the way the BBC does its business: we are doing programmes for all sorts of different outlets, which is a big, big change.

We have iPlayer running at a year as opposed to a month, and the figures for iPlayer are going up. We have set up Sounds for radio. We are doing partnerships, with the local democracy reporting service and Make it Digital, which is getting kinds out there coding.

Out of London, Birmingham was half full when I arrived and it is now full. We have got a new building in Wales. We have got a BBC Scotland channel. There is a huge—

Q12 **Chair:** Just to correct you there, it is half full in the HR department, and the average person in the west midlands gets a £12.15 return for their licence fee in BBC investment.

Lord Hall: But that was a building that was half empty and it is now buzzing.

Chair: It's not Pebble Mill, is it?

Lord Hall: It has got "The Archers" in there, as you know, and a really good production centre producing some good daytime dramas. I would also say we have got an 11-year Charter with a licence fee at its heart, and I think that that, from that period, is a huge achievement.

Although we are in the news a lot for the cultural changes we have been bringing about over the last wee while, we have also brought about the biggest transformation in the way we run ourselves in HR terms for a generation. The last person to do change of that order was probably Lord Birt when he was Director-General. That is enormous. That has produced tensions, but it is an enormous change.

Q13 **Chair:** Has there been any meaningful discussion with the Government in recent months about coming to some sort of deal to avoid the situation of the over-75s in June?

Lord Hall: No, there have not been any conversations, although we have had meaningful conversations with the Government about the role of the BBC.

Q14 **Chair:** Is there any particular reason why there has not been a meaningful conversation? We have this coming up, so I would have hoped that there would be a mutual discussion going on right now to try to avoid that.

Sir David Clementi: Since we announced our decision last year, we have had three Secretaries of State, and we have spoken to each of them about exactly where the BBC is. They have listened carefully and said, "We understand where you are. There is not much more we can do." We have explained clearly why we reached the decision we did, and each Secretary of State has appeared to have accepted that.

Q15 **Chair:** Are there any particular steps that you are willing to take in order to come to an arrangement with the BBC?

Sir David Clementi: Let's be clear: we have to balance the interests of those over 75 with the interests of all our audiences. As we said clearly in June—you summoned us here in July—we think the decision is fair to those who are over 75, since we intend to help those who are least able to help themselves: the most financially disadvantaged, who are the people least able to change their financial position, and, relevant to today, probably the people who are most isolated. We know that 80% of those who collect pension credit are single claimants, and the majority of them live on their own.

We have made the decision that we think is fair to those who are most financially disadvantaged. We also have responsibilities to all our audiences with whom there was absolutely no appetite for the level of cuts we would have had to make had we rolled out the concession to everybody. That is a decision we reached; we have explained it to three Secretaries of State, and that is where the matter rests.

Q16 **Chair:** I am sure we will return to the over-75s later, but turning to decriminalisation, as a constituency MP one thing I am contacted about a lot is enforcement, and letters deemed to be threatening from Capita on your behalf. I will ask the Clerk to pass you an example of one of those letters. I have placed several other examples in the House of Commons Library, which will be there to be viewed for the next week.

I will read it to you:

"Dear Legal Occupier,

An IN01O0A4 code has been issued against your address. We use it to target unlicensed homes like yours that require a visit from TV Licensing Enforcement Officers.

This letter is a formal notification that your details have now been passed to our Sheffield Enforcement Team and you could be visited at any time; day or evening, weekdays or weekends…It is a criminal offence to watch or record live TV programmes on any channel or device, or download or

watch BBC programmes on iPlayer, without being covered by a TV Licence.

You could face prosecution* and financial penalties

If Enforcement Officers find evidence of illegal TV viewing".

You then outline the fines and you say basically that, to stop the visit, buy a TV licence, move an existing licence or tell us you do not need one: "To stop this enforcement visit to your home - and change the status of your IN01O0A4 code - you need to ACT NOW."

These are letters that people get even when they have declared that they do not need a licence. Is this in any way an appropriate way for the BBC to communicate with your employer and my employer—the general public?

Lord Hall: We issue 25 million licences a year. We have complaints in about 0.05% of those—roughly, about 10,000 complaints. You and your colleagues often write to me about complaints you have been dealing with—that is useful because it means I can follow up. We have gradations of response to licence fee payers who do not pay. I cannot tell you exactly where this is on that.

Clare Sumner: That type of letter would come very much at the end of the process. There are a number of letters that we send out. The first one is just a reminder: "It is time to pay your TV licence." What we are trying to do, and what behavioural research and nudge economics teaches us, is that a number of letters are sometimes needed. This would be coming towards the end of the process. The tone and approach that we use is regularly reviewed.

David Perry, who no doubt we will come on to in a minute, did a detailed review on the issue of decriminalisation. He asked us to look again at the tone of our communication. An NAO review in 2016 said that our approach and tone were rational and reasonable. That is because in any system where you are trying to enforce a payment, you have to let people know very clearly what the consequences are and what they can do to avoid this action being necessary.

Q17 **Chair:** Is there any scope in terms of the reputational damage that comes from letters such as that? Will you be reviewing Capita's modus operandi ahead of June, when these letters could be going to the over-75s? That is a real concern that a number of colleagues and I have.

Clare Sumner: That is a really important point. As I outlined to this Committee in July, after the decision, we are looking to make sure that enforcement is not the place where we start. The place where we will actually start is very sympathetic and empathetic communication that is very straightforward to follow.

We are very aware that to onboard over 4 million people will take time, so the first letter that we have sent out, fairly recently, is to inform people how to claim a free television licence using pension credit. We sent that letter to all MPs and those in the devolved Administrations, in case your

constituents had questions. There is a detailed leaflet that explains how people can claim pension credit from DWP if they have not done so. It is really important that we are testing all of those materials with over-75s themselves, to make sure that they are clear to read and that people can understand them.

We are also working with a range of organisations, such as Alzheimer's Research UK and Citizens Advice, to make sure that this is simple to understand and that the transition is managed very clearly. I think it is highly unlikely that the over-75s will receive any correspondence like that, because what we are trying to do—

Q18 **Chair:** Even at the end of the process? You have a series of letters. Will they be getting those letters at the end of the process?

Clare Sumner: In the first instance, we will have to take the first year to help people and support them to pay. That is our whole strategy here. I think it is highly unlikely that people would receive a letter like that; we are not expecting people to get to that point in the process, because we are putting every step in place to help support people to pay. Ultimately, the TVL and the way that we run it is to support people to pay. Enforcement is a last step, and this is very much a last step. What tends to happen is that some people will then phone the line, seek assistance and pay for their licence.

Q19 **Chair:** One final question before I open up the discussion. You have in the past mentioned home visits for the over-75s to help them along this process. Are Capita currently in charge of that?

Clare Sumner: Capita are the people we contract to run these services.

Q20 **Chair:** So the same people who write these letters will be knocking on over-75s' doors.

Clare Sumner: They are going to have a specially trained cohort who will do this work. These are different people. We have support workers and enforcement officers—I think there was a bit of a misunderstanding last time about that. The support workers are a specially trained cohort, which is really important. They are lined up to help and support people. Just as in our call centres—the main way people communicate with us is through the phone—they are being specially trained to deal with and help this group of people.

Q21 **Steve Brine:** We had the NAO in the other day to talk to us. You talked about "nudge" and the way you write these letters. You have some good stats at your fingertips, and I am sure you will give us some about the value for money of BBC services and how much you get per day—how much it costs to get the wide range of services across TV and radio and online. Would it not be better if it set out the value of the BBC and why one should want to pay for that service, as opposed to setting out a summons in order to receive that service? In terms of appealing to human nature, wouldn't that be a better way to do it?

Lord Hall: I think we need to shift how we deal with our licence fee payers, who pay for us, to exactly that way going forward. The issue is what we can actually do formally with this method of communicating with our audiences, and we need to find ways of telling people much more clearly what they get back—as any company would tell its customers or audiences.

One of the things that we need to develop over the next four or five years, which we have begun already, is a way to communicate directly with our audiences about all the things that we do. We already have more than 40 million people signed up to iPlayer, Sounds and so on. Roughly 6.5 million of those have said that they will take communication from us directly. We have brought in somebody with the title of Chief Customer Officer, and she is an excellent person who is thinking through exactly how we can build that 6.5 million so we can talk directly to people about the value they get back as licence fee payers.

We were also asked by the Government, by the end of this year, to look at how we can run the licence fee and payment of that alongside signing up to iPlayer, Sounds and so on. That gives us another opportunity to look at, technically, how we can communicate more directly with our licence fee payers about the value that they are getting for the sums that they are paying to us.

Clare Sumner: It is just over 40p a day. If you think of the range of BBC services that people get for that, it is extraordinarily good value for money. You are absolutely right to point us in the direction of how we can make the letters clear about what you also get in response for the deal.

Q22 **Steve Brine:** Surely you want people to want to pay it because they are getting good value for it, not because we are going to bang them up if they do not.

Lord Hall: To go back, the vast, vast majority of people absolutely pay. But you are on to a very good point, which is whether we can develop a closer relationship with the people who are paying for us. I believe that technology and data allow us to do exactly that.

Q23 **Steve Brine:** Finally, you concede, though, that the vast majority pay because they are threatened with prison for not doing so, not because of the value of the service. Is it the right way round?

Clare Sumner: Let us come to that. In terms of the vast majority, you have 25 million households and about 21 million currently paying. Of those, 75% do it by direct debit. It is an absolutely frictionless service, about which they are very unlikely to receive any letters at all, to be honest. That is because they want to pay the TV licence, because they recognise what they get for it. What you are beginning to do, if you like, is funnel down—

Q24 **Steve Brine:** What is the evidence for that statement though? The reason they sign up for a direct debit and pay it is because it is enforceable by law with a penalty of imprisonment if they do not. What you want to do is

make them want to do it, because your services are a no-brainer, as they would be in any other marketplace.

Clare Sumner: When you think about our use, nine out of 10 adults use us every week. As Tony says, 52 million people come to our website. We had 16 million to 17 million people watching "Gavin & Stacey" over Christmas. The audience evidence suggests that people really value our programmes, understand that it is a universal service and want to pay the TV licence. Obviously, in a system like that and given how people pay, I am pointing out that in some cases, it is frictionless. In the vast majority of cases, that is how it is run.

The NAO also found us running a very effective and appropriate service. We have to be careful not to look at this through the lens of just one group of people. The BBC is watched and consumed by more than 91% of the population. They are not forced to do that.

Q25 **Kevin Brennan:** Lord Hall, when you agreed to take on the over-75s concession, you said at the time to the Committee that, "They were coming at us with that. It was going to happen." Do you feel the same way about the Government's current consultation on decriminalisation?

Lord Hall: When I said that it was going to happen, I was also referring to what the then Secretary of State said about it; it was inevitable that we were going to get the over-75s pushed on to us. The question was what kind of deal we could do to mitigate the things that they were giving us. On decriminalisation, I do not think it is open and shut. The consultation at the moment is about the principle. Let us be clear: none of us want people going to prison for non-payment of the licence fee.

Let us also remember what David Perry said in his review, which is worth reading again. There are some myths around. One myth is that people go to prison for non-payment of the licence fee. They do not. They go because of a combination of things they have done that are in contempt of the magistrates court. In 2018, the last year that we have data for, five people went to prison for a combination of things.

Q26 **Kevin Brennan:** On that point, the Perry report, in 2015, was pretty clear that it was a bad idea and that it should not be revisited under the current licence fee structure. Did the Government come to you and say, "We have compelling reasons at this point to revisit this," prior to announcing their consultation?

Lord Hall: No. They said that they wanted to re-look at decriminalisation and they were going to do that. That is of course their prerogative.

Q27 **Kevin Brennan:** I assume you and your public affairs team scour through party manifestos looking for proposals that might affect the BBC. Did you find anything on this subject in any of the parties' manifestos?

Lord Hall: I think this came out of the heat of the campaign. It was thrown out as an idea. Look, they're the Government; they can, in that sense, do what they want. What I would urge everyone to do is—

Q28 **Kevin Brennan:** Subject to parliamentary approval.

Lord Hall: Subject to parliamentary approval, of course. What I would urge everyone to do is to go back to the Perry review, because what is quite clear from that is exactly what you are saying, Mr Brennan. He was clear, as in fact was your predecessor Committee, that if you want to bring in decriminalisation, that is not appropriate in a system that, at the moment, the licence fee is at the core of; you need to look at other ways of doing that. He was clear about that, and your predecessor Committee was clear about it.

The other myth around, as you know, is that you do not get a criminal record from this. There are an awful lot of myths around decrim. I hope the Government, after they have done their initial consultation on the principle, will have a second consultation on the detail of how this might work, because then you get into a very different set of judgments about what is fairest for people.

Q29 **Kevin Brennan:** What is your best estimate—the NAO said to us on Monday in our private session that they didn't really know this—of the likely impact of decriminalisation at this point on BBC finances?

Lord Hall: The David Perry review came up with a figure of £200 million overall, of which, if I recall, about £40 million was in setting up a system to make sure that the non-criminal system worked. We are working now on what the similar sum would be today.

Q30 **Kevin Brennan:** What likely impact would that have on the people this proposal is presumably designed to assist; namely, people who are either having trouble with or refusing to pay the licence fee, even though they should be legally paying it?

Lord Hall: That is a really interesting question. My belief is that having this in the charge of the magistrates courts, who can and do take into consideration people's circumstances and whether they are serial non-payers of things, is a very fair way of making sure that the system is as equitable as it can be.

Clare Sumner: That was the point I was going to make. There are quite a lot of myths about the civil system. One of the difficulties is that whatever penalty you may set then becomes fixed, which could be very difficult for somebody on a low income. It could lead to issues with credit ratings, which could lead to a situation where a civil penalty, or a civil system, could be worse for those on lower incomes. Magistrates have discretion to set a fine at a reasonable level, based on your individual circumstances. The average is around £175, and over a third get a fine of less than £100 because of their individual circumstances.

The main difference between a criminal system and a civil system is that a civil system has a fixed element, so it is unable really to take into account where people might not be able to pay; a magistrates system has a discretionary element. These are important questions. The Government set out no detail about why they think a civil system will be more effective

and fairer to individuals than the current system, and I think that is a really important question.

Q31 **Kevin Brennan:** Is it possible that at the end of the process, under a civil system, people who would ultimately end up being imprisoned for non-payment of fines just for refusing to pay the fine could end up being criminalised anyway through the civil system for their refusal to pay?

Clare Sumner: I think there is that possibility in some cases.

Q32 **Kevin Brennan:** But it would just take longer and be more painful.

Lord Hall: It would be more painful and take longer, and of course your credit rating comes under review as well.

Clare Sumner: The other issue with civil debt is that organisations like the DVLA and others then have to write it off, because they then cannot collect it. Also, bear in mind that the BBC is different from, say, a utility. We cannot actually, as the Minister for broadcasting talked about recently, switch it off.

You cannot switch off linear and analogue services in particular. That is really important, because there is no way of enforcing a civil debt model. That is one of the things that Perry found in his report. He found that, potentially, a civil model would lead to higher evasion, which would cost the BBC more money, but also that there was not the capacity to operate it in a similar way to a utility bill.

Q33 **John Nicolson:** As I understand it, in Scotland you do not get sent to prison for non-payment of TV licences under the existing system. It is perhaps worth adding that.

Clare Sumner: It is a different jurisdiction, as you know.

Q34 **John Nicolson:** To continue with the question of over-75s' TV licences, I understand it costs the BBC £250 million per annum. That is factoring in the 600,000 households eligible for pension credit, as we understand it, but who do not get it. I am told that the BBC will be campaigning to increase the take-up of pension credit, but of course that will drive down your income, won't it? I just wonder what percentage of that 600,000 group are you hoping will end up not paying you?

Clare Sumner: We have always been very clear about this. Up to £1.5 million people, potentially, under the Government's own figures, are eligible for pension credit. We are expecting around 900,000 people who already claim it, and will obviously then come and claim a TV licence as they claim other free benefits that they get from the system. I think we talked last time about the fact that we thought this would raise the visibility of pension credit, and when Age UK and others say this is the most important way of alleviating pensioner poverty I think that everybody thinks that raising the visibility of pension credit is a good idea.

Q35 **John Nicolson:** So the more successful your campaign, the less money you get.

Clare Sumner: We have recognised that. In the £250 million figure there is a mixture, there, of the current position, the implementation costs and potentially some uptake in pension credit. Unfortunately, DWP figures have a lag so we will not know for some time whether pension credit take-up has actually gone up.

Q36 **John Nicolson:** So you are campaigning to get poorer.

Clare Sumner: We are not campaigning, but we are saying that the fairest decision was to help people on pension credit, a mechanic defined by the Government to help those pensioners who are in that situation.

Q37 **John Nicolson:** This illustrates how daft the system you signed up for is, doesn't it, really?

Clare Sumner: With respect, I think it is really important to support the poorest pensioners in a situation where, as the Chairman said, we were not in a position that would have been fair to all licence fee payers.

Q38 **John Nicolson:** I agree, but it is a social provision. It is nothing to do with the BBC. You should never have agreed to it. If old people can't or won't pay, are you really prepared, Lord Hall, to take 80 and 90-year-olds to court?

Lord Hall: We will do absolutely everything we can and, as Clare was saying earlier on, we have got a special team to make sure that our communication with the over-75s is sensitive. We will do absolutely everything we can to make sure they understand what they need to do—how they need to sign up—in the easiest possible ways, because I do not want to see people going to court. No, of course I don't.

Q39 **John Nicolson:** Of course, nobody does, but at the end of the process you could end up with 90-year-olds in court.

Lord Hall: It is conceivable, but we don't want that. We absolutely don't want to get there, and will do—

Q40 **John Nicolson:** Imagine the reputational damage.

Sir David Clementi: Let us be clear, we do not send people to court—

John Nicolson: Let me finish the point. Your own news programme—

Sir David Clementi: It is a custodial sentence which only a judge can deliver. The BBC cannot possibly send people to jail.

Q41 **John Nicolson:** But the distress caused to these old people: you would be in the bizarre position of sending out your news teams to cover 90-year-olds, potentially, up in court for non-payment of TV licences because of a system that you, Lord Hall, signed up for.

Clare Sumner: I think we have to say—I will let Tony answer the question, but I can add to it—that it is highly unlikely. One of the reasons why it is highly unlikely is because the current Lord Chancellor answered a parliamentary question that said, prior to the changes—prior to 2000—for the previous decade no over-75s were taken to court. They weren't

prosecuted. When TVL have to consider whether you enforce against somebody, there is a very long process to get there—and, as I said earlier, that is absolutely not where we are starting.

We are absolutely starting with supporting this group to be able to pay, which is why we have put in special payment plans and lots of additional support. The point here is that we also have a prosecution policy that has to take into account people's circumstances before we even get there. In terms of the overall population, only 6% to 7% of the evaders get taken to court. We are doing everything to help support people to pay.

Q42 **Chair:** To follow up on John's point, I think you just stated that effectively there will not be prosecutions of over-75s—they won't be taken to court.

Clare Sumner: I did not say that. I said it was highly unlikely, because in the end we have to run a universal system, just like the railways do, for example. It is the same penalty if you wilfully do not pay your train fare—

Q43 **Chair:** If you are over-75, why don't you just take your chances? It is highly unlikely that you are going to be taken to court. You know the reputational damage and you can see the discomfort that this whole idea causes.

Sir David Clementi: Because it is the law. The vast majority of people over-75, who are by far the largest users of the BBC in terms of percentage, want to stay within the law, and they value the BBC. Actually, a whole raft of them—we think 40%—subscribe to subscription services and are quite used to paying monthly payments for television. Why would they not pay for the BBC?

Q44 **Damian Green:** On the issue of decriminalisation, I want to get a sense of the scale. How many people actually end up in jail because they have not paid their licence fee? Are we talking thousands or hundreds?

Lord Hall: If you look at 2018, which is the last year that we have data for, it was five people. Can I stress again the point made by David Perry? This is not for non-payment of the licence fee; it is for contempt of court on a number of different issues that get bundled together. Therefore, it is not just to do with the BBC licence fee. That is really important—it is much misunderstood.

Q45 **Damian Green:** That is quite interesting. So, this whole furore is about five people in the last year.

Lord Hall: In 2018 it was about five people, yes. The point that we were talking about earlier on was, to my mind, about what is the fairest way to ensure that proper judgments are made about people's ability to pay. When you look at these systems, I think—as David Perry obviously thought—the system of cases coming before the magistrates, who are experts in determining the ability of people to pay and can take into account poverty or particular circumstances, is a fairer system than any civil system that could be invented. We do not know what that civil system would be.

Q46 **Damian Green:** Okay, thank you. I wanted to ask mostly about the news cuts. I declare an interest as a former BBC journalist. You made the point earlier on when you talked about floods and coronavirus that, of course, news is at the heart of the BBC's offering to the people of this country. Why then are you making cuts in your core purpose?

Lord Hall: I think you know the position of the BBC and its funding over the last decade. In 2010, the BBC agreed to a cut in the licence fee. That cut amounts to 24% of its budget, had the licence fee gone up with inflation between 2010 and 2017. The settlement in 2017 meant that we had flat cash. We are dealing with a BBC that is substantially smaller, because of decisions made from 2010 onwards.

Every part of the BBC has had to make cuts. The cuts for the BBC news operation are proportionately lower than for television and some other areas, and a lot lower than for the central apparat, as it were, of the BBC, where we have targeted cuts over the period of the licence fee of 30%. News must take its fair share of that. That amounts to £40 million so far and another £40 million to come.

But there is another thing going on here, which I think is really important for the future of the BBC. That is that the way we have produced news is basically unchanged since I was running news about a generation ago, when they introduced BBC News 24, BBC Radio 5 Live and all of that.

The news team, under Fran Unsworth, are now saying, "We want to get news that is pointed to where our audiences are, which is much more online and through apps, and to get better value and more concentration of news in that area, which is obviously growing." They have got plans to do that by a new way of developing story themes, around big stories that matter, by giving more focus to the stories that matter, and making sure that everyone can get hold of things that might appear on one programme at the moment.

That is a different way of doing news. As it happens, a couple of other organisations are doing something rather similar elsewhere, but I think that answers the question about how we preserve our news operation for the future and we direct our resources where we want them to be for the future.

Damian Green: A standard complaint, as you know, has been that the BBC will send four different journalists to do interviews. The argument from inside the organisation has always been that an interview for "Newsbeat" will not be the same as an interview for "Newsnight"; those are two completely different things. Are you saying that there will be one BBC interview, and frankly, given that it will all go out online, it will all be quite short and pithy, and that the old idea of having a full range of different interviews, which felt extremely wasteful to anyone on the other end of it, is going?

Lord Hall: This is many steps towards the wastefulness—which I have heard about from many people in this room and many others, too—of lots

of people all being chased for the same interview being much more restricted. It will mean that journalists can focus on, for example, coronavirus. Frankly, if you are doing an interview with somebody, that ought to be on the air as quickly as it can—online as well—rather than waiting for the 10 o'clock news or anything like that. I think it gives real focus. I think this will be more efficient. It needs working through, but I think it will lead to a higher quality of specialist journalism appearing online.

Now, we need to have a balance, because, in a 24-hour news cycle, you also need a programme like "Newsnight" to have those moments when you stand back and say, "Let's try to make sense of this." The discussions that are going on are around how much to concentrate on everything—those big stories and the way they develop—going online and how much to still allow programmes such as "Today", or "PM", which with Evan Davis is in excellent form at the moment and is asking really intelligent questions about things, to stand back.

We have to preserve that, but I think the changes will also make the broad service better. For example, the "Today" programme made an excellent, first-rate expedition to Antarctica, but it was just for radio. Under the new system, that would be for online and television as well, which I think will benefit our viewers and listeners much more than the current systems.

Q47 **Damian Green:** Are there talks to end what has now become a semi-boycott of the "Today" programme by Ministers?

Lord Hall: I was delighted to hear the Minister for Health on the Today programme about 10 days ago, followed by Matt Hancock on "The Andrew Marr Show". We had the Chancellor on "Today" this morning. I am very pleased that Ministers are back on these programmes.

Jo Stevens: Carrying on with the BBC News cuts that you announced, when you took the decision to stop the "Victoria Derbyshire" programme, BBC News said: "Over the last five years, the programme has delivered award-winning, distinctive journalism, exploring topics which the BBC has not traditionally covered…the programme has championed important stories and fresh reporting talent. This is exactly the type of journalism we need to continue, reaching audiences who are often under-served by the BBC". Why is "Victoria Derbyshire" the only BBC News programme being cut?

Lord Hall: It is not, but let me answer that directly, and then I will talk about the savings that we have to make overall. "Victoria Derbyshire" has been a very good programme. It is actually not reaching the numbers that we hoped it would reach, but its journalism is absolutely first-rate. We have to make challenging savings, and so we have to make difficult decisions. We felt that a programme that costs around £3 million for an audience of around 300,000—with more males and older people than you might think—was a programme that we should rethink and take the saving from. I very much hope that the programme team, Victoria herself and the

journalism that they do will find a home on the news channel and elsewhere around the BBC, because it is important.

Q48 **Jo Stevens:** As I understand it, the programme was set up to serve what are described as "under-served" audiences—shift workers, the BAME population, women. You mentioned viewing figures. Are you talking about digital figures?

Lord Hall: No; I am talking about figures for its appearance on BBC 2. Three quarters of its audience are over 55, and it tends to attract fewer women and younger viewers than the average across our news programmes. That is why, as we have done with "Watchdog", we would like to find a way of getting the journalism that Victoria Derbyshire stands for—she is a first-rate presenter and journalist—in places where it can meet the audience that we hoped it would capture.

Jo Stevens: When the programme was set up, was the measure for the remit just viewing figures—

Lord Hall: No—

Jo Stevens: Or were there other measures that you were going to look at?

Lord Hall: It was set up by James Harding, when he was director, as a programme that should look at issues that other programmes do not look at, but can I just say this? You cannot keep programmes going on forever. We are in a tighter financial environment—

Jo Stevens: I understand that.

Lord Hall: And we need to make those hard decisions.

Q49 **Jo Stevens:** I am just thinking about some of the stories that have been broken on "Victoria Derbyshire" and, from a political perspective, things that have actually changed public policy and changed the law, so things like the vaginal mesh issue, the tax credit problem with Concentrix and HMRC, sexual abuse in football—there are lots of issues.

Another one is gambling: we have had a change of law on gambling, which I think the "Victoria Derbyshire" programme and the story that it broke on that has played a huge part in. So I am just surprised that the BBC has decided to stop the programme. If you are saying that it is not serving the audiences that it should serve, what is going to replace it and how are you going to serve those under-served audiences?

Lord Hall: The programme that replaces it will be the news channel, so it will be a diet of news, but what I hope very much is that Victoria and the team, and the journalism they do and stand for, can find another home elsewhere at the BBC where they can get to larger audiences. I very much hope that that can happen.

Q50 **Jo Stevens:** Are there going to be any job losses arising from the programme stopping?

Lord Hall: The total number of job losses that there will be in news across the piece will be 450. We have announced that. We are talking to the unions about that.

Q51 **Jo Stevens:** But what about that programme specifically?

Lord Hall: No, it is in that—

Q52 **Jo Stevens:** But that is the question I am asking—job losses from that programme.

Lord Hall: I cannot give you the precise figure for "Victoria Derbyshire", because we look at it across the piece, for a reason I will point out if it is helpful. It is that we are looking for voluntary redundancies right across the news operation, for the savings that we have to make, but also because we think that we can do the new system of running news on fewer people.

Q53 **Jo Stevens:** Okay. The BBC makes a huge contribution to the creative sector through the high-quality training that you provide. Certainly, if you look across the sector, the BBC is the exemplar on that. And the beneficiaries are not just viewers and listeners, but other broadcasters, because they do not put as much into their training as you do. Looking at cuts and the financial pressures that you will be under in the future, how do you think that the skills base that you have and what you will produce in the future will be affected by those cuts?

Lord Hall: I agree with you that, at the top level, the training the BBC provides is really important. The fact that so many alumni from the BBC are out in other broadcasting organisations or, indeed, in other places in society is, I think, a really, really good thing. I believe our training is really important.

I have been really pleased, as I mentioned earlier to your Chairman, that our apprenticeship rate, for example, has gone up to over 2% of our workforce. I want to keep that up, because I think apprenticeships, across the warp and weft of what we do, are really important, for reasons of quality and finding future talent but also diversity, as I was saying earlier as well, and also because in the position that we are in, we cannot pay what other organisations can pay in the media. I do not complain about that; I am just saying that is a fact.

So I think it is really, really important, right across the piece, that we look for the next generation of talent and give that talent their voice. We hope they will stay, but if they do not stay and they move on, well, that is okay. I think the task we have got to do is to make sure we keep finding new people, bringing them on and training them—in front of the camera and the microphone as well as behind.

Q54 **Jo Stevens:** Yes, I was going to make the point that this is not just about on-air talent; it's about all the people who do the tasks behind—

Lord Hall: It's the people behind as well. This week, actually, we are looking at young reporters and what we are doing in news to inspire young people in the classroom, either to understand how journalism is done or to come and have a career in the media. I was much struck, in my previous job at the Royal Opera House, that we did an awful lot on skills. You would go out into communities like Thurrock, in the Thames Gateway, where the notion of actually working in theatre, opera, ballet or music was so distant, but once that skills base was set up out there, it really gave kids an idea that it could be them. Right across the BBC, that is one of the BBC's big roles. That is why I think our role out of London, which is something I have been pursuing and pushing—and I want us to go even further with that—is really important.

Q55 **Jo Stevens:** That leads me quite nicely on to diversity, not just of the people you employ but of the audiences that you are reaching. At the last Committee session we had, you spoke about the project that June Sarpong is leading. How is that going? What has been done so far, and what is left to do?

Lord Hall: We brought in June Sarpong as our creative diversity lead. She sits on the executive team, which means we now have an executive team with two BAME people on, so I have achieved my target in that sense.

We are hopeful that we can have a creative diversity festival, led by her and the BBC, in the early summer—of course, that depends on a lot of what happens with coronavirus. She is producing that. She is also bringing a huge amount of knowledge and energy into how we push our diversity agenda within the BBC still further, which is absolutely great.

The other thing that is new since the last time we spoke is that, a while ago, to make the executive team think very hard about young audiences, we put together a panel of 12 young people—under-35s. People had to compete for that across the corporation, to come and act for a year, challenging us in what we were doing. We have now been through three cadres of that and it has worked brilliantly. They have been really challenging to us. The last time, I think about 300 people competed for the 12 positions.

We are now doing the same with diversity. Every key management group within the corporation is now going to have two additional people on as advisers to add actual diversity—BAME, or it could be disability or whatever. Again, people have to compete for that. That will also go back to the point the Chair was making earlier about the Secretary of State and diversity of thinking. I think that helps to bring diversity of thinking into each of the key decision-making bodies right across the corporation. Now, I don't know any other organisation in the UK, frankly, that is doing that. June and I have been working on that. I think it is very exciting. These people should be in place by the end of March.

The other thing I would say, which goes back to the point about training, is that what that does is also get another cadre of people who have been

involved in decision making who are then in a good position to apply for jobs thereafter. I hope that works, and I am excited about it.

Q56 **Steve Brine:** Hello again. Could I ask about BBC regions and BBC local output? Lord Hall, you spoke earlier about news pointed to where our audiences are. I would agree completely. You also mentioned the response to the floods and to the increasing story around covid-19. I would suggest that your regional output is exactly where your audiences are. Members of Parliament, me included, rightly have a lot of time and respect for the output the regions produce.

With regards to the reductions that you are going to have to make across BBC News, are you planning any reductions in regional TV and radio spend as part of that, or changes within the country, from the south to the midlands and the north, where there may be under-investment?

Lord Hall: We are planning changes. We have to. I won't bore you with the discussions about our finances, but in that context—

Q57 **Steve Brine:** No, please do bore me with it. That is my job.

Lord Hall: We have to make savings right across the piece. That's my point. But I won't go over the reasons for that—I think you know them.

There will be changes. Our 6 o'clock and 6.30 news hour is doing extraordinarily well. The regional programmes are doing extraordinarily well. Day after day, when I look at the overnights—although we shouldn't concentrate completely on overnights—they are the most watched programme on TV. It is really working.

Q58 **Steve Brine:** The 6.30 slot is the most watched on TV.

Lord Hall: Yes. That band between 6 o'clock and 6.30. It moves around a bit, but it is a high point for news watching. It is equally split male and female; half the viewers, almost, are C2/DE. So it is a really important part of what we do.

You mentioned the floods. I have been around almost every local radio station; I think local radio is increasingly important for what we do, but the audiences are going down, so there is a challenge. But if you look, for example, at Hereford and Worcester, one reporter there was broadcasting as her own flat was flooded. She broadcast for 16 hours. I was in Sheffield talking to the teams there who had covered the Don valley floods, and, again, what people say locally is, "You're there at the beginning, before anybody else, and you're there with the story at the end." So what we are doing in local really matters.

We are looking at how or whether, within the financial envelope we have, we should be changing the balance of local radio to be less from the south and trying to move more resources to the north and midlands. That is something that I hope we can say more about later in the spring or summer.

Q59 **Steve Brine:** When you say there will be changes—other than that one,

which I alluded to in my question, about the move from south to north—could you just develop that a bit further? If your news is pointed to where audiences are, obviously the greater the region you are serving, the harder it is to point it at the audience. I represent Winchester: do people in Winchester care awfully much about the news in Brighton, which is completely the other end of the region? No. It is not as important to them as what is happening in Southampton and the immediate part of south Hampshire. The bigger the region gets, the less you are pointing that news at the audience who matter. Is that possible?

Lord Hall: That is exactly the challenge we are looking at. Are there places that, at the moment, do not have a voice, which we could give a voice to? Those areas are not just determined by transmission masts; often they are determined by geography and society. Can we do something in some areas? One thing that springs to mind is WM? What are we doing in Wolverhampton and the black country? Is there a way we can do more there? Those are the kinds of issues we are looking at.

As I am taking instinctively from what you are saying, local radio matters because we know what has happened to the local press. In some areas, such as my own home place of Merseyside, it is thriving, but in many areas it is not. Commercial local radio was given the option by Ofcom not to be local anymore, so what we do is important. We are looking at ways to move some of the pieces to reflect more what we think the important geographies and communities are—especially those without a voice and those more in the midlands and the north.

One other thing I want to flag up is the local democracy reporting scheme. As Members of the Committee will know, we have 150 journalists working for newspapers; it is run and paid for by us, and they are really covering stories that have not been covered in the past. It is really working. The board has approved my proposal to set this up as a foundation so that we can go out there and look to raise money to do even more of that, and I would like to. That is another answer to the problem of under-reporting of communities.

Q60 **Steve Brine:** I hear you, but what I hear you saying is that, for some parts of regional broadcasting, there will be a change for the better, and for some parts there could be a change for the worse as you move to cover more under-represented areas.

Lord Hall: We need to look at where our services are working well. It was interesting hearing you talk about Winchester versus Southampton; I know if I am in west Dorset, Southampton seems quite remote. We need to look at whether we can better focus our services to where people feel they belong.

Q61 **Steve Brine:** I understand that you have to make savings, but you will be aware that there was a lot of talk about salary top-ups. There was a lot of talk in the NAO report about people being paid above the maximum for their pay band. I noted in *The Times* last month that an FOI request said that just less than 500 BBC employees were paid above the maximum for

their pay band—about 200 more than the NAO had talked about in May 2019. I don't know whether any of those sit within BBC News, but why are you as an organisation, and we as taxpayers, paying people over their pay band, when journalists are facing a P45? That seems strange to me, and if I was a journalist, as I used to be, working in regional radio and facing the heave-ho, I would find that pretty difficult to take.

Lord Hall: Let me go back a stage. We have brought about the biggest reform in the way in which we employ people, bringing clarity to job titles. We have brought 5,000 job titles for 20,000 people down to 600 groupings. We have completely restructured and regrouped the way people are employed, and got terms and conditions that work right across the BBC. That has been a huge and, to be honest with you, difficult and bumpy—those things always are—reform.

We have brought about tighter bands, so people know where they are in those bands and there is transparency around that. But some people, historically, are doing the job but are outside the band, so what we have done is to freeze them and say, "You ain't gonna get any pay increase at all until the band reaches you. At that point, you're back in play again."

Q62 **Steve Brine:** So it's a historical lag until that 500 is accounted for.

Lord Hall: That's right. Whether it's 500 or what, I will come back to you, if I might.

Steve Brine: That would be helpful.

Lord Hall: I'll check that figure carefully, and in News. But that is what is going on. It's a freezing to get to the system that we want. There were so many different systems across the BBC before this. You could not work out quite where you were. There were different allowances and different methods of paying people. What we have brought about is a unified system where you can compare where you should be in the pay scale with others doing the same job, which of course has led to people then questioning where they sit in those scales.

Q63 **Chair:** We are 70 minutes into the session now. We are going to take a short two-minute pre-arranged comfort break, so the session is suspended for two minutes. If you don't wish to avail yourself of the facilities, please remain in the room.

Sitting suspended.

On resuming—

Chair: The session has restarted. I will go to Giles Watling and then to Clive, for short questions.

Q64 **Giles Watling:** In the break, it was pointed out to me that I should declare an interest, inasmuch as I am still in receipt of BBC residuals every now and then. We had a discussion around the table about the fact that very few of us have not at one time or another worked for the BBC.

My question is very short and to the point. A little while ago, Sir David,

you said that over-75s are the core license fee payers; they are the people who want to pay, and they are the people who you want to look after. Is that right?

Sir David Clementi: I put it out that those over 75 are probably the most engaged with the BBC; the average engagement score for those over 75 is something like 30 hours a week. So for many people, the BBC—in news, in drama and in many other genres—is a really trusted friend.

Q65 **Giles Watling:** Right. So, moving on from that, and this is why I am sorry to maunder on about the news and the productions there—Lord Hall, you said that the BBC is moving more and more news online. Coming from the constituency that I do, of Clacton, I would argue that I have a lot of people who engage with the BBC a lot and they still do not use online services. Is it not possible that you could isolating people, and the loneliness issue that goes along with that, and that moving online might be isolating people even further?

Lord Hall: It is a really good point. My belief about all our services—not just news—is that we are running two things at the same time. We are running linear services in television, but using those linear services to drive people to our on-demand services; people use our on-demand services and then go back to linear. There are huge advantages to that.

It is the same in radio. For the first time, we are now saying that you can listen to Radio 4 whenever you want—the bits whenever you want—through BBC Sounds, podcasts and so on.

I think the strength of the BBC versus the streamers is that you are doing those two things. It is exactly the same in news. I cannot foresee an end to the BBC News channel, even though people have talked about its demise for a very long time. I think people want to find out what is happening live. Then, also, they want to go online—some people won't, but we hope they will—to find the depth or immediacy of things. A theme of our annual plan when it eventually comes out later this month will be exactly that: the strength of running linear and on-demand side-by-side.

We also know that there are things that bring us together. We started off by talking about coronavirus and we have talked about the floods. We are in the middle of negotiations over the Six Nations. We want to keep those things free-to-air. It probably will not be free-to-air. Frankly, we believe that they ought to be listed events. The public's appetite for seeing things that bring us all together, as you are suggesting, Mr Watling, is immense. That is why, if you look to the future of public service broadcasting, one of our roles—not at any cost—must be to bring the public together in that sort of way.

Q66 **Giles Watling:** And you would keep the themes of isolation and loneliness at the forefront of your thinking.

Lord Hall: We have got to think about that. We have been doing a lot of programming around mental health. That is really important and loneliness comes into that, as well. Taking some of these themes, as we

have been doing with the environment, across our linear output and running them through on to on-demand where you can find out more is a strength that we have that I want to build on.

I go back to this point: there has been too much doomsday stuff about, "In an era of streamers, what role is there for public service broadcasting?"—by the way, that is not just for the BBC, but for ITV and Channel 4. I think quite the contrary. Streamers do certain things extremely well. Let me be clear: I am a fan of Netflix, and I think Reed Hastings has done an amazing job, but that does not mean there is not a role for public service broadcasters to bring us all together to add content that is uniquely British and to bring it to British audiences. That is why the creative economy is so strong, and I hope in the next decade it will continue to grow at the pace it is growing now, with the BBC at its core.

Q67 **Giles Watling:** If I may, I have one final thing. You just mentioned streamers. Is it not true that when you turn on Netflix or something, you are quite often watching BBC content in any case?

Lord Hall: You are watching some of our content where we sell that on. My view is that that will decrease over the next couple of years, as our content can be on BBC iPlayer, now Ofcom has agreed, for up to a year. That content will sit better on iPlayer. After that year, because of the deal we have done with ITV, which I am really pleased about, the content will then go on to BritBox. There is a new way of seeing video on demand, with the public service broadcasters coming together to deliver a good service. I think BritBox is exactly that.

Q68 **Clive Efford:** The Chair gave you a letter that you send out very late in the process of enforcing payment of the licence fee. When you go through that process when someone has not paid, do you do a profile of who is not paying? Do you get a picture of who it is that either cannot or will not pay the licence fee? Do you have someone in mind? Is there a particular section of our communities where it is more prevalent?

Clare Sumner: This was something that David Perry also looked into in his very detailed review. In effect, the way that TVL approaches it—as we discussed earlier, it is over quite a long period of time—ends up in a position where you are an unlicensed household. That could be a variety of different people.

One of the changes that we are just about to roll out is something called the Simple Payment Plan to ensure that we really try to help people in situations where they find themselves with difficulty paying. They may be people who are already talking to debt organisations, so we have been working with around 350 of them.

We are very careful to go to unlicensed premises where over quite a long period of time they have not responded to any of our letters that the Chair mentioned earlier. TVL does a number of visits. Its primary purpose is in many cases to try to help someone pay or take payment, so that no further action will be taken.

Q69 **Clive Efford:** Yes, I got all that. What I was really after was whether you see what is behind not paying. Are there people who are wilful and have a four-wheel-drive vehicle on their front drive? Is it Mondeo man, or is it somebody who does not even have a car, because they cannot afford one? Who is prevalent among the people who are not paying?

Lord Hall: I cannot give you a breakdown of who is not paying.

Q70 **Clive Efford:** Do you look at the reasons driving it? Going back to the question about how you deal with the problem and encourage people to prioritise paying the bill, if you understand what is driving it, you have more chance of doing that.

Lord Hall: That is why I think the magistrates court system—

Q71 **Clive Efford:** No, I am not talking about the magistrates court; I am talking about the BBC. If the answer is, "Look—we're just a broadcaster. We're not a social service, so we don't care. We just want people to pay their bill," then fair enough. Do you look at it? Do you understand what is driving the fact that some people do not pay their bill?

Lord Hall: The reason we brought in the Simple Payment Scheme, which is graded for people who find it very difficult to pay, is exactly that we are trying to respond to the issues of those people who actually find it very hard to pay. Equally, the letter that the Chairman showed us earlier on comes down to a response to make sure that those people who can afford to pay but may be avoiding it are challenged about that.

Q72 **Clive Efford:** I get that, but if it is the right response you must have some understanding of what is driving people who are not paying. That is my question.

Clare Sumner: I understand the point that you are making. It may be that we can come back and furnish you with further detail, but I think what we are trying to say is that in a world of 25 million households, the majority of which are paying, we have one of the lowest evasion rates.

To come back to an earlier question, many people are paying for the BBC because they want to consume our services. By the time you get to those people who are potentially taken to prosecution, that is around 130,000 people, which is a very small number. Around 8,000 to 9,000 people then withdraw because they pay. The magistrates court then looks at the individual case.

What we have been learning from is who ends up in that position and how we could support them more to pay. What I am suggesting is that there is not necessarily one type of person in the cohort, but I would be very happy to go back and look at that to see whether we can furnish the Committee with more detail.

Q73 **Clive Efford:** I will leave that there.

Another thing I want to come back on is your earlier answer about the "Victoria Derbyshire" show. No target viewing figures were set for "Victoria Derbyshire", as I understand it, when that programme was set

up. It was for those under-served viewers. Are you saying that those under-served viewers are not being served well? Is that your reason for cutting the "Victoria Derbyshire" show?

Lord Hall: The reason we are cutting it is primarily that we are having to make, as I tried to say earlier on, the least worst cuts because of the budget position that we are in. I hope that we can find a home at a more appropriate point for the team and the journalism that they do, so that they can reach the audiences that we hope they would reach.

Q74 **Clive Efford:** You said that the programme costs £3 million. What is saved by its being cut, if you are not going to cut all the staff?

Lord Hall: Well, £3 million less whatever we decide, in discussion with the team, is the right amount to put into finding the journalism that it is doing another home. I cannot give you that at the moment because that is what is being discussed by the news team.

Q75 **Clive Efford:** Right. This is my final question. Just for clarification, you have cut it, but you do not know how much it saves.

Lord Hall: It will save up to £3 million. We are not sure yet to what extent we can reshape some of the journalism. Let me be clear with you: we will save most of that, but we are looking to see whether we can repoint the journalism—some of the team, Victoria—into other parts of the schedule, where they might be able to do within other programmes the sort of journalism that they are doing. We have in mind the net saving that we will make, but I do not want to give you a figure because it might turn out not to be the case.

Q76 **Clive Efford:** Sorry; I did say that was my final question. This is my final, final question: what is the saving of the "Victoria Derbyshire" show in the overall saving within the news service?

Lord Hall: It is £3.1 million.

Q77 **Clive Efford:** So what is the overall saving for the news service, with £3.1 million as a proportion of that?

Lord Hall: It is £3.1 million in a total saving for the current period of £40 million. We have already made £40 million worth of savings; we have another £40 million to go.

Q78 **Damian Hinds:** We have talked quite a lot about over-75s today. I want to talk about the other end of the age spectrum: the under-25s. Sir David, you said that for the over-75s you got 30 hours of engagement with BBC channels a week. For the under-25s, live TV viewing is something of a rarity, and their platform of choice is not the BBC iPlayer or BritBox, or even Netflix or Amazon Prime, but, overwhelmingly, YouTube. They have a very different definition of talent from what you would recognise, with types of programme that we have never even heard of. How do you deal with that?

Lord Hall: Why don't I kick off and then we can all get in? We are diverting resources into programmes for younger audiences. I completely

agree that if you are paid for by everybody, you must give something to everyone. That is the key thing about public service broadcasting and the licence fee, which comes from that universality.

We are the most used media organisation in the UK, at 40 million people a day. We must remember that, even though young people use it for fewer hours than over-35s. Some 80% of young people come to us each week. The average consumption for people across the board is 17 hours—that is lower, of course, for the under-35s.

What to do? Never underestimate the power of BBC 1. The events that bring us together—the programming, the dramas, the comedy and the entertainment—bring all audiences together. "Gavin and Stacey" was clearly a brilliant moment at Christmas. For the past three or more years, we have been looking at how we can schedule things that young people will go for more, but, of course, on BBC 1 you are looking at a broader audience.

BBC 3 is another important route to our young-audience market. We took that off as a linear channel four or five years ago to save money to put into drama and because we profoundly believed that BBC 3 online would be a better proposition for young people, because that is how they are consuming VOD.

People forget what BBC 3 was like at that point. It was mostly "EastEnders" and "Family Guy". "Family Guy" is not made by us but is very good, and "EastEnders" is wonderful, but it was a lot of catch-up. Since then, BBC 3, under a succession of two controllers, has produced the kind of content that is appealing to young audiences and has also won amazing awards—it has won channel of the year twice. Its peers recognise what we are doing. We are looking at—the board will be looking at this over the coming weeks, as it looks to our annual plan—whether we can divert more resources into BBC 3, to build the kind of creative content that it is delivering.

Looking at online content more broadly, radio and audio is very important. We recognise that what has happened in audio is exactly what happened in television, but slower: i.e. Spotify and others are taking up more consumption. That is why the growth of Sounds is important. We are pleased we have got it to 3 million; we want it to go beyond that. We want to ensure that when young people come to Sounds, they get their music and speech in a form that fits them. That is the next bit.

Our investment in children's programming matters, too. We have put more money into it. CBeebies is doing extremely well. Up to the age of five, we are kind of there. It gets harder thereafter. We are looking at all sorts of ways that we can amend our output there, to keep young people with us. When it comes to exams, they are back with us again, because they need us to help them revise and so on.

We must play all those things across the piece to ensure that we are getting towards young audiences. The most important thing, I think, is mix and what you commission.

Q79 **Damian Hinds:** As a follow-up to this session, would you provide the Committee with some time series data of engagement by age group? We know there is an overall drop-off in linear telly, but what is the relative drop off for younger groups? That would be helpful.

Lord Hall: Yes—happy to do so.

Q80 **Damian Hinds:** On news and young people, both active news consumption and news exposure, we know there has been a generational shift—not for the first time—in the amount of news that people take in.

Very strikingly, in the 2018 PISA study across the OECD, the proportion of 15-year-olds saying they read newspapers reasonably often was 25%; in 2009, it had been 62%. That was obviously about newspapers, which is not your line of work, and PISA does not ask about watching telly because it is about reading. But we know that, historically, there is a positive correlation between different types of active news consumption: if you read the newspaper, you are also more likely to watch the news on telly and so on. What can you do to make sure that younger people—in this context, meaning anyone aged 25 or below—are exposed to quality and reliable news more often?

Lord Hall: First of all, there is what I outlined Fran Unsworth, the director of news, is doing in terms of reshaping. We will completely reboot—start again with—our BBC News app this year. That is our big investment priority. We have not actually announced it, but we will. One of the things is to personalise it, so that you can make sure—

Q81 **Damian Hinds:** Sorry to interrupt. I appreciate that your own channels are obviously your top priority; from a commercial perspective, that makes sense. But there is no real reason to believe that there a lot of young people queuing up to get a BBC app, so far as I know. Looking at the Ofcom study from last year on children and parents, the list of social media sites is at the top of news sources.

Lord Hall: But 70% of young people are using our news services each week, which is great. I have just seen how we are also using social media to reach younger audiences.

I will just mention something that is not done here but was done in Delhi, where Facebook Live was used to report the morning after the Delhi riots. For 28 minutes, there were over a million people watching. Likewise, we are using social media to gain audiences.

We have other things that may be helpful to talk about. I mentioned the young reporter initiative earlier. There is also what we are trying to do to counter fake news and on media literacy, which is one of the things I feel very strongly about. There is a consortium of us—including *The Hindu* newspaper in India, the *Wall Street Journal*, Google, Facebook and Microsoft—who are looking at ways in which we can together do more for

media literacy, to make younger people want news and be able to recognise fake news when it is put before them.

Clare Sumner: The only other thing I would mention is that the Ofcom report you refer to actually says that many younger people come when they want to check things, or they come for the really big stories.

The other thing that I would also just mention very quietly is "Newsround". In terms of its profile, we felt that we needed to rebalance the linear/digital mix. We are looking at doing "Newsround" in a more accessible way online, and thinking about how you can take products such as "Newsround" around the world. Again, there is an appetite for kids to understand what is going on around them—we have seen it with the environment debate, and I think we are seeing it with coronavirus—so we are thinking about that.

The other programme that has really made a difference is "Newsbeat". The tone of "Newsbeat" is very different. During the general election there were special "Newsbeat" programmes and debates. We are continuously developing and changing our offer as we learn that many younger people prefer to consume by theme, rather than necessarily by day to day. We are continuously looking at that mix.

Q82 **Damian Hinds:** You are right to say that you have the single most trusted go-to brand when people go to a brand, but quite often they do not. When asked, "How do you verify a news story?", young people often say, "Well, I ask someone else" or "I see what somebody else has commented on this story. Is that somebody a person I trust?". You are in a great position, having the single most trusted brand. When Lord Hall says, "We are using social media," what does that mean? Other than by sharing stories, which you obviously do, how do you guarantee that your content will be seen in the places where people are?

Lord Hall: You want to be, clearly, on Facebook and YouTube. We do not want to put our long programmes on YouTube, because we want to put them on the iPlayer, but it is perfect for news to be there.

Q83 **Damian Hinds:** How are you funding that? What proportion of—

Lord Hall: I can't tell you the proportion of our budgets that are going on that because we look at it as a pool, and in terms of how we distribute it is, I can't tell you that figure. Well, for example—this is not in news, but it might be helpful—the largest pop music channel on YouTube is Radio 1, and of course it is also global.

Q84 **Damian Hinds:** To be fair, that should not come as a massive surprise to anyone, given the dominance of Radio 1 over decades as a music channel. I think Steve wants to come in, but you just dangled the thing about what you are doing about fake news and also your support for media literacy. I would also be very keen to hear about that, but I am conscious that time may be against us.

Chair: Ask the question if you want, Damian.

Damian Hinds: Tell us what you know.

Lord Hall: We have something that we are calling the trusted news initiative. We are rolling that out in elections. We are talking to the main social media companies about how we can identify what is fake and both help them and work with them to get things taken down that are fake. We have had some success with that, not least among stories about the BBC that happened to turn out to be wrong. That is No. 1.

We are also working now on an initiative to see whether we can improve media literacy, working with social media companies and with *The Wall Street Journal* and others to see whether what they have said to us—that they would like to carry content from us that promotes media literacy—can be made a reality. "Media literacy" has a slightly condescending feel to it, but I believe strongly that we should be doing everything we can to help people to understand what is fake, what is real, what you can trust and what you cannot, especially in an era when deep fake technology, which is sort of out there somewhere but not in the mainstream, is going to come into the mainstream.

Q85 **Damian Hinds:** On media literacy, it is quite a tall order to try to get the entire population, every time they see a piece of content—a piece of news—to unpack, "Why would this person be saying this to me? Can I trust it?" and all the rest of it. I suggest that what you really want to push is brand—whether that is your brand or a leading newspaper brand—just for people to know that their default position should be, "If you haven't heard of this source, it is not a good source, unless and until something comes along to tell you otherwise." Then, of course, working with the social media companies, people need a way to know that when it says BBC it means BBC, and when it says *Daily Mail* or *Daily Telegraph*, that is indeed the content that is there.

Lord Hall: The BBC is kind of the British global media brand. It will not be me, but I hope we can grow that with Government support in the next five or six years, because it is really big for us. Every time I go abroad, people keep saying they want more BBC news, not less. As we define global Britain, I think this is one of our strengths. People in the BBC have heard me say this before, but we need to do more to explain what trust means. We are trusted, but why should you trust us?

As journalists—this is self-critical—we are rather bad at that. When you come to the end of a wildlife programme—a Natural History Unit programme—there is eight to 10 minutes of how we got the programme, how we made it and all that, and you understand what they have been through. As journalists we should be more open to talking about how we determine what is right—how we stand back. My view is it is always better to be second and right than first and wrong. These are things that I think we need to be more up front with the public about.

Q86 **Steve Brine:** Just to back up Damian on the scale of the challenge you have, does any of the three of you know what Dude Perfect is?

Lord Hall: I should.

Q87 **Steve Brine:** Dude Perfect is the 10th most subscribed-to YouTube channel. It has 49.7 million subscribers. It is five guys from Texas who produce trick shot videos on YouTube. They are reportedly worth in excess of $20 million through the advertising revenues they generate. That is the scale of what you are up against. My children do not ask if they can watch the television. They ask if they can have their tablets. So you have got to take that content—trusted BBC content, on the "entertain" bit of what you do in your Charter—and somehow serve that to those audiences. That is going to take huge resources, isn't it?

Lord Hall: Yes. And I shall now watch—

Steve Brine: Trust me, it is very good.

Lord Hall: Thank you for the tip. If I can reciprocate at some point with another tip I will do. This is a big issue: how we build on the lead we have with CBeebies and take people through thereafter is key, especially when, as you are pointing out, kids get control of the screen themselves, and then it is a different world.

Q88 **John Nicolson:** I apologise for my hoarseness, Chair. I should also say that I have worked for the BBC. In fact, I was recruited by Lord Birt, who is sitting back there, as a trendy youth presenter—well, maybe not that trendy.

Chair: On black and white TV.

John Nicolson: Crystal set, actually. That was before I moved on to work for "Newsnight" and other programmes. I have been on this Committee before—before my sad defenestration in 2017—but the report that we worked on, on the BBC, recommended that "the six" in Scotland go to BBC Scotland. Instead of that, a kind of compromise was reached, whereby a new BBC Scotland channel was launched, including "The Nine". Lord Hall, do you think "The Nine" has been a success?

Lord Hall: Yes, but let me just go back. It wasn't a compromise, Mr Nicolson. I talked to a lot of people, as you know, in Scotland. We looked at the audience data in Scotland, and I felt strongly—I know it surprised many people when we announced this—that a channel for Scotland beginning at 7 o'clock would be a big plus for Scotland, and I believe it is. The fact it is now, what, a weekly audience of around 825,000 people watching it—the top-performing digital channel in Scotland—says something about the creativity of Scotland and the direction that the team have gone with it. I think it is a real success.

I think "The Nine" is interesting. I think it feels very different. It is very difficult to make a news programme that feels different, but it does. I think the team is excellent, and they are doing an extremely good job. We would all like to see large audiences coming to it, but I think when you add what you have got at 6 o'clock, with the UK news, and with "Reporting Scotland" at 6.30, into a 9 o'clock news that I think has a powerful identity and agenda, then I think that is serving Scottish people well.

Q89 **John Nicolson:** I think it is an excellent programme, myself. I think the journalism is great, and they do new and innovative things, but the worry at the time was small audiences because of where it was placed. That has been borne out. It has been picked up by the press, and I think it should be moved on to the 6 o'clock slot, as we recommended.

Let me move on to gender pay, because a previous Committee here also recommended—in fact, it was my proposal—that the BBC should publish the pay of its presenters. I was lobbied quite heavily by the BBC not to advocate that. I thought it would show a significant gender pay gap and a small number of BME people at senior levels. Of course, that is exactly what it showed, and I know you have had some difficulty with female presenters, to put it mildly, since the pay was revealed. Can I ask you, how many gender pay tribunals are you currently fighting?

Lord Hall: Eleven, in the pipeline or that are going—

Q90 **John Nicolson:** Have you won any tribunals that you have fought thus far?

Lord Hall: Well, we lost the Samira Ahmed case, which I think is probably what is in your mind. Can I make one comment on the Samira Ahmed case, which is—

Q91 **John Nicolson:** Can we come back to that? I would just like to know how many you have settled so far?

Lord Hall: The number of cases that we have settled at tribunal: I haven't got the answer to that—

Q92 **John Nicolson:** Single figures? Double figures?

Lord Hall: Single figures.

Q93 **John Nicolson:** Have you had a tribunal thus far and won it?

Lord Hall: Again, I can provide you with information on that; I will happily write to you to tell you—

Q94 **John Nicolson:** You don't know whether you have won any of them?

Lord Hall: Look, we settle some before they get to tribunal, but I am happy to go back and give you that data.

Q95 **John Nicolson:** So you have either lost or settled every single case thus far?

Lord Hall: We have either lost or settled every single case, yes, quite obviously.

Q96 **John Nicolson:** So you lost to Sarah Montague and you had to give her an out-of-court settlement.

Lord Hall: No, no.

Q97 **John Nicolson:** Well, you gave her an out-of-court settlement.

Lord Hall: No, hold on.

Q98 **John Nicolson:** That's what she's hinted.

Lord Hall: Sarah Montague did not go to tribunal. Sarah Montagu was settled, I have to say after some time, but amicably. She is a terrific presenter doing a great job on "World at One". We came to a settlement with her.

Q99 **John Nicolson:** It was an out-of-court settlement?

Lord Hall: It was a settlement done between ourselves and her.

Q100 **John Nicolson:** Because she was taking action against you, wasn't she?

Lord Hall: No, she was going through our process, which starts off informal and then becomes formal.

Q101 **John Nicolson:** She described her settlement as an "out-of-court settlement", which rather suggests that she was in the process of legal action.

Lord Hall: I am not aware that there was a tribunal date set or any of that in her case, but, again, I could find out for you. People talk about out-of-court settlements.

Q102 **John Nicolson:** She is a journalist. She will use her language precisely, I am sure.

Lord Hall: We settled that properly—

Q103 **John Nicolson:** For £400,000?

Lord Hall: For a sum that she can disclose, but I won't.

Q104 **John Nicolson:** She has disclosed it. You also, as you say, lost to Samira Ahmed, and you are now coughing up another £400,000 for her. Don't you think it's time you stopped fighting all those women, not least since you keep losing to them?

Lord Hall: Let me say that we have had 1,324 pay queries, of which we have resolved 97%. There are some still left to be resolved. The interesting thing about the Samira Ahmed case was that the judge said that the payment we should make to her was for something that was done way before my time, in 2008.

Q105 **John Nicolson:** Was that in Lord Birt's time?

Lord Hall: No. Can I just make a point, though? Most of these are about historical pay anomalies, and they are things that we are trying to clear up and get right. It is my job to get them done right. The tribunal judge said in the Samira Ahmed case that she was not making any claim or declaring a claim after 2018, because at that point we had in place proper ways of determining what a presenter should be paid. That is the most important thing: we have now put in place the right ways of judging how we should pay our presenters.

Q106 **John Nicolson:** You say they are historical cases, but when we forced you to publish the pay, it showed not just historical discrimination, but

ongoing, current discrimination. That is why so many of your female staff were outraged.

Lord Hall: No, I think most of the cases that have been dealt with are sorting out historical anomalies. Going back to what I was saying earlier about our HR system, we have been reforming and putting in place systems where we can be clear about who is paid what for what job. That includes presenters as well as the rest of the staff of the BBC. That means, for the first time, if you are a member of staff, you can now look at your pay and assess it against other people's. There is a transparency there, above a certain number, so you can judge whether your pay is right or not. That is why we have had a lot of pay queries, most of which we have now settled.

Q107 **John Nicolson:** I think a lot of the pay queries—

Clare Sumner: May I just make this point, Mr Nicolson? I am keen to say that our overall gender pay gap is a lot lower than the average gender pay gap, and it is continuing to come down. We have put a lot of work, and rightly so, into ensuring that that continues to be the case. Of course, we run an organisation of around 20,000 people, so those figures are really important. We have been one of the leaders among the media organisations, but also comparatively. Those foundation stones of our HR system are enabling us to bring down the gender pay gap, and that is really important.

Q108 **John Nicolson:** But the reason a lot of these high-profile women realised how much less they were being paid than their colleagues was that we forced you to publish the pay, although you had not wanted to do so. As I say, what it showed was not just historical gender pay gaps. Take Sarah Montague, for example.

You may have been paying her less than her colleagues over many years, but, Lord Hall, you didn't look at her pay and think, "Do you know what? That's very poor"—by comparison with her colleagues, although it is a great deal of money by most people's standards. You didn't then say, "I'm going to have a really embarrassing conversation with Sarah Montague. I am going to call her in and tell her that she has been paid much less than her male colleagues." It took this Committee to force that.

Lord Hall: It is a success for this Committee that it persuaded the then Secretary of State, Karen Bradley, that we should be transparent on on-air pay above £150k. There is no doubt about that.

Q109 **John Nicolson:** Are you glad that we did that?

Lord Hall: Let me come on to that. As you remember well, I was worried that this would be a poacher's Charter. I have also said to this Committee—you, sadly, weren't there, Mr Nicolson—that I got that wrong. I think transparency is right.

I would put two caveats on that. One is that we have undoubtedly lost people because their pay has been known to other broadcasters, who have

used that to take them away from us. That is happening reasonably often. Secondly, I ask you to think about the deterrence effect on people who are saying, "Do you know what? I am being offered similar pay outside, so do I want to come to the BBC where my pay is known by everyone?" There are some caveats to my welcome of the transparency.

To go back to the central point you are making, we have been reforming this organisation, with help from yourselves and others, to get to the point where we know why someone is paid x or why they are paid y. The thing about the Samira Ahmed case—quite apart from her being the talented journalist that she is—is that the judge recognised that in her judgment. It is important to say that, going forward, we now have proper criteria, not just for those behind the camera and the microphone, but for those in front as well.

Q110 **John Nicolson:** So why did you allow it to go to the tribunal? Why didn't you say, "This is unfair, and I am not going to allow it to happen"?

Lord Hall: The equal and opposite case, Mr Nicolson, is that I could come before you now, saying I would agree to this settlement—as you put it, this "out-of-court settlement"—without having tested it. We felt the amount was something we should test in the court. To be honest with you, we were surprised at the result.

Q111 **John Nicolson:** I wouldn't have said that, on a matter of justice, you should test it; I think you should do the honourable thing. I don't think you should have forced her to fight this case.

Lord Hall: We have been doing the honourable thing throughout. I am not going to get into whether or not it was possible to settle with Samira Ahmed; that is a different issue. There are occasions when you should test these things through the tribunal. I would like to keep that to the minimum, and what I have been trying to do throughout this period, with these very difficult cases, is to ensure that we come to proper decisions and settlements with people on historic anomalies in their pay.

Q112 **John Nicolson:** I suspect she was desperate to settle, because who would want to go through what she went through? It was just that you guys kept telling her that she wasn't the same as Jeremy Vine, and she wasn't prepared to stomach that.

Lord Hall: I don't know what was in her mind, Mr Nicolson. I wouldn't be so presumptuous to say.

Q113 **John Nicolson:** I read what she says. I return to the point that some colleagues have mentioned a number of times about the "Victoria Derbyshire" show. In the context of the way that senior women have been treated in the BBC, and the sense of grievance that so many of them feel, I think it a terrible pity that the high-profile programme that you chose to axe was presented by a high-profile woman.

I have looked carefully at the criteria that Victoria Derbyshire and her team were given by her bosses, and they were threefold: to target underserved audiences, to break original stories and to grow the digital

audience. My understanding is that the team, and Victoria herself, had been told repeatedly by management, until recently, that they had achieved these three objectives triumphantly. But, she and her programme, which covers very important social issues that I suspect the Government find most uncomfortable on a great number of occasions, have been dumped. The team have been told that it's because they failed to grow the television audience, the non-digital audience, which she was never given as an objective.

Lord Hall: I have given my answer to others before, Mr Nicolson, and I haven't got anything else to add. We are having to make difficult decisions, and this is one of them.

Q114 **John Nicolson:** I suspect it is a consequence of the Charter deal, which, as I said earlier, should not have been signed, because it necessitated these kinds of cuts. I remember saying to you, when you appeared before the Committee and told us it was a great deal, that that was not what your staff thought, and I think this is yet another example of the damage it caused.

Lord Hall: With respect, I didn't say it was a great deal. If I can take you back to 2015, we got a flat-cash settlement then that was better than almost any other Department, if you want to look around Government, was getting. And we did not have the benefit of a coalition Government. This was a new Tory Government, and we won a flat-cash settlement, plus—this is really important—a Charter through to 2027, which I think, with all the things that are going on at the moment, should give us some security, and with the licence fee at its core.

I just also remind you that the 2010 settlement took out the equivalent of 24% of our budget, so this is not just a one-off raid on the BBC; this has been consistent over a decade. I very much hope that when you, as a Committee, come to think about the licence-fee-amount discussions for '21-'22, these are things you will think very hard about. I am sure you will.

Q115 **Chair:** Thank you for that. I would be tempted to ask you at this juncture: if it was such a great deal, why are you resigning? Why are you leaving early if it was such a great deal?

Lord Hall: No, I will tell you why I'm leaving.

Chair: Well, we will come to that at the end; I will ask you at the end. I am going to bring Clive Efford in; he wants to talk about BBC pay.

Q116 **Clive Efford:** You say that you've got to save £80 million—

Lord Hall: In news.

Clive Efford: But according to the figures—I think I've got this right—the number of people earning over £150,000 a year has gone up. Am I right about that?

Lord Hall: The number that earn over £150,000—

Clive Efford: The number that you are publishing as earning over £150,000—

Lord Hall: Yes, that has gone up.

Q117 **Clive Efford:** So is the budget under control? Is there any problem there that means that figure is growing when you are trying to make savings?

Lord Hall: No, we are reflecting the fact that, overall, we have had inflationary pay increases over the last few years and so, obviously, more people bump into the £150,000 category. But can I just say this? In terms of senior leaders—the top management—our numbers have come down and our pay bill has come down. Our senior management cadre is now 1.3% of the workforce, which is lower than in most other organisations.

Q118 **Clive Efford:** Are you saying that that £150,000 figure needs to be reviewed or you think it is the right figure, it should stay there—

Lord Hall: No—

Clive Efford: And more and more people will fall into that category?

Lord Hall: I think more people will fall into that category as they move from £149,000 to £151,000, but I wouldn't revise it, because actually I think it's a good benchmark for everybody publicly to hold us to account for. But equally there are reasons why there are more people in that—

Q119 **Clive Efford:** What proportion of that saving of £80 million will come from BBC News, overall?

Lord Hall: No, the target for news is—they have achieved £40 million; they have another £40 million to go. But let me say that I expect those savings to come—that management will take its fair hit in those savings; it won't be just people at the lower end of the pay scales.

Q120 **Giles Watling:** I want to pick up on what the Chair was saying. You made your resignation speech, Lord Hall, in January. The advertisement for the new Director-General went out in February, I believe. When exactly will you be standing down?

Lord Hall: Well, that is for the Chairman. I have said to the Chairman and have always said, "I'll give you six months' notice of when I want to leave, so you've got plenty of time to make sure there is a proper handover, and I'll stay as long as is necessary to make sure there is a proper handover." I am happy to talk about why I decided to go—your Chairman mentioned it—at some point if you want.

Q121 **Giles Watling:** That is what I am coming to now. We have the mid-term review coming up in 2022 and then the Charter in 2027. And you were talking about reforming and we have the big changes coming into force on the licence fee for the over-75s. All these issues are coming down the line. There are big challenges facing the BBC. So why are you standing down at this juncture?

Lord Hall: I thought very, very hard about that, and what I wrote to the staff was the truth.

I came into the BBC in a moment of crisis, if you remember—Savile. The organisation had disintegrated with the loss of a Director-General after 54 days. We had chaos and a project called DMI, which was out of control and which I had to cancel. We had no preparation for the Charter and we had two years to go before that.

I have done seven years and, looking at the landscape now, I felt that the run-up through the arguments that we will have to make around the quantum of the licence fee in 2021-22 through to Charter renewal, which I guess will begin somewhere around 2025, could do with one person going straight the way through that. Strategically for the corporation, I felt that was the right thing. Part of the job of leadership is saying that it is right for the organisation to change at this point, and I felt that really strongly.

Concurrent with that, the Government appointed me as a trustee on the National Gallery and am privileged to be nominated for next year. So those two things came together, but strategically I felt it was the right time to go.

Q122 **Giles Watling:** This might be more of a question for Sir David, but do you think this timeline leaves enough time to appoint a new Director-General before the over-75s issue comes up and, if not, will an interim Director-General be appointed?

Sir David Clementi: To answer that question, why have we announced that Tony will leave in the summer? Because I need a bit of flexibility. If it's an internal candidate, it might be earlier than the summer. If an external candidate tops the selection list, it might be later in the summer. We intend to make the change in the summer in a very orderly fashion.

Q123 **Giles Watling:** So, Tony, finally—you feel it is job done then?

Lord Hall: No. What I said in my email to staff, which I wrote, was that, in my heart, I never want to leave. I mean that. I really believe in the BBC and its mission. What is going to happen is another chapter, and a very interesting one. I believe in it profoundly.

I wrote an article for the *Daily Mail* two weeks ago, suggesting that the BBC is always about reform, because I believe it is always about reform, right from the beginning. I was very pleased that they published it. This notion that somehow the BBC is anti-reform and is stuck in the past is not the BBC that I recognise. The fact that Lord Birt is here in the room as well is absolute proof, if you needed it—there is a reforming Director-General. I hope I have done my bit, as I said at the beginning, to reform this organisation. Now I feel it is for someone else to come in and reform. I look forward to cheering that person on.

Q124 **Jo Stevens:** I want to go back to Six Nations rugby. You may know that the Committee has written to the Six Nations Council, because we are extremely concerned about the idea that the championship might go

behind a paywall. We also want the Secretary of State to put it on to the category A list, as you mentioned in your evidence earlier.

The deadline for the bids closed earlier this week. Our understanding of the bidding process is that, although it is reported that joint bids are not permitted in the way that you did your joint bid successfully with ITV, the sub-licensing arrangement within the process would permit a joint bid. Has the BBC put in a joint bid with anyone?

Lord Hall: Yes. You are completely right. We are not allowed to put in a joint bid, but we have put in a bid that would sub-license to ITV or for them to sub-license to us.

I honestly think our audiences have been brilliantly served by having the Six Nations free-to-air. It is really important that rugby in this country, but also in Wales and Scotland and Northern Ireland and Ireland, remains free-to-air. We found this brilliant way of doing it with ITV to share the costs. For us, our Welsh and Scottish audiences are particularly important.

It would be dreadful if Six Nations disappeared behind a paywall. It is one of those events that brings us all together—brings important audiences together, especially in Wales and Scotland, but elsewhere too. I hope that a way can be found to allow what ITV and ourselves have done to continue. I fear that it doesn't look like that is going to be the case, but who knows?

The point you are making, though, about getting this listed properly is really important. That should be done. I have no doubt about that. Actually, it has been interesting seeing the comments. I have been looking at the Welsh newspapers particularly to see how strongly people feel about that.

Q125 **Jo Stevens:** As a proportion of population and audience, Wales is the highest percentage. Obviously, we have a smaller population but a greater audience. On the category A listing point, have you spoken to the new Secretary of State about that particular issue?

Lord Hall: No, we haven't on that particular issue. We have been trying to work out how we can put a proper bid in to see whether there is a way in which we can win. The whole "picks" way in which they have done it may militate against that, but let's see.

Q126 **Kevin Brennan:** You are absolutely right about its importance—particularly in Wales where, last year, for the final game of the Six Nations, for the grand slam, 87% of people watching television in Wales were watching the BBC coverage of that match.

Would you welcome a change of heart from the Six Nations organisers on the bidding process if they were to explicitly allow joint bids, for example from you and ITV, as part of the process, and if they were specifically to say that they would sell the Six Nations as one package rather than dividing it up into a series of packages, obviously with the aim of potentially putting some of the Six Nations, if not all of it, behind a paywall?

Lord Hall: We would welcome any change for the Six Nations. I am thrilled that we are bringing cricket back—not in the test match sense—to the BBC this summer with the ECB. I would love to find a way of keeping the Six Nations free-to-air. I do not need to tell any of you this, but sport is such an important way of bringing the nations together. If we can find any way to do that with Six Nations, that would be great.

Sir David Clementi: We would like to thank you for your contribution to the debate. I am very grateful, and I agree with you. On any Welsh view of the A-list, the England-Wales game would be right at the top. Why is it on the B-list and not on the A-list?

Q127 **Chair:** I now need to declare an interest as well, as a former BBC journalist—I feel like I am at BBC journalists anonymous, to be honest with you. Some final points for you, Sir David. Are you looking to chair the BBC beyond February 2021?

Sir David Clementi: I have not given any thought to my own position. I am absolutely engaged at the moment in trying to find Tony's successor. That is not an easy task, but we are engaged in it and that is my absolute focus. There is plenty of time in the second half of this year to discuss my position.

Q128 **Chair:** Do you commit to allowing the new Director-General to come in front of us for a pre-appointment hearing?

Sir David Clementi: That is a difficult issue. Let us be clear: the Charter is crystal clear on the fact that the Chairman is appointed by Government, and the Chairman appears in front of the Committee for a pre-confirmation hearing. The Charter is also absolutely explicit that the responsibility for the appointment of the Director-General is a matter for the board of the BBC. The Charter goes further: it actually says clearly that in matters of management, and the Director-General is the top manager, the BBC must act in a completely independent fashion. Therefore, I think that any political influence on this would be incorrect, and not in line with the Charter.

Q129 **Chair:** We are not asking for a right of veto; we want to have a pre-appointment hearing—you must understand that, with the over-75 licences coming up and all the issues around the future of the BBC and the mid-point of the Charter coming up. The Committee has done an enormous amount in moving forward the debate over the BBC in areas such as gender pay. I genuinely believe, as Chair, that it is beholden on you to ensure that the new Director-General, when appointed, comes in for effectively a pre-appointment hearing in front of the Committee.

Sir David Clementi: What is the purpose of the pre-appointment hearing? Is it to influence the decision, to veto it or to ratify it? What is the point of it?

Q130 **Chair:** The Committee would like the individual that you are minded to appoint to come in and set out what they think the future of the BBC is. I think that would be a very positive—

Sir David Clementi: I think the Charter makes that almost impossible. The Charter is absolutely clear that in managerial matters—it is explicit in regulation 3, and I had cause to read it again last night; I read it occasionally—the board of the BBC is solely responsible. What I do undertake is that as soon as they are appointed and, indeed, before they take up post, they will come and see you.

Q131 **Chair:** Before they take up post they will come and see us.

Sir David Clementi: I am happy for he or she to come before they take up post, but they cannot come before we—the BBC and the board—have actually ratified the appointment. I think that would be inappropriate.

Chair: So we will see them before they take up post. Okay. Thank you very much.

Lord Hall, this may be the last time that you appear before us. Having been on the Committee for the past three years, I wanted to thank you personally for the courtesy with which you have always dealt with members of the Committee and me as a constituency MP. Thank you for that and thank you for coming today.