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Digital, Culture, Media and Sport Committee

Oral evidence: The work of the BBC, HC 257

Tuesday 21 September 2021

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Damian Green; John Nicolson; Giles Watling.

Questions 197 - 343

Witnesses

I: Tim Davie CBE, Director-General, BBC; Richard Sharp, Chairman, BBC; Leigh Tavaziva, Chief Operating Officer, BBC.



Examination of witnesses

Witnesses: Tim Davie CBE, Richard Sharp and Leigh Tavaziva.

Chair: This is the Digital, Culture, Media and Sport Select Committee, and this is our review into the BBC annual report. We are joined by three witnesses today: Tim Davie, the director-general of the BBC; Richard Sharp, the chair of the BBC; and Leigh Tavaziva, the chief operating officer at the BBC. Leigh, Tim, and Richard, thank you very much for joining us today.

Members need to do some declarations before we start. First of all, I have to declare that I was a former employee of the BBC. I am also the chair of the new and advanced technologies APPG.

John Nicolson: I also declare that I worked for the BBC for a number of years.

Damian Green: I, too, worked for the BBC on two occasions, first as a journalist and then as a policy adviser.

Chair: There should be a statute of limitations, should there not, on how long we have to declare these? Mine were 15 years ago.

Giles Watling: Yes; I also need to declare that I worked for the BBC and am still in receipt of royalties occasionally.

Q197 **Kevin Brennan:** I wonder whether I could ask you first, Richard, about this controversy about the Jess Brammar appointment. You have written a letter in defence of the activities of Robbie Gibb as a board member in trying to intervene in that appointment. What do you have to say to the Committee about that whole saga?

Richard Sharp: You have already read my letter to you. One thing worth observing is it is a corporate board. It is worth reminding ourselves how corporate boards work. All the directors have a responsibility, whether they are executives or non-executives, to the corporation. The board represents the corporation. There is a significant difference between the non-executive directors and the executive directors, but they are not in the role of the governors; they are not regulators. They embody the BBC; the board embodies the BBC. In any corporation of any kind, there should be free and clear communication between the non-executive and executive directors. They are all seeking the same objective, which is for the corporation to succeed, thrive and make the right decisions.

At the same time, something you will be well aware of, particularly those who worked at the BBC, is that staff appointment is a matter for the director-general and the executive team. At the same time, you should also be aware, particularly on this Committee, in light of some of the things that have been discussed in relation to the Martin Bashir issue, that recruiting into senior positions is very important in a media organisation such as the BBC, where many issues of reputational



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importance are involved, in particular all the things we have discussed here with you in the past, including issues such as impartiality, balance and so on.

One of the things that is absolutely necessary is that, if people have information that they think is relevant to critical decisions, they communicate between each other. Although there are some people who did not fully understand the changing nature of the structure of the BBC as a result of the corporate board and who felt it was inappropriate for a non-executive director to communicate to an executive director about any information that may be relevant, in fact the truth is quite the reverse.

What is entirely appropriate is for a non-executive director to communicate to an executive director anything that is material, relevant or that they would consider important in making a decision. What should not happen is that the non-executive director makes the decision.

Q198 Kevin Brennan: Can you understand why some people, when hearing you talk there in relation to BBC impartiality, might say that of course journalists hold opinions, and when they are in other jobs, they might express those opinions in various different ways, but here, a former adviser to the current Government, who is on your board, has tried to intervene in the appointment of a member of the editorial staff. He has been supported by the chair of the BBC, as a former donor to the Conservative party. The director-general of the BBC is a former Conservative party activist and councillor.

This is not something I want to be saying, because I want to see a BBC that is free from this nonsense. There is a legitimate case that people would make here. The fact is that a former senior Conservative adviser with very close links to the current Government has tried to intervene in a journalistic editorial appointment. It is unsurprising, is it not, that some people fear that there is something else going on here that is much more serious than simply the corporate process that you have described?

Richard Sharp: People are entitled to their fears and concerns, but it does not mean they are right.

Q199 Kevin Brennan: You have no concerns whatsoever.

Richard Sharp: I am just being clear to you.

Kevin Brennan: You thought what happened was great.

Richard Sharp: If any of the executive directors is making an important decision and a non-executive director has information, they should feel free to communicate it.

Q200 Kevin Brennan: She has been appointed now, has she not?

Richard Sharp: She has been appointed.

Q201 Kevin Brennan: Has her appointment not been tainted by the fact that



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there is a member of the board so vehemently and publicly thinking that she is unsuitable for the job?

Richard Sharp: First of all, you are making a supposition about the private communication in what you have just said.

Q202 **Kevin Brennan:** Is my supposition right?

Richard Sharp: The private communication concerns sharing information that is relevant to making the right decision. The process is one that takes the information, assesses it properly, follows the right protocols, particularly in the BBC in terms of—

Q203 **Kevin Brennan:** You said I was making a supposition. I am asking whether my supposition is correct or incorrect. Can you not tell the Committee?

Richard Sharp: Mr Brennan, with respect, what I am saying is that I would rather not comment on private communication between the two, other than to say that it was a communication of information that needed to be verified from one board member to another. I would be unhappy, as chair of this board, if on any material matter that did not happen. Whether it is climate change, discrimination, how we are doing in regional areas, whether we have Scottish representatives or whether we have Welsh representatives, there should be free communication on matters of concern between the board members.

Q204 **Kevin Brennan:** Is Sir Robbie Gibb now content with the appointment, having had those concerns raised?

Richard Sharp: The board supports the director-general and the process that has been undertaken in appointing the right candidate.

Q205 **Kevin Brennan:** That includes Sir Robbie Gibb.

Richard Sharp: Yes.

Q206 **Kevin Brennan:** Do you think that this issue has contributed to Fran Unsworth's departure from the BBC?

Richard Sharp: No, I do not. You can have Tim comment.

Tim Davie: Not in the slightest, no.

Q207 **Kevin Brennan:** Why is she leaving?

Tim Davie: Because after 41 years—

Kevin Brennan: She has had enough after this latest incident.

Tim Davie: It is nothing to do with the latest incident. This is a planned move. Fran is an exceptional executive. You can look through her record after 41 years. This is a planned move. This has got absolutely nothing at all to do with the Jess Brammar appointment.



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Q208 **Kevin Brennan:** What will Sir Robbie Gibb's role be in the appointment of Fran Unsworth's successor?

Richard Sharp: Fran Unsworth's successor may well be a board position. At the board, there is a nominations committee, which is a sub-committee of the board that makes recommendations to the board. As a board member, he would participate following nominations committee involvement in the process to support whoever the candidate is to join the board.

The actual recruitment process is led by the director-general, to whom that position reports. As you would expect, that would be a process that involves internal and external candidates and head-hunters, and it will be one that is followed appropriately.

Q209 **Kevin Brennan:** Do you think the Jess Brammar affair will have a chilling effect on applications for this position?

Richard Sharp: No, I do not. Do you?

Kevin Brennan: I am asking the questions here today. I have no idea. I was very interested to hear whether you felt it would.

Richard Sharp: To me, it is one of the greatest news positions in the world. I imagine that somebody in the news industry would be very attracted to coming here, working for the BBC and working for Tim.

Q210 **Kevin Brennan:** Can they expect to be trusted in their judgment in making editorial appointments? Is that part of what you would expect?

Tim Davie: Of course, yes. If I may, this is one of the great jobs in the world in terms of leading a news organisation. It is a fantastic job. It is a very tough job.

My worry around this episode is to do with the principle by which we have always led the BBC. It is confusing if we start judging people on previous tweets and previous comments. When you enter the building—I put it as my No. 1 priority, though we can debate how I am doing on that—impartiality is sacrosanct.

Q211 **Kevin Brennan:** That is what I thought too, until this.

Tim Davie: With respect, this does not change this. There is a lot of heat and light around this. On my watch, the simple brief is to deliver on impartiality. By the way, that is a tough brief, and we can talk about that as we go through all kinds of things in terms of where we sit as a society.

We will get a fantastic line up of applications. We have hired from various parts of the British press over the last years. I just saw a senior hire in online coming from the *Daily Telegraph*. We need to hire the best, as the BBC, and we need to hire across the political spectrum. That is an incredibly important precedent. This affair is dangerous territory for us.

Q212 **Kevin Brennan:** It is.



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Tim Davie: That is not because of the process, but because people could start doubting our ability to hire people with political views into the BBC. When they get here, they leave them at the door.

Q213 **Kevin Brennan:** In a senior position like this, you want someone you can trust and who can be trusted to do their job without Sir Robbie Gibb looking over their shoulder on every point.

Tim Davie: They will be part of a unitary board. It is appropriate that you share relevant information. We are underrepresenting the strength of the executive and our ability to do our jobs.

Just for the record, I have never been a Conservative councillor. I may have stood once, but I have never been a councillor, just for the record. Thank you.

Kevin Brennan: I beg your pardon. You were a Conservative candidate. I apologise for extending your political career beyond—

Tim Davie: It never started.

Q214 **Kevin Brennan:** Just to finish this off, what is the timeline for recruitment for this new appointment? Will the new director of news and current affairs be based in or outside of London?

Tim Davie: We are starting the process now. We are just underway. We will be using a head-hunter. We will open it up internally and externally. I am expecting interviews before November. You know about these things. I have to find the right person. That is the most important thing over the next couple of months. We are underway. If you are interested, it will be open to all.

Q215 **Chair:** I may come at this from a slightly different perspective. Richard, when it comes to Sir Robbie Gibb, what was wrong about him letting a senior editor know that there was potential political fallout from a particular appointment? The fact is that Sir Robbie has that senior background within Government and has been brought in in order to ensure that experience and knowledge is brought to bear. What is wrong with what he did?

Richard Sharp: First of all, I am not commenting on what he said in his private messages to Fran Unsworth. What I said to Mr Brennan is correct. He communicated information that he felt should be examined as part of the recruitment process that he was aware of. There is nothing wrong in that.

Q216 **Chair:** Earlier you said that what was wrong was that he sent the text rather than waiting there in order to be asked. Is that fair?

Richard Sharp: No. No, it is not. Let me come back to something. This was before my time, but there were lots of investigations and discussions here as well. James Harding said that he felt the re-hiring of Martin Bashir was a mistake. At that time, he was taking account of the



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perception of things that Martin Bashir had done in the past in a certain way. If I were in James Harding's position, I would not have minded if someone had said, "Are you fully aware of what happened in respect of that?" etc. I could have had a message from somebody saying, "Maybe you should check out in more detail what happened there and there."

The communication could be considered material. If it not material, it can be discarded. When you are making an important decision, if people in the organisation with the best interests of the organisation at heart want to communicate something that they think is relevant, you can take it on board and make a decision. The right thing was that the non-executive did not make that decision about hiring, did not run the process about the hiring and did not do the interviewing for the hiring. The right thing is that it was done by the executives, but it does not mean you cannot communicate information as a non-executive director, if you consider it relevant.

Q217 **Chair:** I would have thought it was part of the non-executive director role.

Richard Sharp: You are accountable to the corporation in that sense, making sure it does the right thing. What you do not do is to make the executive decision.

Q218 **Chair:** What do you think of the leaking of the text messages to the *FT*?

Richard Sharp: It is disappointing.

Q219 **Chair:** Have you done anything about it at all? Are you doing an inquiry to find out? You say how important it is that non-executive directors are able to inform the executive director side of the business of their knowledge and what they know. You made a very good point there in terms of Martin Bashir. If they are afraid that every single time they send a message someone is going to leak this to some hack at the *FT*, surely that is going to completely destroy that channel of communication completely. It is effectively going to become political football.

Richard Sharp: I have observed some of the hearings that you have had. Many of you receive messages directly from people in the BBC. It is a reality. It is a media organisation, and there seems to be a culture, which I certainly was not used to in the private sector, of free communication of confidential matters.

One of the things that Tim Davie is seeking to do as director-general is to enhance the culture at the BBC, and I would hope that over time these kinds of things become—

Q220 **Chair:** You are just going to let it slide that the leak was done. You think it is unfortunate that—

Richard Sharp: Questions have been asked and an answer has not been found.



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Q221 **Chair:** Who have the questions been asked of? Have you asked the candidate, Jess Brammar? Has she been asked these questions?

Richard Sharp: I am not going to go into the detail of our investigation, with all respect.

Q222 **Chair:** But you have conducted an investigation. You used the word "investigation", so you have conducted an investigation.

Richard Sharp: Tim has asked questions and I have asked questions, and we have not determined where the leak took place. I do not expect that we will.

Q223 **Chair:** This leak is quite a convenient one, is it not, for Jess Brammar, in many respects? This leak happened, and then there was a massive political uproar and it became a matter of BBC impartiality that the appointment was made. It is quite convenient, is it not, in many respects?

You talked, Mr Sharp, about the BBC's drive for impartiality—Tim, you have talked a great deal about that—and diversity. Does diversity also include diversity of opinion at the BBC?

Tim Davie: Absolutely, totally, yes. If you look at my first speech and every word we have said since, one of the points that I have made about diversity is that I often think we are, with respect, too locked in to a political set formula in terms of how we look at the diversity of views. If you look at the UK, dare I say it, often people slightly younger than myself have different views to me.

I get emails all the time from people. I take all my emails. I perhaps should not have said that on the record. In all of those emails coming in, we get a wide variety of views. It is absolutely critical. You are going to see us push again on this, by the way. I am going to keep pushing. We need to be comfortable taking a diverse range of views. That needs to happen on our output, and we are making progress. If you talk to editors, this message is getting through. Slowly, people want different voices. We need to be comfortable with different opinions.

I do worry about institutional groupthink. We need, then, to make sure that the groups of people making decisions, the groups of people that we attract to the BBC, come from a wide socioeconomic background and have a diverse range of views. The BBC is nothing if it is not a good facilitator of proper open debate and diverse views. That is essential to us. It is mission-critical. It is us. It puts us in a very different place to where the rest of the world is heading, in my view, which is a dangerous place around just partial media. I and others feel very passionate about this.

Q224 **Chair:** I read Richard's speech from the other day on that, and it was very telling.



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Tim Davie: We are in a battle for this. We need to be really clear that we are not perfect; we have plenty of work to do to facilitate a space where we can properly debate these issues.

Let us face it: the quality of debate in online forums and other things is not at a stage where we can take a proper listening approach to each other and get those debates. Everyone will have a view on that, but we have work to do. I have been very open about the fact that we are vulnerable, like every institution, to groupthink and having a certain type of person. This is a really big topic in terms of the BBC's culture, but I want a deep sense of belonging for different views and different people.

The unfortunate thing about the Jess Brammar affair, frankly, is that this is one individual three levels down in the newsroom. We are making hires all the time. I agree with you. Unfortunately, the leak takes it into an area that is suboptimal, if that is the right word, for all of us. I want to make sure we are hiring a broad church of individuals and that what characterises them is their ability to leave their policies at the door.

Q225 **Chair:** Have you hired anyone who supported Brexit since your time as editor-in-chief at a senior level?

Tim Davie: I do not know, because that is not a question—

Q226 **Chair:** We know that Jess Brammar did not.

Tim Davie: Yes, but we are hiring people all the time. I have no idea. I do not know where my top team is on Brexit. We do not talk like that.

Q227 **Chair:** You are talking about a diversity of opinion, but you do not know who supported Brexit. It looks like you are just in the dark, frankly, over your own editorial team.

Tim Davie: That diversity of opinion comes from different backgrounds, life experiences and CVs. It is not a list of questions. We do not have a list of questions when we are interviewing people. We do not ask, "Politically, what did you support and what did you not support?" That is not the key criterion.

Q228 **Chair:** You can do due diligence on people as well. For example, does it not make you slightly queasy that Jess had to, or chose to, delete 16,000 tweets when her position was announced?

Tim Davie: She chose to do it, I suspect.

Q229 **Chair:** That must take a day or two.

Tim Davie: As someone who does not tweet too much, I have no idea on the timescale. Surely one of the things that is a good thing to do, if you join the BBC, is to delete your tweets and clean that—

Q230 **Chair:** Cover your tracks.

Tim Davie: It is not that you are embarrassed by it. We hire people, and



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by the way they leave as well. If you look at it, it is two out of the last four directors of comms at No. 10 and plenty of other people have gone to different parties. Look around this table. We have people who leave to different parts of the political sphere. It is absolutely appropriate to leave that at the door. That is what we do. By the way, we have done it pretty well for 99 years.

It is tougher now, by the way. The culture wars are raging. We have a real battle on our hands. I walk a tightrope every day on this, but we have to fight for it. It is not an easy choice. We can debate one hire three levels down in the newsroom. The leak is unfortunate. We have to set things in perspective. We are making progress on it.

Q231 **Chair:** How does her appointment impact diversity of thought? You say you do not want to have groupthink. It looks like you have just introduced much more far-left-of-centre groupthink, judging by the 16,000 tweets and some of their content. It does look as if, frankly, all you have done is made the gene pool even more to the left than it was previously.

Tim Davie: With respect, we have a few thousand people in news. We have just restructured the newsroom completely, which is quite radical. I saw some outstanding editorial appointments yesterday in terms of three new editors, including Zoe Kleinman as technology editor. I will not go through all of the list. We are making hires that have significant editorial decision-making powers across the newsroom. Jess is one of quite a significant number of new—

Q232 **Chair:** You say there are a few thousand, but she is No. 3 in news.

Tim Davie: She is not No. 3 in news. She is three levels down. We have a very clear structure. You have Fran; you have the world service; you have newsgathering; and you have the output. She reports into the person leading output, which is Jamie Angus. They are the big jobs. We have tried to strip it down. I have cut, you will be comforted to hear, the number of senior managers—I am sure we will get on to that—quite aggressively. We have reduced the number of senior leaders. We have a clearer structure there.

I understand the point, but let us be judged on the overall movement of the BBC. I have been very clear—and we have got work to do—that we want to deliver impartiality. The one thing I would say is, in my world, I want to be judged on the results, to a household, to anywhere across the UK, in terms of how we are delivering on impartiality. They are the things that we can discuss. Whether that is in Scotland or in other areas, how are we doing against the brief? People leave their backgrounds at the door when they arrive at the BBC.

Q233 **Chair:** Yes, as long as they delete 16,000 tweets, of course.

Tim Davie: That is not a fair characterisation. We did not ask anyone to delete tweets. They chose to do it. It is fair enough.



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Q234 **Giles Watling:** That is one of the reasons why I do not tweet anymore. On the back of what the Chair was saying, it has been just over a year since your appointment. I know you were acting DG for a period of time earlier on and you have great experience in the BBC. Since your appointment, have your views on how you handle these things changed? Have you changed? You came out with a definite agenda and you had your five bullet points. How have they changed?

Tim Davie: No. We are absolutely and utterly consistent. I am sorry to be repetitive, but this is one of the things where we should be clear about what we are about. I remain as committed as I was on day one that universality and value for all are the underpinnings of the BBC. That is what everyone in the BBC is focused on.

Q235 **Giles Watling:** During this first year, you have not come across issues or personalities that have affected you and changed you.

Tim Davie: I have come across hundreds of those, seriously. In this job, there are things going on all the time. In terms of the focus of what we are trying to do as an organisation, it is crystal-clear across the organisation. It is about serving every household the length and breadth of the country, from Inverness to Liskeard to everywhere. We want every household to get value for their £13 a month.

To do that, we have worked on four things that we think do that in the service of licence fee payers. One is that about trust and delivering impartiality. By the way, all of these things are not what others are doing in the market. I have said that I think Netflix are a great company, but we are not trying to become Netflix. The first is impartiality.

The second thing is high-impact content like "Vigil" or the Chelsea Flower Show, doing 2.8 million last night or 3.2 million. These things are what make the BBC special. The third thing is to join up our online offer. If you look at the quality of the iPlayer now versus when we last sat down, you will have seen major improvements. We continue to improve. The numbers are excellent on iPlayer. It had a very good year.

Fourthly, we have worked on commercial return. If you asked me how I have done in my first year, one area we have struggled a bit with is Covid's impact on the BBC Studios business. The fundamentals are excellent, and I am encouraged by what I have seen this year. We have very ambitious plans, but returns from the BBC went from £276 million down to £137 million based on Covid.

The only other thing that I would say finally in terms of where we are at is—we can get into the overall numbers at the BBC—that this year has been a good year. For 90% of people we are slightly up in terms of time spent with the BBC. We got a Covid bump, let us be honest. The fundamentals are pretty good. I am sure we will come to the licence fee, evasion and all of those things. I do not want to sound complacent, but



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we are in a reasonably strong position here. Our reach numbers are very strong.

One last thing that I have added is a focus on how you make that happen. You have to transform the culture and you have to push yourself across the UK. One of the things that I am proudest of is the fact that we have signed strategic partnerships across the UK, whether that is in Scotland or Wales, or whether it is in Birmingham, working with the Mayor, and the central creative economy there in terms of what we can do in Digbeth. I am working with the north-east, with the likes of all those people in Newcastle, Sunderland and beyond. That area is working.

Regardless of where we head—we can talk about this—with licence fee settlements and goodness knows what else, I am utterly committed to keep pushing money outside the M25.

Q236 Giles Watling: That is all very good, and I accept what you are saying, but it did not really address what I was chasing down. You came with an agenda, which you clearly laid out. My question was, very simply, “Are you being flexible?” Are you listening? Are you taking on board what has been happening over the last year? Are you moving or are you not having to move? Was your agenda right from the word go?

Tim Davie: We are listening all the time; we are adjusting course all the time. You are constantly fine-tuning those plans, like any business that I have run. Of course we are. We are thinking differently around how we push outside the UK, for instance. On impartiality, we have done a good job on guidelines, but we could do a bit more editorially. There are a 101 things that we could talk about.

Q237 Giles Watling: You are not being derailed by the Jess Brammar thing.

Tim Davie: One of the key factors of success in this job is what I would call proportionality. We are in the papers all the time. I have to serve the licence fee payer. That is what I am focused on.

I do not want to sound pig-headed or complacent about that, but when I drive 100 miles from here the key concerns are, “What do you have for me at 9 pm?” I am serious. “Is Bob and Paul’s fishing show on?” “How many do you have?” Those are the kinds of questions we get. Critically, in terms of our local services, “Do we represent Scotland?” “Is our view being heard?” These are the really big issues for the licence fee payer.

I am not complacent. We have a lot of work to do, by the way, but I cannot be distracted. You need to deal with these things, and I am sure we will talk about a few of them in this Committee. You cannot be distracted from the central objectives. I do not want to sound pig-headed about that, but it is really important, because it is not about individual politicians. I am sure we will talk about that. It is about licence fee payers; we are there to serve them.

Q238 Giles Watling: What I want to ask you about is licence fee negotiations.



We have had a change of Secretary of State. Oliver Dowden is gone; we now have Nadine Dorries. How is that going to affect those negotiations? They were due to be completed by this autumn. I just wondered how you were getting on with that and how it is going with the new Secretary of State.

Tim Davie: I am yet to meet the new Secretary of State, so it is a bit early for me to give you chapter and verse on the implications. One of the things I have learned is not to second-guess that at all. A year ago we were talking about the implications of various characters and decriminalisation. The worst thing I can do is start to second-guess people before I have talked to them and laid out the case for the BBC.

Q239 **Giles Watling:** That is fair enough. How are the negotiations going?

Tim Davie: The negotiation has been a constructive, good process. How it works is we have put a significant evidence pack together in terms of the case for the BBC. By the way, that case is not simply, "Give us as much money as you possibly can." It is about how we can offer the right value for licence fee payers.

There is no doubt that, after a 30% real-terms cut for the BBC since 2010, we are at a tipping point in the UK media market and the creative industries. Do we want to support a thriving domestic UK creative market or not? We have made that case not in speeches but in data. Even if we get a decent increase—let us put it that way—super-inflation in the market is currently 9% on drama productions, and that is the minimum. We are in a battle here.

We have made that case. I will not go on about it, because we may want to talk about it later in terms of the efficiency progress we have made and the fact we are in the top quartile now in terms of benchmarking on overheads. We are at it, but there comes a point where there is a big choice moment. That has been a constructive discussion with Ministers and with the Department, and we are well advanced in that. It is a private discussion, by the way. When we get to a resolution, I would hope that, despite changes at the Secretary of State level—I am very much looking forward to meeting the new Secretary of State—we deliver this settlement on the timings that we have talked about.

Q240 **Giles Watling:** You will have to make sure that comes very soon.

Tim Davie: As, if you like, the CEO of an operation, you need to know what your revenue is to get your production. This is mission-critical for us. We are in a very competitive marketplace to secure ideas and writers. You cannot be in a situation where you do not know what your budget is. We need to get that done.

Q241 **Giles Watling:** Can I move on to evasion? How much is the BBC losing through evasion at the moment?

Tim Davie: Leigh, would you like to give us some data?



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Leigh Tavaziva: Yes, of course. As you will be aware, we were not able to measure evasion rates for the last financial year, which was largely driven by the impact on BARB and its ability to do field visits to collect TV penetration rates from domestic households. That is one area. It is great that BARB are now able to collect those TV penetration rates. We have now seen, from August 2020 to June 2021, the new TV penetration rates. That is not, however, the only input measure into our evasion modelling. We also look at businesses and student residences, and we collect other data for our evasion reporting.

In the latest rates, the evasion rate is 6.95%, which we have agreed with the NAO. We will address and update our evasion models at the end of this financial year, as we do every year in our report. That is audited by the NAO, so it is really important that our evasion modelling is thorough and accurate. Through the licence fee collection volumes that we collected during the last financial year and what we are starting to collect at the moment, we are seeing that evasion continues to follow a similar level as it did when we last had a formal measurement of it.

Q242 **Giles Watling:** With the information that you have so far, how is the graph going? Are we losing?

Leigh Tavaziva: Over the last five years, evasion has continued to be between 6% and 7.5%. It has actually been really stable in that 1.5 percentage point range over the last five years. Our current analysis on licence fee volume would indicate that is continuing at the moment.

Q243 **Giles Watling:** There is now the other factor of the over-75s licence fee, which has become a major issue, both politically and for those over 75. I have constituents from Clacton who write in regularly about this. I believe 250,000 over-75s have yet to submit an application for a paid TV licence. How are you doing with that? How is that going?

Leigh Tavaziva: That is correct. That was the data at 31 May 2021. We had 260,000 over-75 licence fee holders who were yet to set up a new payment plan. Overall, we have seen fantastic progress over the last year in over-75s. I would give huge thanks to all the audience members who have gone through this transition, in a very difficult Covid year too, and who have been able to pay that licence fee and set up their payment plans. Nine out of 10 over-75s have now set up their payment plans correctly. That is in line with the general population.

We have seen continuous improvement on that 260,000 over the remaining months since May. We will continue to work hard with our over-75s. In the autumn, we will be carrying out customer care visits to start to be able to engage with those individuals who we have not been able to speak to. We have been working with RNIB and we have been working with dementia societies to help educate our colleagues on how to engage in these conversations and how to support the remaining over-75s.



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Again, as I say, nine out of 10 over-75s have now set up. That is in line with the general population, and that is a strong position for us to be in after one year.

Q244 Giles Watling: Tim, do you think it is a good idea to charge over-75s the licence fee?

Tim Davie: We never supported the move. That is clear, by the way. Once we were given that challenge, we made the right judgment to give relief to those who are claiming pension credit. If I may, there is a real challenge for everyone to make sure that those people who can get pension credit take it, by the way. That is a whole different meeting, but it is a very important thing.

With the challenge we were given, the decision that we have made is right, bearing in mind the amount of consumption by over-75s and the principle of fairness in terms of the delivery of BBC services. If we had taken that money out of the licence fee, by the way, with what we were facing, it would have been a savage, major cut. If you look at this, 90% of the population are using 18 hours a week. That does skew to the older population.

We are an incredible service. If people can afford it, this is the right decision based on the circumstances that we had. Have no doubt: we did not want to do it, but once we were given the challenge we made the right call.

Q245 Giles Watling: You inherited that.

Tim Davie: Yes. I was a board member. It was part of the deal, as we know, that we did. As a board member, I absolutely supported the solution that I just talked about. I stand by that.

Q246 Chair: Just on the licence fee, Leigh, I understand and appreciate that BARB has been very difficult for obvious reasons, because of Covid, but one thing that is more certain is the numbers filling out the application or returning the form and saying, "No licence necessary". That has gone up by 400,000 in the last 18 months or so. How much does that equate to in terms of lost revenue?

Leigh Tavaziva: As you will be aware, we have estimated previously that a 1% drop in evasion rate relates to approximately £14 million in lost revenue. We have not seen a 1% drop over the last few years; we have seen a less than 1% drop. On a £3.5 billion revenue, that is quite a small number.

We have seen an increase in the number of audience members contacting us to say that they no longer need a licence. That has increased by about 180,000 over the last year. There is a range of reasons why people do that. When we talk to them, we engage with them proactively to understand and check with them whether they really do no longer need a licence. We also undertake a number of field visits, and we find that one



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in 12 do need a licence when we visit them and engage in a discussion about the licence.

It is a number that we care deeply about. We have to ensure that our evasion modelling is relevant, that it keeps up to speed with changing market environments and that it is statistically relevant. This is one of the important bits of work that we always do; it is a very big part of our analysis. Understanding our audiences and understanding why people may choose to no longer need a licence is critical. It is also why we have a very clear strategy, which Tim has talked about, around value for all audiences. That is essential for us.

We need our audiences. We need to reach them; they need to use our services; we need them to create a habit on our services so they are using a range of our platforms often. We also need to know that they see the BBC as something that is relevant to them. We call that “for me”. I know Tim has discussed that previously as well. That is a very clear measure of our success in delivering our strategy. Using data to understand these audience measures is a key part of what we do on the executive committee, through our organisation and every month at the board as well.

Q247 **Chair:** Just to rewind, if I may, Leigh, you stated that there were 180,000, but the NAO tells us that there were 400,000 over the last two financial years, not 18 months. Where is the discrepancy there? Is there a discrepancy?

Leigh Tavaziva: The “no licence needed” is a measure at a point in time, and it does move. We have also seen in the last year 700,000 audience members tell us that they now need a licence, because they are now using BBC services. It is a very variable number. It is something that we care about. When you look at March 2020 to March 2021—

Q248 **Chair:** Who is right: you or the NAO? You say 180,000; they say 400,000.

Tim Davie: That is 180,000 a year.

Leigh Tavaziva: Yes, the 180,000 is between March 2020 and March—

Tim Davie: It is just the time period. If I may, this is an area that we should be animated about. We are very active on this. There are two things here. One is evasion. It is interesting. Going back to 1991, evasion was much higher than it is now; it was 12%.

Q249 **Chair:** Poll tax is the reason for that, because people were evading poll tax and evading the licence fee at the same time.

Tim Davie: If I may, across Europe we are best in class in terms of collection of the licence fee. You can work on evasion. You can do things. We have to be sensitive to all the things we need to do to get that right.



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There is a challenge. Let us be honest. There are those people who say, "I do not need a licence fee. I am not watching live television; I am not watching a live stream". We have to be healthily paranoid about that as the BBC, if we care about universality. We are tracking those numbers. We are watching them very seriously, but we are understanding them.

Interestingly, by the way, a lot of them churn in a year. People do come to content. They will find it. We just need to make sure that we are relevant. What we are not seeing is a collapse in the licence fee or anything close to it. We are talking about 180,000 in a year. We are working very hard to understand that group and making sure that they get enough value from us. That is what we are here for.

Q250 **Chair:** What does 180,000 represent in terms of lost revenue? Is it £33 million or something like that? If you say 150 times 180,000, that is £27 million.

Tim Davie: Yes, on my rough maths.

Q251 **Chair:** Yes, that is very poor O-level maths. It is a £50 million hole in your budget over two years due to "no licence needed".

Tim Davie: There are swings and roundabouts here. Leigh can explain in more detail, but there is household growth; there are other things going on. Our revenue this year is strong. We are not seeing that. There is no hole versus our budget. We are actually slightly ahead based on all the various things that are going on in terms of over-75s and this, that and the other. It is not right to characterise us as having a hole in our budget. We are ahead of our budgetary forecast this year. What we have to manage is those "no licence needed" changes.

Q252 **Chair:** "No licence needed" is the existential threat in the long term. You say that people will churn and they will come back to content, etc. Therefore, the licence fee almost becomes a subscription service.

Tim Davie: That is leaping us too far. The existential threat to the BBC, as I have said many times, is relevance. I am as passionate as anyone about the intrinsic values of the BBC, democratically and culturally, the very precious thing that the BBC is as an institution, what it brings to the creative economy and all the things that we can talk about. They are rock-solid, by the way.

In terms of our support—this is why the BBC is curiously accountable, actually—you cannot escape delivery to a household. In our research, what people do not do is go, "The BBC is a good thing, but I do not get enough value for my family," or, "I never use it." There is a degree of that, and the societal benefits are huge, but we are driven by something slightly different. That is fine, but what we want is for every household to get value themselves. We know there can be habitual usage in the family. It might be through Bitesize; it might be through radio. We all know people who love a radio service. It is that deep connection. If we have that in every household, we are in good shape.



What I would say is that, to preserve that, we need investment. When I say “investment”, we need investment that people think is still good value. Netflix, Spotify and Apple have had price rises of 20% to 30% this year. We have gone up 1% and we are down 30% in real terms since 2010. When you ask people what they would pay for the BBC, we are well ahead of the £13. We are not asking to go well ahead of that, but we need to make sure we are not stripping this service past a certain point, because we will then be into a spiral, if you do not have the investment to make it work.

Q253 Chair: Your strategy for dealing with the increase in “no licence necessary” declarations—undoubtedly, there are 180,000 a year of these, and over two years it is close to 400,000—is effectively that what you need to do is produce a much better product, and what you need to do is be more relevant.

Tim Davie: It is about working tirelessly, within limited budgets, on things like BBC Three or improving our BBC Schools service and all of the things that we do. This is why I talk about reallocating money to where it has high impact. Forgive the corporate jargon. That is what we are trying to do. We are trying to understand those families and make sure they get what they want.

The BBC is special. If you look at our programming, we are doing well in terms of our share. The issue, of course, is that linear is down and iPlayer is up enormously. We are in pretty good shape; we have had a good year. We just have to be very, very close to those families and make sure that those 180,000 in the end come back to the BBC because they need us.

Q254 Steve Brine: Happy anniversary, Tim. You picked a quiet year to start. I just want to ask you about a few things: impartiality, pay and something about the regions, if I may. On impartiality, going back to Brammar-gate, some of the tweets she deleted said that Brexit was a bad comedy, demanded a fight for a properly funded NHS—it has never had more money; I am just saying—and claimed that black Britons were considering leaving the UK because of the threat of Boris Johnson winning the 2019 general election.

I get the stuff about how you leave it at the door and that you did not ask her to delete the tweets, but Richard Sharp said it was one of the greatest news positions in the world, and yet you said, “Oh, she is only No. 3.” Dare I say that there is a sort of unconscious bias that comes in to the organisation? Do you not need a degree of positive discrimination on impartiality? Let me put it this way. Put yourself in the shoes of your detractors, who want to see your licence fee negotiations go badly, who want to see charter renewal not happen at all. Do you not think it really just gives grist to their mill that she is even there, even if she has left everything at the door?



Tim Davie: I understand the point. What you have to do is just step back. “Greatest news job in the world” referred to the director of news, by the way, the overarching job, for what it is worth. They are all pretty good roles, by the way.

I understand the point. We have been through this earlier in these proceedings, but, because of the unfortunate leak, this has blown up in a way that is unhelpful.

Q255 **Steve Brine:** It is unhelpful to you but helpful to your detractors, which is my point.

Tim Davie: It is unhelpful to everybody, actually. It is unhelpful to the institution and unhelpful in terms of us now making hires. The truth is that there is a fair point there. We should absolutely be leaving politics at the door—I have made that point—but, when you stand back and you look at the range of hires that you make into an organisation in the round, you have to make sure you have diversity of opinion. That is what the Chair was asking me about, and I agree with that.

Q256 **Steve Brine:** On diversity of opinion, when your news bookers are booking people on, I just wonder this. Should presenters sometimes, maybe even often, ask where guests stand politically? Clearly, I do not mean if they are talking about the evacuation from Kabul. For instance, there are other people who are policymakers. They used to be called MPs, but MPs are now just part of policymaking in this country. We have SAGE. The members of SAGE, who are always speaking on the BBC in a personal capacity, make policy now more than many Back-Bench and some Front-Bench MPs do. They come on to the BBC and say that everything that is happening is because of Government incompetence and because of what Government did not do. Would it not be great if, at the end of the interview, the presenter said, “Can I just ask you where you stand politically? Who did you support at the last election?” Would that not be interesting in terms of transparency and diversity of thought? We would know where they were coming from.

Tim Davie: There are certainly no restrictions on line of questioning.

Q257 **Steve Brine:** I have never heard anyone ask that question at the end of an interview. When you interview me, it says, “Steve Brine, MP, Conservative”. You know where I am coming from. Anybody who is in frontline politics, you know where we are coming from. Our affiliation is declared. My point is that the affiliations of many policymakers who appear on your news programmes, members of SAGE being a good example, are hidden.

Tim Davie: It is a fair point around relevant context. That is what I would say. I do not particularly subscribe to exactly the formula you are talking about, but relevant context is important. We have worked hard on this. For instance, when we get a piece of research, we ask, “Where is it coming from? What is the background to it?” and all of that. These things are important.



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Q258 **Steve Brine:** Let us move on to your renewed commitment to impartiality, which is one of your four pillars in your speech. You said that BBC staff need to spend “more time outside the BBC listening to those who pay for us”. Clearly, I understand that travel, of course, has been almost impossible during most of your tenure. Going forward—you can tell me if this has happened already—what does “more time outside the organisation listening to those who pay for us” look like? How are you putting flesh on those bones?

Tim Davie: There is a huge amount. For instance, after every senior leadership meeting we offer a chance literally to listen to the audience. The last one was people with disability. We are listening directly to people who do not spend time with the BBC. Inevitably, it is a bit of a Zoom experience at the moment. Absolutely, I have already been out and about quite a lot over the last six months.

Q259 **Steve Brine:** Are these meetings where the public come to see you.

Tim Davie: We are listening to the public talking about the BBC. They are talking frankly, in an open forum, about what the BBC has done right. They are at it, basically, just talking about the BBC.

We also have the database. We have a lot of research coming through, of course. We are also doing other bits of research. One of the fascinating bits of research that we have just completed is the so-called deprivation analysis. We took households who by instinct said they did not support the BBC—it is a fascinating piece of research—and then we took all of the BBC away from 60 households for nine days. We take it all away, and then we go back and we say—I think it is £3.60 or something like that—“You can either have £3.60 and we will keep the BBC off for nine days or you can have the BBC back.” Over 70% want the BBC back, because they did not quite realise how much of the BBC they were using or they missed some of the sport, the news or Radio 2 or something.

We do a lot of this research. We are very audience-driven. In a board meeting or anything, the audience metrics are the things we start with.

Q260 **Steve Brine:** That is quite organised research.

Tim Davie: We do go out a bit. I am talking to people on the street; I am emailing people. I write emails to members of the public all the time. I am meeting them. We are just talking to people. If you work for the BBC, you are not short of feedback.

Q261 **Steve Brine:** Here is an invitation. Maybe you could pass this to Jess Brammar for me. Jess Brammar could come and knock some doors with me in Winchester. She would find great support for the organisation. That would be my hunch, if I know my constituents. She should come and knock some doors with me. Let us see what people say when they are asked on the spot about the BBC, what they would like to hear and what they would not like to hear. Please pass that invitation on.



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Tim Davie: I will.

Q262 **Steve Brine:** Can I ask you about pay, Tim? I always bring up pay with you, and I have had a go at Zoe Ball in the past. I am going to say congratulations, because this session is about your annual report. I have looked at your annual report and you have made real progress on pay, have you not? There are lots of minus figures where pay has been adjusted, Gary Lineker not least. Just looking at the top 10 earners who earn over £150,000 a year, because of course that is what you publish, what do you know about Stephen Nolan and Scott Mills, who received uplifts of £15,000 and £30,000 respectively? What do you know about them that I do not?

Tim Davie: I would probably have to write back to you, if I am honest, about those specific increases. I do not know whether you have it there, but I do not know the volume of hours and the specific changes in briefs. It will be related to specific changes in programming hours and briefs. I am sorry about that.

Q263 **Steve Brine:** That is fine. Going back to generally, on-air talent has been cut by about 10% this year in the pay figures. Was it big enough, given the climate and the financial challenges you face? Specifically, is it a long-term trend, or are we going to just see salaries bump up next year?

Tim Davie: The long-term position is restraint and value. That does not mean year-on-year you are going to get massive cuts. Forgive me for doing this, but we have 22,802 contributors. The 72 earning over £150,000 represent 0.3% of the content budget. I know this can be awkward territory, but it is a very small amount and we are in an incredibly inflationary market. The performance that my team have delivered on this is exceptional, based on the market. By the way, we have lost people. Graham Norton has gone to Virgin Radio in terms of radio. We have lost people to GB News, LBC and other places. They are being poached.

I am happy with the progress. I want to see continued restraint and offer exceptional value. We are not seeing a radical increase in these numbers. Having said that, we unashamedly want that top talent. If you do the analysis, by the way, on how much of the BBC's output consumed is delivered by these people, it is vast. It is actually one of the best value things we do.

We have to be very conscious that we are spending public money. We have to keep trimming it down and we also have to use new talent. The other thing that I am very pleased about is the diversity that we are beginning to see come through in the list. It is improving. I do want to see that improving, by the way, in all of what that means in terms of all the diversity. Remember that we now have four women in the top 10; three years ago we had none. That is good progress, and we should be proud of that.



Q264 Steve Brine: Finally, I have a regional question. The BBC's regional TV news performed very well during the pandemic period, and it has been a great source of comfort to many, with local information. The 6.30 news bulletins saw a pretty large increase in viewing from March onwards last year. Average weekly reach is up by 15% year on year, to 14.8 million.

The regional programmes are, by far and away, consistently your most watched news programmes on the television, but there is great concern out there and great stress about delivering the programmes with smaller and smaller teams. What is the move to the big regional centres doing to the morale of your BBC regional teams?

Tim Davie: Just to echo what you said, by the way, it has been an exceptional year. The local radio stations are critical. If you look at it, aside from one or two soaps, the 6.30 programmes are the biggest programme in the UK.

As I say whenever I can, it is the biggest programme in the UK. It is bigger than anything in terms of a consistent programme. Yes, "Vigil" can knock it out, but it has been exceptional. Our commitment, it is worth saying, to those regional programmes is total. That is an essential part of the BBC. It is what no one else is doing, and we do it brilliantly.

In terms of restructuring local, we went through 450 roles and there were some opportunities. Again, I get back to the overall picture. I cannot do everything—he says, rather pitifully but rightly. If we are going to take our budget down by 30% in real terms, you have to make some choices. With the few thousand people we had in local and regional services, we believed there was an opportunity to remove some duplication and also become more efficient by taking 450 roles out. We have done that. We do not have further plans at this point. We will have to look at the implications of the licence fee, because those will be severe if we do not get a regional settlement. The programmes that we have been delivering are properly resourced and we are in a reasonable position.

Q265 Steve Brine: They would be pleased to hear the boss say how important they are, but is it not the TV news equivalent of clapping nurses, as some might argue? What feedback are you getting from the regions as to how those changes of taking out those 450 roles have impacted on their morale?

Tim Davie: It has been a really tough year in terms of some of the regional teams. Honestly, if you take Covid and these changes, the fact that we have not slowed down the changes during the year has been quite tough but the right decision; we have to get our cost base right. I do not want to sound too flinty, but that is critical. That has had a cost.

I am out in these teams all the time, talking directly. I was with "Wales Today" in Cardiff recently, talking to them. Overall—I am sure some would debate it—we have appropriate staffing levels on most of these programmes, but we are listening. We do not want anyone to fall over. The stress levels are quite high in certain places, in particular with Covid.



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I know that. We are not sitting in an ivory tower. We are talking to people; we are talking to the editors.

We know that the teams, like in Plymouth with the tragic story of the shooting there, are exceptional in their local knowledge. This is not just rhetoric. We are investing hundreds of millions of pounds into local and will continue to do so. I come back to the question. Our main source of revenue is our licence fee. That is what I am focused on. I would like to invest in our local provision. Local is the real heartbeat of the BBC.

There is a cultural thing here, which is really important. In my view, digital technology should make the local effort the heart of an offer. What I mean by that is that, on the iPlayer and in other areas, if you are interested in Scottish content or local content, I do not think we are surfacing that enough digitally across the organisation—on Sounds, on iPlayer, on the news sites.

Steve Brine: Sorry, you do not think you are.

Tim Davie: We are not enough.

Q266 **Steve Brine:** You unquestionably are not. If I watch “BBC News at Six” on the iPlayer, it will take me to the London regional programme thereafter. It should, when logged in with my postcode, clearly take me to BBC South.

Tim Davie: I talk about my third priority, which is unlocking the digital value. Surely if I have shown a preference for watching more Scottish content, or seeing more local content, the digital technology should unlock more value. Making the BBC work like that is an ongoing project, on which we really are making progress. Forgive the cliché, but it requires us to work as one BBC—and digital should enable this—where every area is as central to the BBC as any other. You do not have a big head office that is “network”; you have everything at network quality doing its stuff. That is big work to get done.

Q267 **Chair:** I want to pick up on a couple of the points from your conversation with Steve. It is very welcome to see many more female names in the top 10, and congratulations on that, but this is only part of the picture. As we well know, the BBC says that it is commercially sensitive for BBC Studios, so it cannot reveal the pay of broadcasters employed by BBC Studios. Is that really a sustainable position now, given the fact that you expect BBC Studios to abide by rules of impartiality and all the other rules within the BBC? The one thing it does not have to abide by is disclosure of pay.

There is a suspicion that some of the pay is being moved off-book. Can you confirm for the Committee that none of the names in this top 10 is receiving any other remuneration from BBC Studios? If they are receiving other remuneration from BBC Studios, will you commit to at least publish the top 10, so that we can actually have a full picture of pay at the higher levels within the BBC?



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Tim Davie: I cannot commit at the moment to that. The reason is that we agreed with the Government that, if BBC Studios was going to be a properly commercial business—and we are under enormous pressure to get that commercial return up—this would put it at a significant competitive disadvantage. If you were making a factual entertainment programme and you wanted to hire talent X, if talent X made it with an independent company where the IP may reside outside the BBC, their salary would not be revealed; if they made it with the BBC, it would be revealed.

We can debate that, but that is our current regime, of which I am supportive. If money is going directly from the licence fee to individuals and they are contracted in the way we have talked about, that gets shown. We make sport; we make news—all those are transparently shown. I do think this is material. I am not sure I quite take the point that BBC Studios is the same.

Q268 **Chair:** You ask them to do everything else according to BBC guidelines. When they produce content for you, you do.

Tim Davie: When you say “everything else”, what I do not ask them to do is take the licence fee money. I ask them to be a fully fledged commercial business and not take public money. The fair trading rules are very strong there. There are some questions longer term as to how we can more efficiently act as a global media company. That is a whole different question. When you talk about editorial guidelines and impartiality, that is sacrosanct to anyone in the BBC, regardless of their funding model, but it is a different model. They are a commercial business. Imagine if they are pitching a show and the talent can either work with a studio that is owned by a US conglomerate, where they are completely secret, or work on a quiz show with us and have their salary revealed. I understand the sensitivity. If you look at how transparent we are—

Q269 **Chair:** You are partly transparent. The question for you really is how many of these top 10 are effectively having their salaries—

Tim Davie: I would have to go through and have a look in terms of what they had done and if they had done some work for BBC Studios. We can give you a written answer on that. What I cannot do is commit to give you those numbers.

Q270 **Chair:** If you cannot give the numbers, can you at least say to the Committee precisely how many and which members of these top 10 have had their income supplemented from BBC Studios? The problem that we have—and it is wider across policymakers and within Parliament—is that it feels as if there could be a bit of sleight of hand here, however accidentally or not deliberately.

Tim Davie: It is not deliberate. I would not support that and I hope you can see that. We are not trying to hide earnings by creating Studios vehicles. That would not be appropriate and would be completely the



wrong thing to do. We can confirm those people who have done work for BBC Studios during the year and I am happy to do that.

Q271 Giles Watling: Directly off the back of that, as Steve Brine says, you are to be congratulated on the work you have done on salaries. Having said that, to put the other side entirely, do you find your hands are tied? You are up against commercial enterprise, as you have just said. Is there any evidence that you are losing talent or are not able to attract talent? The BBC is a widely respected international organisation and is at the core of British broadcasting. We cannot afford to lose out. Do you think there is another way of doing it?

Tim Davie: That is a really critical question and something we are wrestling with. We are losing talent. As I mentioned, it is not just a few people going to Times Radio and all these things. It is also big deals being signed with Phoebe Waller-Bridge and all those. We are facing a situation where we are in a global game now. Too much of the media discussion is, "If you are a successful writer or even front-of-house actor or director, the demands on you have never been greater and there are possibilities for transformational wealth."

I have a balance on this. First, the BBC needs to do things differently to other players, so new talent and new writing. We have fantastic schemes for new writing coming through. There is something wonderful about working in the UK. Life is not just about money; it is also about the creative experience you get; it is about making "Normal People", making wonderful dramas and documentaries, and that ability to actually be on BBC One and have a big audience. I was talking to garden designers last night, who were talking about what the BBC can do in a completely different way. These are the things that make the BBC special, so I would not be too depressed about it. Having said that, to answer your question, over time there will be increasing pressure on us.

Secondly, we need to look at studios and other models—that is what we have done, to be honest—and move production, where they can offer people the chance to make money commercially. It is not at the expense of the licence fee payer. Remember, one of the things we get with our dramas is that they are often majority funded by a co-pro partner. People say, "You are out of the game." We are making 30-plus originated dramas, but a lot of that funding is coming from other parties. We just need to be commercially on our toes.

This is a fair question from the Chair, but the ability to deploy the public service BBC with the scale and might of a commercial enterprise, where we can attract capital, is a critical success factor for the BBC. We are very lucky to have it, by the way. We will have to play that very hard. To be fair, studios can give people a share in a production. Having said all that, it is a real challenge.

Q272 Giles Watling: And you are losing talent.



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Tim Davie: We are of course losing talent. The best talent is in London now. All the global media companies are in London. Disney+ has launched. We have HBO Max on manoeuvres. Good luck to them all, but it is absolutely red hot out there. This is why I keep talking about the tipping point for UK IP and UK media. There is a lot of talk around this. As chair of the Creative Industries Council, I am very proud of our creative industry growth. It is wonderful, the studio facilities and the developments in Elstree with NBC. Making stuff is one thing. It is brilliant for the craft skills, but there is a strategic question for the BBC, and for the UK, on how much IP we own and create, being not just a making shop but an inventing and owning shop. You are right to raise it. It is a real worry for us and we are in a fight.

Q273 **John Nicolson:** Good morning, all. I always like to tweet when you guys are coming in and ask people what questions they have to ask. You might be amused at the last two responses I got. One was from Edmund Wilson, who asks, "How many of their staff start the day reading *The Guardian* and take its perspective as a benchmark of political and economic consensus, to inform impartiality?"

Tim Davie: I do not know whether it is true, but I had to deal with a small press cut the other day that said someone was running a story that we order more *Telegraphs* than *Guardians* now. I look forward to getting the data, but I have no idea whether that is true.

Q274 **John Nicolson:** The next one says, "Please ask them why they are now nothing more than a Conservative party mouthpiece". There you are; I thought that contrast would please you. I also get lots of private messages from BBC staff. I think I have a rather different perspective from you, Mr Sharp. I welcome those; I like the fact—I say this as a journalist as well as a politician—that people feel they can write and tell me, and perhaps tell other Committee members, things that are upsetting them. Would you not agree that whistle-blowers are a great part of open Government?

Richard Sharp: Yes.

Q275 **John Nicolson:** You would agree with that.

Richard Sharp: I think whistle-blowing is essential.

Q276 **John Nicolson:** As is leaking.

Richard Sharp: That may be a slightly different matter.

Q277 **John Nicolson:** What is the difference?

Richard Sharp: Whistle-blowing is where you see something that is clearly wrong. An institution like the BBC needs to have processes where people can safely report the organisation for not behaving a certain way or address a particular concern of a breach of standards and practices. Leaking to outside people, surely, is where that capacity that the institution has failed.



Q278 **John Nicolson:** One person's leaker is another person's whistle-blower.

Richard Sharp: I was really contrasting to whom the information is delivered. I would like to see a BBC with an incredibly effective whistle-blowing process for internal communication, so we can run ourselves properly. You may be right. A measure that an organisation still has a way to go is that people are sufficiently frustrated.

Q279 **John Nicolson:** What about whistle-blowing to us as members of the Committee?

Richard Sharp: That is what I am saying. You may be right. It may be a feature of an organisation is insufficiently trusted that people feel a need to recourse to go outside.

Q280 **John Nicolson:** I remember somebody whistle-blowing to me the way in which one of your predecessors, Rona Fairhead, was appointed. The way that she was appointed did not abide by the rules. I was able to cross-examine her about those events and it was a useful experience.

Richard Sharp: The issue goes to trust. In any organisation, in any meeting, people need to have a degree of trust in their colleagues that the open conversations of the kind we are saying are helpful, without groupthink, with diversity of thought, are protected appropriately. That is the issue.

Q281 **John Nicolson:** Mr Davie, you have mentioned diversity a number of times and how important it is to you. I am very conscious of the fact that I am sitting as part of a group of six men in the prime of middle youth. We are perhaps, you could argue, not in a great position to lecture anybody about this. Nonetheless, having said that, in the BBC's annual report and accounts, it showed that you were below every single goal in the category of diversity and inclusion. I think the full document was called "Diversity and inclusion: all staff and leadership" This was 2020-21. How different do you think that outcome will be in 2021-22?

Tim Davie: We will see an improving trend, hopefully across all the key metrics. I will talk about one where it is the biggest challenge. You have hopefully heard my jargon on this. In terms of my targets, there is the 50:20:12 initiative, which has real traction, by the way. We are getting copied around the place. It is very simple. It is a 50% target on gender, 20% on BAME and 12% on disability. I think I want to include a socioeconomic target at some point within that as well to add to that, but we are working on that. What we have is with every single senior leader, because you can talk about this on the ground level.

What has happened to the BBC is, for the first time ever, if you are a top 350 leader, you now get assessed on your delivery against those targets and you have to set targets over the next few years. This is the reality of the situation. Critically, I have not mandated it has to happen in a year, because if you are sitting in BBC Scotland, you are not getting some of those numbers in a year. You are not going to get rid of 20 people in a



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year, but you can sign up to me and to the senior team, and we commit to the board. Now, in aggregate, I want, over the next few years, to hit the 50:20:12 and reshape the organisation. You will see progress against that. The challenging one this year, in the annual report and others, has been disability, by the way. I am really pushing hard on this now.

Q282 John Nicolson: I was going to say that because, to summarise for people watching this, it is correct to say that at the BBC women, black and minority ethnic people, disabled people and lesbian, gay, bisexual and transgender people all get paid less than average, is it not?

Tim Davie: If you just average it out in terms of those communities, because of the balance between senior and junior, that may be true. Leigh might want to talk about this. We do not have an issue in terms of we have done enormous work in terms of equal pay to everyone at every level, and that is what the career path framework was. It would be totally unacceptable to me. You have been at this for a while. If you look at what we have done in terms of equal pay, I am very proud of it. We are in a good position now.

What we need to do to fix the issue you have talked about, which is the averaging, which is one part of the maths, is to make sure that BAME leaders are well represented at the top of the organisation. Rather than 12%, we are at 20%, and then you are going to see those numbers average.

Q283 John Nicolson: When am I going to be able to talk to this Committee with you being able to report that there is no longer a gap in any of these groups?

Tim Davie: I do not want to commit to a certain year.

Q284 John Nicolson: When do you plan to reach this target?

Tim Davie: The 50:20:12 in every area of the BBC is really a three to five-year target. Five is on the outside, but I would like to see it done faster. Leigh, do you want to say anything on the pay gap in terms of where we are? That would be useful, thank you.

Leigh Tavaziva: We publish our pay gap report. This year it is inside our annual report and accounts. We have historically published it separately. We are making strong progress on our pay gaps. We look at our gender median pay gap at 5.2%. That has come down from 9.3%. That is considerably better than our other media competitors, as well as the industry average, which is at 15.5%. On BAME, our pay gap was 0%. We recognise within that, though, that there are some challenges for us. For example, for black colleagues in our organisation the pay gap is 6.8%, so we need to do more there and that is in line with the point Tim was making. There are not senior enough roles. We do not have enough black colleagues at senior enough roles in the organisation. We need to change that.



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Q285 **John Nicolson:** Why do you not?

Leigh Tavaziva: We have set out very clear goals, as Tim was just articulating.

Q286 **John Nicolson:** At the moment, why do you not have enough senior black people?

Leigh Tavaziva: It is representative of the organisation and the choices the organisation has made in the past.

John Nicolson: Choosing not to hire black people.

Leigh Tavaziva: That has to improve.

Q287 **John Nicolson:** Can I move on now to talk about another area that we have discussed in the past, related to this? After a request in writing from the committee, it was revealed that the sum that the BBC had paid to external lawyers to fight women, mostly, on equal pay was a staggering £1,121,652 since 2017. As we know, on the cases that actually went to tribunal or elsewhere, the BBC lost every single one, or has settled every one. Has this figure increased since you last wrote to us—the lawyers' fees?

Leigh Tavaziva: Thank you, Mr Nicolson, for correcting that. Of the 29 equal pay tribunal claims, only one went to a hearing; you are correct that all the remainder were settled. We did write in January 2021 regarding the figure of the cost of legal fees at £1.1 million. I do not have an updated figure on that to give you today.

Q288 **John Nicolson:** The figure has gone up, has it?

Leigh Tavaziva: I would not expect it to have gone up considerably—99% of our pay cases since we started the pay query process have now been solved and resolved. We have seven cases remaining open. That is 1% of our pay cases. I would expect that figure may have gone up, but not considerably, no.

Q289 **John Nicolson:** You will write to us with that.

Leigh Tavaziva: Yes, absolutely.

Q290 **John Nicolson:** In-house lawyers also spent 2,452 billable hours where there are allegations of equal pay or race discrimination. Has that figure gone up? Are your in-house lawyers still beavering away on these cases?

Leigh Tavaziva: As I have said, we only have seven open pay cases remaining out of the 1,300 pay queries that we initially received. We will continue to work through those. That is 1% of them. We of course support the completion of those and we are working incredibly hard to resolve them. Yes, that will incur work of internal lawyers to support and see those through.

Q291 **John Nicolson:** Again, maybe in the same letter you would update us on the number of hours. Mr Davie, it was reported recently in the *Times* that



in the past 14 months the BBC has lost more than 1,500 years in service. It was a very dramatic figure, was it not? That is an enormous amount of talent and experience walking out of the door. It is great to bring in young people, but one of the things you say all the time is that you have this wealth of experience. Is it fair to say that you are disproportionately losing the folk with experience, because they are expensive, are they not?

Tim Davie: Certainly, we have gone through organisational reform. You know this only too well. It is for a number of reasons, primarily budgetary, because we need to make sure we are at the right cost base.

Q292 **John Nicolson:** Because you signed up for this terrible deal, which required you to take on Government social provisions. Just to remind people who do not follow this as closely as us, you fought against this initially, but in the end you succumbed and you signed up for the deal. I know that some of you predicted exactly what would happen, as did some of us, including myself, and it resulted in a lot of job losses. The reason you had to cut so many jobs was because this deal was a disaster, but it seems that the really experienced people are the ones, because they are so expensive, that are being shown the door.

Tim Davie: It was not to do with expense. By the way, we did think we had too many senior leaders in place. There is a job to do in terms of constantly trying to get operational overheads to world-class levels. This was important, by the way, but there were also, warming to your theme, demands on our budgets. Having said that, we have reduced headcount by 1,200. We have 20,000-odd people across the BBC, more than that if you include the commercial arm, and that is still a vast base of experience.

Also, having made the case, which you have done passionately and which I again warm to, that we need to keep reshaping the organisation, give opportunities to people coming through the organisation from different backgrounds, build diversity, in order to do that you need an organisation that has that movement within in. If you have no churn in the newsroom—sorry for that terrible term—if you have no people leaving the newsroom, you cannot refresh it.

I have to say we are concerned. You are right to raise a concern. I am talking to my leaders all the time about, “If you take studio managers or producers, do we have the right expertise? Do we have the quality personnel to do that?” When I look at yesterday’s editorial appointments, with Rebecca Morelle taking over from David Shukman as science editor, Justin Rowlatt as climate editor, Alison Holt as social affairs editor, Zoe Kleinman as technology editor, I am excited by those hires. They are very experienced journalists. Actually, in terms of our gender balance of editors it has never been better. How exciting is that? This is net positive for the BBC, although it is tough times—

Q293 **John Nicolson:** A number of younger freelancers have written to me to



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say that they think that the BBC, in order to stop them qualifying as staff, are given short-term contracts and then a gap and then another short-term contract and then a gap, in order to prevent them from qualifying for staff status. Do you ever do this?

Tim Davie: I have never heard anyone present it to me as a deliberate act. It is certainly not what we would do, if you have evidence that it is being deliberately done in that way. The economy of production is a bit like that. It is something I want to reflect on. There are multiple challenges in what you have just said. One is to make sure those staff are fully part of the BBC; in terms of freelancers and contract staff, there is work to do on that. It is also a fair challenge to the industry as a whole to make sure that we are giving people as much certainty as we can within the realms of common sense.

Q294 **John Nicolson:** You got a lot of praise for hiring a full-time LGBT correspondent, Ben. I noticed he hit the ground running and produced lots of stories. There was a bit of controversy about some of his stuff online that seemed to be being edited and re-edited on the trans issue. Then he was sent off to west Africa and now he has left. I am not going to ask you for any of the details about that, but were you disappointed to see him go?

Tim Davie: Yes, he took a job at VICE World News, did he not? Welcome to the market. We will be filling that role. There was some great journalism done in that role and I look forward to filling it.

Q295 **John Nicolson:** Are you going to replace the post?

Tim Davie: Yes.

Q296 **John Nicolson:** How soon?

Tim Davie: I think the process is underway. I do not know exact timings—we can tell you—but, yes, we are replacing the role.

Q297 **John Nicolson:** Do you think it is a successful and needed post?

Tim Davie: Yes, it is a post that makes sense.

Q298 **John Nicolson:** Finally, Mr Sharp, in your pre-appointment hearing, I asked you why only 80% of the licence fee raised in Scotland was spent in Scotland. You said to me, "You can ask me, but I do not have an answer." Do you have the answer now?

Richard Sharp: No, it has actually gone down a bit because of the Covid situation as well. I did spend time after our conversation particularly focused on Scotland, talking to the operations in Glasgow and also a site visit. I am comfortable that, in any event, in every region and nation, there will be periods where the spend in that particular region may not match the licence fee consumed.

Q299 **John Nicolson:** Has the spend ever been more than what was raised?



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Richard Sharp: I do not believe it has.

John Nicolson: No, I do not believe it has either.

Richard Sharp: At the same time, I am also comfortable. One of the tweets on your feed talks about Radio 3 and Radio 4 and says that we should be complimented; that was one of the responses to the question you put out this morning. That is an example of people consuming content in Scotland that is valued, some of which originates outside of Scotland. I know your point is an economic one that relates to employment, but at the same time I now understand why it is the way it is, and I am content that the activity that we have in Scotland is positive and good, and the consumption is good.

Q300 **John Nicolson:** Are you content, Mr Davie, because you will find probably that lots of your senior figures in BBC Scotland would like to see more spent in Scotland?

Tim Davie: Of course they would, because they are good executives who want to get work. Overall, the 100 metric does not work, if I am honest, because there are central costs across the BBC and production moves around, but the number itself is critical. I am a bit worried about this year, because we went from 85% in terms of licence fee equivalent to 67%. I have the numbers here.

Q301 **John Nicolson:** That is low.

Tim Davie: Yes, it is, and I will tell you why. We have invested in Scotland, to be fair to us. If you talk to Steve Carson, our excellent director of BBC Scotland, which you do on a regular basis, and you look at the investments we are making in Scotland, they are significant. What really swings the number is not more bespoke Scottish services, because in some ways you max out on that. Scotland consumes a lot of BBC One. You need to get that balance right.

What really changes the number is actually getting network production out of London—out of the M25. Covid really hit this and I know Covid is often used, but what it did was it stopped big productions. This year there were two series of “Shetland”, the second series of “Guilt”, and “Vigil”. We have been dreaming of big Scottish drama for a while. “Vigil” is huge. These are things that are going to change that number. I am expecting good, positive progress over the 67%. I do not know where the number will land, before you ask me.

John Nicolson: That was what I was going to ask.

Tim Davie: I want to see it getting back to historic levels and we want to keep doing that. It could go further, because one of the things right across the UK is there is an obsession, of course, with how many headcount we push out. In some ways, when I talk to regions and creative bodies, they are as interested in—some of them are more interested in—not how many BBC people are floating around but how



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much money is going out in productions and how we are servicing the indie community in those, and that is what we want to do in Scotland.

I want to see more network production made in Scotland, and there is a real chance to do that with the leadership and the drive I have, because I also do not want the wheel spin where you have things going in Scotland that are brilliant, that may be on BBC Scotland, but do not reach BBC Two or BBC One. That is suboptimal for us. I have to find efficiency somehow. Yes, I want the number to go up. I want more production outside London. I would like to see some more Scottish drama. If you know writers or people who are willing, get scripts our way, please.

Q302 **John Nicolson:** I am sure people are listening, and people are terrified about Channel 4 privatisation and the effect it will have on them. They may be coming to you, may they not?

Tim Davie: It is one of the roles we have to play, alongside Channel 4 and the other public service broadcasters. It is a critical part of the BBC that we are fostering broader creative growth. I have spent a lot of time this year, often on Zoom unfortunately, but with fledgling indies. I have done it in Scotland and I have done it in Wales, and these are businesses where their anchor commission is coming from the BBC. You know this. BBC Three has been brilliant at this, by the way, with Northern Ireland, going there, asking small indies for ideas. Some of those companies now have their first piece of work, that calling card: "We are making it for the BBC". Then they can go and win work elsewhere and they build businesses.

The across-the-UK plan, if we are properly invested in it, means hundreds of millions of pounds being pushed outside the M25. That is what is really going to make a difference. It is incredibly important for the creative economy. You do not need a BBC speech on this. Go and talk to the indies out across the land, and they require PSB investment. Critically, this all links back to accountability on the licence fees. It is not splurging money. This is curiously effective for us, because we know that, in terms of that value I was talking about, if you see a drama that is in your locality, it is very powerful. We know that.

Q303 **Damian Green:** I want to talk about stuff that appears on air—programmes, as we used to call them before. Starting with the Olympics, it is non-controversial that the 2012 and 2016 Olympics were triumphs, not just for Team GB—they cheered up the country—but for the BBC as well. The coverage of both those Olympics was brilliant.

It is also not controversial to say that coverage this year was less good for the reason that became apparent quite quickly: the BBC only has the secondary rights now, effectively. You do not have control over how much you can show and when you can show it. This came as quite a shock to viewers who were looking forward to this huge event that was going to cheer us all up as we come to the end of the pandemic. Are you disappointed as well in what you were able to put out, or what you did



put out?

Tim Davie: I have a mixed response. First, the teams did an exceptional job. Time difference did not help us, and I will talk structure in a minute. With the time difference, it is different to London 2012. Overall, I was very proud of the teams. We got good numbers. We got excellent numbers in terms of the digital services we provided as well—highlights—as well as that evening programme and the day programme; in the end, they were working extremely well. It took a little bit of time for viewers to acclimatise to these restricted rights.

Now we get to the big question. With the £375 million that we spend of the licence fee on sport, we get an incredible return. The Wimbledon renewal looks even better over the last few weeks as well. We have a lot to be proud of. This is just a classic case of market realities where, when the IOC looked to sell the European rights, as you know, Discovery was rumoured to have paid north of £900 million for those rights, and we were looking at whether we could be with the EBU. I have to say that my job is slightly easier than some counterparts who did not get digital rights, by the way. You may have read some of that. It depends on what carve-out you get as the public service, in your words, secondary broadcaster.

Interestingly, there is something to reflect on, which this Committee could help on, which is the definitions around listed events and what that means in terms of public broadcasting, because what we have are two streams. Digital rights are not protected in this, and there are some things to reflect on in terms of, going forward, what package of rights we are securing through listed events.

In summary, would the BBC love to have every stream? Of course they would. Do I think we were priced out of that option? Yes. Do I think we got a much better deal than some other broadcasters around Europe? Yes. Do I think our teams did a sensational job, often based in Manchester while being complimented that it was amazing they were in Tokyo? It was a brilliant technical achievement. We actually saw some fantastic sporting drama. If I am honest, it took a little bit of time for the audience to get their bearings on that, because it was so different. This is a discussion we could have at length, but listed events and support on that going forward is going to be a really important consideration, because this is not going to get any easier.

Q304 **Damian Green:** I was going to say, presumably, what we saw this year is what we can expect for all future Olympics.

Tim Davie: Certainly, we have the deal until 2024 on these terms. I think that is right. What happens then is the re-bid. We can be part of the European Broadcasting Union, and what scale that can bring. If you are running a paid TV business, there seem to be two things that really are the underpinnings of your revenue: sport, which has been wonderfully predictable in terms of its revenues and delivery, and high-end drama.



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We are seeing that expanded as more genres come in. I cannot see any let-up. We know the story of the tennis and Amazon. I cannot see any let-up in this demand for sports rights going forward as global players enter the market.

I have to say, in terms of the death knell on BBC Sport, by the way, we are not even close to ringing that at this point. We have a fantastic portfolio. The other thing we can do is look at the Hundred. Go and talk to anyone in women's cricket. Go and talk to anyone who has supported the WSL. We can do things that are absolutely amazing. We can also bring, through the listings—thank you, and it is critical—25 million people to a rather painful experience of watching a European final. If you talk to Wimbledon, the partnership is critical. Sports bodies are seeing the value of public service broadcasting and free-to-air broadcasting, but this is not an easy ride.

Q305 Damian Green: I accept all of that but, returning to the Olympics, you make the point about free-to-air broadcasting and, from the viewers' point of view, they want something that is free-to-air and therefore easily available on a button they are used to using. Did you consider, or will you consider in the future, going in with ITV and saying, "We will share the rights like we do for some other sporting events"?

Tim Davie: I have not thought of that specifically for the Olympics, but we will always look at partnership. We just want that scale for that offer. We share things when we need to. We have no problem with that. Whether that is right for the Olympics is a whole different debate, but this gets down to 1990s legislation about listing and what is protected, and also the economics of a global market.

Q306 Damian Green: I genuinely do not understand how that would work. Suppose Ofcom said, "Right, we are listing everything for the Olympics," but the IOC has made a deal with Discovery. What happens in this country then? The IOC is not run by Ofcom.

Tim Davie: I do not know whether that is even possible in listing. I am particularly animated by the digital rights as opposed to every stream, if I am honest, because there is a realism to that. There is nothing more wonderful—you are talking to a pretty die-hard sports fan—in terms of iPlayer offering every stream in London, but we have to accept the reality of the market. I do not want to be spending half of the licence fee on sport. It is the wrong thing to do and we need to have an offer that is slightly differentiated from the market. I am sorry that the Olympics offer is a little bit skinnier, but the listing question is really about, if I am honest, the digital rights.

Q307 Damian Green: On non-sporting things, you are making BBC Three a linear channel again. What controls are there on that to stop you just producing, as it were, another ITV?

Tim Davie: From my point of view, editorially the last thing I want to do is to create a commercial channel. This is just rhetoric, from my point of



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view. We want to do things that are wholly differentiated from the market. If you look at the comedy, by the way, with the things we have been doing, no one else is investing in comedy that way. Go out and talk to the BBC Three commissioners on the briefs. They are wholly different from the market. Of course, we will look at the service. The service licence for BBC Three and what it has to deliver even now in linear terms in terms of documentaries and all those things I am assuming are just rolled in. We can confirm that in terms of the exact service licence structure, but that really is not a risk.

Q308 Damian Green: Thinking of individual programmes, you are pushing "Gossip Girl" along at the moment; that was on ITV, was it not, the original series?

Tim Davie: It may have been originally. We have a phase here, and it is very specific, which is, if you are going to make an on-demand service work, you need volume. We are still way down on some of the US streamer volume. Covid created enormous pressure, because we could not make stuff, so you lean slightly into acquisitions. We always have done, by the way. We have always done tactical acquisitions and done things. It is not the meat or drink of the BBC, but appropriately now and then you make selective acquisitions, and that is what this is.

Q309 Damian Green: You can see where I am going with this. The fear is that you need a youth market. There will be particularly American programmes that will appeal to it. You will end up buying more content.

Tim Davie: The truth is that model, however attractive it is in terms of delivering short-term volume, leaves you totally exposed to the market, because it just goes to the highest bidder in the end. It is not a sustainable position for the BBC to be wholly reliant on acquisitions. As part of the filling a schedule and making sure iPlayer has enough volume, it is not inappropriate that we make the right tactical acquisitions, but they are not the core strategy of the BBC. By the way, I understand the risk and, if we are pulling that as the emergency cord, that would be the wrong position for us to be in. We need to hold strong and be differentiated.

One of the things about the BBC, by the way, is we do not always make the most economic choices to get most volume from a slot. We make choices based on our public service mission. If you look at some of the BBC Three programmes, whether that is niche comedy or some of the documentaries we do there, there is no way. That is a very different model to ITV2. I am not being critical of ITV2, just for the record. They do a brilliant job, but it is just a different brief.

Q310 Chair: You say it is a different model than ITV and ITV2. You have a programme called "Love in the Flesh", which I understand has a "Love Island" contestant as presenter. It is a dating show set on an island. How is that different to "Love Island"?

Tim Davie: I have not seen it, so I cannot answer the question.



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Q311 **Chair:** You can see from that description. You have Zara McDermott, a "Love Island" contestant, presenting it, You basically put couples on an island who have never met in the flesh. That is the whole point of it. Then basically you put them in two houses and then they intermingle.

Tim Davie: I look forward to watching it. We are not going to exit from factual entertainment or entertainment programming completely. "Strictly" and other shows will be there a little bit, but it is not the meat and drink of the network.

Q312 **Chair:** It completely goes against what you have just said about not wanting to ape ITV2. You are just trying to ape their biggest cash cow; that is what you are actually trying to do.

Tim Davie: Until I have seen the show, I do not know it is aping "Love Island". I suspect it will not be.

Q313 **Chair:** How is it going to be different if it has a "Love Island" presenter, is called "Love in the Flesh" and is a dating show on an island? I cannot really see much wriggle room there.

Tim Davie: Let us have a look at it.

Q314 **Chair:** Does it not concern you, though, on a more serious point here? Ofcom have just dealt with 52,000 complaints concerning "Love Island". It concerned a particular incident in which someone, effectively with issues and who actually declared they had issues, was then effectively almost tortured on air by a fake assignation being put before them between their partner and another person. That itself created 52,000 complaints. We have also had suicides as a result, following the show. What safeguards are you going to actually put in place when it comes to something like "Love in the Flesh", this non-"Love Island" "Love Island" clone?

Tim Davie: It is a very serious issue, by the way, and at the BBC we set standards that are above any guidelines. Even in terms of Ofcom's oversight, which is good, we go even further. To give you an idea of what we do, there is really detailed planning on these shows around safeguarding. You are right to raise a concern, by the way. We take it very seriously on the ground. We have clear editorial guidelines on how we approach these matters. I could go through all the processes, but we have a very strong pre-production assessment process. There is all the compliance and work done prior to a show taking place.

Part of that is also the contributor assessment. We use a really clear process, which is backed by psychologists, psychiatrists, psychotherapists, making sure those people are properly supported. We have a whole load of background checks that we go into, to make sure we look at past social media postings, internet searches, DBS searches if necessary. We will do all the due diligence with individuals to make sure we are on that. Prior to a programme we have what is called the pre-programme briefing. This is another chance to talk to contributors. We



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talk to them. It is often attended by advisers on editorial policy to look for risk. We are constantly looking for where the risk area is. To your point, is the show being fair? Is it valid? You are not trying to trick people in a way that is making them vulnerable.

We have a lot of support during production. A critical thing here is a contributor welfare producer. This is really important: someone specifically with contributor welfare during the production, constantly looking at it from that lens, on the ground supporting the process. We have that throughout. As you can hear, it is fairly belt and braces in terms of the process.

Q315 **Chair:** Do they have power to stop the production? We dealt with Jeremy Kyle. Frankly, they had someone who was contributor welfare basically who seemed like a hype man, in fact, for the programme in terms of trying to get them back on air no matter what. The Roman Colosseum was mentioned as a description of what we were seeing.

Tim Davie: Yes, they have. In terms of what I have seen from the BBC on the ground, it is all about culture, is it not? That welfare producer can talk to an editor or an exec producer and say, "This is unacceptable," and that would not be something that could be ignored.

Q316 **Chair:** Will you check to see whether or not contestants have a history of mental health issues?

Tim Davie: We talk to them, absolutely, appropriately about what risks they have and if they have any concerns. This is all part of the pre-production checks. They are extensive.

Q317 **Chair:** Considering you did not know much about the programme, you seem to know quite a bit about the pre-production checks.

Tim Davie: I know the guidelines of the BBC very well. I do not know the editorial content of every show in production.

Q318 **Chair:** Will you take a particular interest in this show, now that we have mentioned it?

Tim Davie: I suspect I may be watching it, yes.

Q319 **Chair:** Yes, but will you take interest before it goes on air and will you, please, write to the Committee in terms of precisely the checks and balances that are put in place?

Tim Davie: In terms of the checks and balances, absolutely. You will find, I say with confidence, that the processes we have here are followed to the letter in terms of the productions we have at the moment at the BBC. I can confirm that in writing. That is no problem at all.

Q320 **Kevin Brennan:** Tim, first of all, just on the Olympics, as Damien Green was saying, I had my doubts actually as to whether what was done does conform to the current listing, let alone the regime. Perhaps that is something we should press with the Government at some point.



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Tim Davie: Am I allowed to ask for a couple of sentences on that? That would be helpful to me.

Kevin Brennan: Yes.

Tim Davie: Sorry, I know you are asking the questions, but that would be useful. I hesitate to ask you to write to me, which would be a first in this Committee, but I would love to explore that a little bit actually, because that is helpful to everyone.

Kevin Brennan: Do you mean now or at another time?

Tim Davie: Now, if you can do it.

Kevin Brennan: Very briefly now, but we could explore it more at length later. What is your “in a nutshell” answer to that point?

Tim Davie: Sorry; I was expecting you to tell me why you think that there are more questions around this.

Q321 **Kevin Brennan:** Because under the listing regime, the Olympics are supposed to be carved out, if you like, in a majority sense for the public service free-to-air broadcasting to be able to broadcast them. What happened essentially was a reproduction of what used to happen in America under NBC, when they acquired Olympic rights, where actually you do not see anything live, or most of the things that are put on live, almost under the pretence that they are live, actually. It is not always clear, in the way that this sort of content is presented, that it is actually a recording of a previous event in the Olympics. It is presented as if it is happening now. That is deliberate and it hoodwinks the audience, in my opinion, in the way that is being done.

What is your response to that? Will it not be worse for the BBC when the time zone is different, because the event will be taking place not in the middle of the night, but in the middle of the day, and you still will not be able to show it?

Tim Davie: We will be able to show two streams. It may be something we want to take outside of this, but my understanding in terms of in the listed events legislation in the 1990s—there have been some updated interpretations—is that it largely covers live TV and TV highlighted. There are no protections for digital clips and other forms of digital catch-up services, and it does not require us to be able to cover everything. Certainly that has resulted in the two streams.

By the way, editorially I take your point. We did a good job, but clearly people need to know what they are watching. Is it live? Is it not live? That is more difficult to navigate when you have two streams and you have some editorial choices as the 30-plus sports or whatever it is come in. What do you put on air?

Q322 **Kevin Brennan:** I do not want to press you too much on that now, because we could have a very long discussion. I agree that there were



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some great jobs done by the presenters, including Jason Mohammad, who is from my constituency and who did a fabulous job on the afternoon shows when nothing was happening.

Tim Davie: I take all the points, but in terms of punditry, diversity of thought and analysis, I thought it was as good as we have ever done by our sports team. I thought it was exceptional.

Q323 **Kevin Brennan:** It was great, but at times it was like “Test Match Special” on a rainy day when nothing was actually going on.

Tim Davie: There is nothing wrong with “Test Match Special” on a rainy day.

Q324 **Kevin Brennan:** I am not going to disagree with you on that.

John Whittingdale, before he unfortunately left the Government—I do not know what the details of that were—made a very interesting contribution at the Royal Television Society with a couple of parting shots, one of which was about setting targets against dramas “set in non-specific locations or outside the UK, with an international cast, communicating in US English”. I heard you use the phrase “do the math” earlier on, which is a very American phrase.

Tim Davie: I will retract that.

Q325 **Kevin Brennan:** Do you think he was justified in his criticism and call for quotas for less generically Anglo-American-type productions?

Tim Davie: I am largely not biting on quotas, but I do warm to the theme. I saw also Mr Nicolson’s article on this, which was helpful as well. Overall, the protection of British-made drama and locally produced drama with local stories is critical. I also, by the way, tend to feel it is where we are most potent as the BBC. Others do have to satisfy, as their primary objective, a global market with global stories. That differentiates us.

I would stop short, by the way. I do not in any way associate that with flag-waving or any degree of editorial control over our writing. That is to what you were saying, Mr Nicholson. They are different things, if I may, in terms of locally sourced drama. We debate the semantics of Britishness and no one is a bigger champion of British drama and British content than I am. There are risks for a globalised, algorithmic brief. You see that. “I May Destroy You” would not have been written.

Q326 **Kevin Brennan:** I was just going to make that point. Michaela Coel’s Emmy for that is thoroughly deserved. We mentioned it before at this Committee, and one of the reasons she was able to make it was because she could retain a little bit of her IP by working with the BBC rather than Netflix, because they would not let her keep her own intellectual property.

Tim Davie: If I may, this is “Small Axe”, but it is also shows like “Call the Midwife”. By the way, this does not restrict you from being a global hit. Some of the greatest dramas are sensed in place. It is stronger.



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“Normal People” is stronger because of its location. “The Wire” is stronger because it is in Baltimore. I would be a real advocate of local writing, with local authenticity around that.

Q327 **Kevin Brennan:** It is in Baltimore, with two great British actors playing Americans in it as well.

Tim Davie: You are absolutely right.

Q328 **Kevin Brennan:** The other part of John Whittingdale’s speech was about prominence. Do you regard that as a nice parting gift, because some of us have been calling for the Government to take urgent action on the issue of prominence in the age of digital?

Tim Davie: It is utterly critical.

Q329 **Kevin Brennan:** Just what is your response to his announcement in the speech?

Tim Davie: It is utterly critical and an absolutely grade one issue for all of us. There are two ways where you broadly deliver value in the media market. One is through content. The second is through your service. This is really important. We have just done a very good and collaborative deal with Sky for their new platform. I am a big fan of some of the companies like Sky and what they are doing. One of the things we are obsessed with, of course, is digital, in our case BBC iPlayer. The data, by the way, is overwhelming, if we just atomise our content and you do not know a show comes from. We all know the issue that to make some of these productions happen we sold our secondary rights in the UK to other parties.

We are largely not doing that now, by the way. That attribution is really important. Now, if you need that attribution to get value, you also need prominence. A grade A issue for the public service broadcasters is—I can talk about what we would do together to help this, i.e. the PSBs—whether it is a television owner or whether it is a platform owner, the prominence they give to the public service broadcaster platforms and brands is utterly critical.

Q330 **Kevin Brennan:** I agree. There is no point in having public service broadcasting if you lock it away in a dark cupboard. That is just a fact.

Tim Davie: Or if people cannot see the service, if they cannot see BBC iPlayer or All 4.

Kevin Brennan: That was what my metaphor was supposed to represent, but it obviously was not a very good one.

Tim Davie: Apologies.

Q331 **Kevin Brennan:** Can I just finally say, on radio, that there is some concern being expressed by the commercial sector about the diluting down of the existing quotas on radio production, i.e. the amount of speech you have to say on BBC stations and so on, and that that might



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infringe upon commercial radio. Are you able to give any comment on that? Finally, can we keep the Radio 2 Folk Awards as well, please?

Tim Davie: On the first one, I am worried because I will just give you a generic answer on the data, because the truth is, of course, I want to be distinctive versus commercial radio. You know from my background I have spent a lot of time talking to the likes of Global Radio, Bauer—fantastic companies—making sure that we grow the radio market and now what we might call the audio market together. That includes initiatives like the Radioplayer, but also editorially making sure that we have radically different playlists.

It is not just about speech; it is also our music offer. 6 Music and Radio 1's playlists are dramatically different. I do react slightly when we just say, "They are pop stations." Have a look at the playlists; they are radically different, and I want to keep that difference. We need to be different to commercial radio—there is no doubt about that—and add unique value. Speech radio is a critical part of that. In terms of the numbers, I do not know exactly. If there are any specifics in terms of that, I would like to hear about them.

On folk, I think you have talked to the Radio 2 team. I have been to the Folk Awards many times. By the way, there is unequivocal support of folk music more generally. We are struggling a little bit to get audiences to awards ceremonies, being very open with you, just generally in terms of broadcasting. I am a big supporter of supporting the genre. We will come with a creative plan and we can share a bit with you. It may not be doing the Folk Awards as they are today. We are looking at potentially a festival and other things where we can give folk the support it deserves. I know that may not be all you want, but at the end of the day we are a broadcaster. We need to make sure we get as many people listening to folk music as possible.

Also, the other thing, of course, is to make sure of the Radio 2 playlist in and of itself, so that it is not just ghettoised in one show. We really make sure that we have the diversity of playlists across the network. We can provide more details with that as we go through.

Q332 **Steve Brine:** I just wanted to hop across to the sports desk. As a key broadcast partner of football and the World Cup, does the BBC have a view on a bi-annual football World Cup?

Tim Davie: It has no view at all.

Q333 **Steve Brine:** Excellent. Congratulations on the Chelsea coverage, by the way, on Sunday night and last night. It is the best thing on television, in my humble opinion. While it is lovely to see flowers, it would be great to see flowers with a little white ball going in front of them, otherwise known as golf, which, as you know, I bore on about regularly. I declare my interest as somebody who used to work in the industry.

Maybe your comments about the Hundred in cricket give us a glimpse



into your view. Clearly, golf takes a long time. Maybe one hour's coverage of a day's play at the PGA is where you think the market is on public service broadcasting for golf, as opposed to the eight or 10 hours a day that Sky will give to the first round of the Open championship. Where are you with coverage of the great game of golf? Where do you see it going? Where do you see the appetite, as somebody who understands this marketplace as well as anybody I know?

Tim Davie: First, by referencing the Hundred, I was not necessarily indicating a strategic direction on long-form sport versus short-form sport. The Hundred gave me palpitations as a Test match fan, but actually when I saw it, for anyone who went, it was an inspiring event when you saw so many people watching the women's games. That is not where I am at. You know where I am going. However, at the end of the day, we cannot offer everything to everyone. We will buy highlights packages. If tournaments are available at competitive rates, there are no barriers to us going in, getting tournaments and doing things.

We are stretched, by the way. We are stretched in terms of the choices we make and how far we go. Radical extension of our portfolio is not really an option. Having said that, I would say, when it comes to golf, when you have a thriving commercial market and others really diving into that market, we do have to make some choices. Imagine the choice I have versus maintaining Six Nations coverage through a partnership with ITV, to the point, to secure that, to make sure I have the Welsh games and the Scottish games. They do take priority over long-form coverage of sports like golf. I am just being really honest in terms of the choices we have to make. I would not be expecting us to make very significant new investments in golf. We are keeping with what we have in terms of highlights. That will be a realistic objective. I am just being honest.

By the way, we are engaged with sports authorities generally. This is not about golf, because I just do not know. We are talking to sports bodies, like women's football. What is going with the WSL is fantastic. Those conversations are really interesting in terms of the role of free-to-air and the role of public service broadcasters. That can be a creative discussion. I note, by the way, the Hundred is also a partnership with Sky. You can make these things work together. Maybe there will be some discussions about golf in that area over time.

Q334 **Steve Brine:** Are you a golfer, Tim?

Tim Davie: I have not been on a golf course for about 20 years, but I was.

Steve Brine: It went about as far as your political career.

Tim Davie: I was going for a bunker joke. I will withdraw it.

Steve Brine: Thank you for your comments on golf. It was very honest, and obviously there is some very good golf coming up this weekend, for golf fans.



Q335 Chair: Tim, you referenced TV manufacturers before and prominence. I have been in touch with some TV manufacturers and what they say is a slightly different story than perhaps is presented, not so much by yourselves but more generally in the media. They have stated that TV manufacturers wishing to include BBC content via the iPlayer app currently undergo an arduous, complex and unnecessary regime of BBC technical checks before installing BBC iPlayer on TVs. The BBC works on a strict pass/fail basis, and often fails TVs unnecessarily or only after they have exceeded the parameters of their own tests. This means costly, lengthy delays without meaningful benefit and the BBC applies more stringent certification to TVs that do not apply to mobile phones, tablets or PC products. Why is the BBC the only European public service broadcaster that insists on doing its own in-house certification process?

Tim Davie: We really feel we need a robust service. By the way, for all the issues—I understand the concern—iPlayer is prominent on all the lead TV manufacturers and we have gone through that process. Frankly, I am more than happy to engage if we can make the process simpler and easier for people, but I have to say that one of the things we have learnt is technical failure for the BBC is not an option. I know we have debated the Olympics coverage. Can you imagine if iPlayer fell over? We are a gold standard, a world class broadcaster, so I am not going to apologise for the standards we set with our supply base or with the people we are supplying.

Having said that, I am all ears and happy to meet with TV manufacturers. I know the distribution department are meeting with them all the time, but I am more than happy to get involved in that discussion if they really feel there are ways in which we are being bureaucratic. I am happy to address that.

Q336 Chair: I have very rarely seen, and only for a very short period of time, Netflix fall over. There is Apple. There is Prime. Why is it that most global TV apps allow platforms to self-certify with automated test packs? You do not allow for that. Why is that?

Tim Davie: Because we have set a higher standard. We can debate the standard.

Q337 Chair: You have higher standards than Netflix, Apple, Prime, et cetera. It is not just bureaucracy.

Tim Davie: In terms of technical delivery, that may be a bit of history. It is something I can look at, to be honest.

Q338 Chair: They are saying that is a major barrier to the future development with prominence in terms of apps. We do get the idea that, effectively, many of these TVs, with their remote controls, will charge for buttons, etc., and there is always a difficulty there in terms of how you get your button—a PSB button if you like—on those handsets themselves. If they are saying that this is a major issue, in terms of the lack of self-certification, which works for the other huge global brands that frankly



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have shareholders as well, do you not think that is not just something you should look at, but something that you should look at with real urgency?

Tim Davie: I am happy to look at it. It just has not come across as a big issue in my first year in the job. By the way, we are talking about two things. One is the technical certification and the robustness of that, and I need to be assured. The methodology of that is secondary. I just want to be assured of that and I am listening to you. I just want to be assured of the technical.

There is then the commercial agreement and what that looks like in terms of prominence, co-promotion and all the things we can do together. This is where the PSBs coming together, by the way, in terms of platform is very interesting. We need to have that discussion, because we have an incredible history with Freeview and Freeview Plus, and we can potentially help some of the TV manufacturers to offer solutions on platform level as well.

Q339 **Chair:** Martin Bashir—I rather wish we were not still talking about him but we are, yet again. Just to recap for those who may not know about this particular story, a BBC contact of mine actually referred to it as, frankly, Diana on steroids, with what we saw at the weekend in the *Mail on Sunday*, in terms of the depths to which this individual, a purported journalist, will plunge in order to get an exclusive or story, or basically just to feel powerful.

This individual appears to have basically told the parents of dead children that he wanted to take their clothing away in order to be forensically tested as part of a programme that he was planning. No forensic tests ever took place. The clothes have gone missing. There was an investigation, I believe by Mark Byford, who was a very senior executive at the BBC. He said he would investigate the matter, but it does not seem to have actually happened in that respect.

What is your perspective as DG now? I know that you obviously were not in situ at the time and everything else like that. We do understand that and we always have to have that health warning when it comes to Mr Bashir, but this is about as grim as it gets, as far as journalism and as far as television morality gets.

Tim Davie: The first thing I would say is that we are extremely sorry for the distress this has caused Ms Hadaway. It is very distressing that we have not been able to give her answers in terms of what happened to that clothing. I am appalled that got lost. I am appalled by it. It is a very serious issue.

By the way, it is worth noting there was, finally, a successful conviction in 2018. This is important and material. It is worth saying that the police did say that this issue—this is important to know, just quoting the West Sussex police—had no material impact whatsoever on the investigation, then or later. That is important.



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Having said that, it is a very serious issue for the BBC. We are proactively going at any loose ends, following up any information. One of the things that we have been doing is going at some of these unanswered questions and looked at previous "Panorama"s. We have done it with energy. Of course, the so-called babes in the wood investigation is one of those things.

With regard to the 2004 investigation, it is worth saying that it is incorrect, we believe, to suggest that the BBC investigations unit at the time did not make contact with the individuals who might have known where the clothing was, for what it is worth. We have records that show Nigel Chapman, the former editor of "Public Eye", who was still at the BBC in 2004, and an individual that can be identified as a producer, which is Charlie Beckett, were contacted during the 2004 investigation. They were contacted.

Q340 **Chair:** The story is wrong, in that respect.

Tim Davie: I believe so in terms of what I know and our evidence. I will come to that, because that only gets you so far; it is secondary. We know that Martin Bashir was talked to via an agent and said he had no idea. Ms Hadaway is clear she gave the clothes and Martin Bashir, through the agent, said he was unable to assist and did not know where the clothes were. At the time, by the way, he was not working at the BBC.

I want to find out if there are any loose ends or any more we can do in terms of finding this clothing and stopping this distress. I have appointed, as you know, Paul Smith. Paul Smith has 40 years' experience. He is a consultant. He did work at the BBC, but he is external to the BBC and does not work for the BBC. He is a serious individual. He has been talking to people. We have had people talked to. The BBC has also talked to people. With a slightly heavy heart, we are at a point where we are where we are. We have talked directly to Martin Bashir, rather than through any agent.

Q341 **Chair:** What does he have to say for himself?

Tim Davie: He does not know where the clothes are.

Q342 **Chair:** That is it. Was there any expression of regret to you on the embarrassment that this has caused?

Tim Davie: I did not speak to him but there is a record of the conversation. Journalists have talked to him, but he just does not know where the clothes are. The other thing is, by the way, that we proactively look at any other evidence coming to us. Eileen Fairweather helpfully gave us the notes, these emails.

By the way, what happens is, because the programme was never broadcast, you do not have all the records on file, because they are just notes; it is all quite technical. None of my team has seen those notes that Eileen Fairweather provided. We will look at them again to see if there is



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anything there that we want to follow up, but at the moment we have a case of just someone who gave some clothes to someone and this person just cannot remember where they are. That is where we are.

Q343 **Chair:** Can you do anything about Martin Bashir? Obviously he is going to be a BBC pension holder. He has left the BBC now and there were obviously disputes over what sort of severance package, etc., he would get. It seems to be quite incredible that there is this individual who has run absolutely roughshod over your reputation, and frankly over the lives of very vulnerable people. I do actually consider this to be infinitely more serious than the Diana situation because of the absolute sensitivity involved. Is there anything that you think you can do as DG or as chair in respect of Mr Bashir, or are you just going to have to wait for the next scandal to emerge?

Tim Davie: The legal advice we have is we cannot do anything with the pension. At this point, that is where we are at.

Chair: Thank you for your openness and honesty today. That was a very good session. Tim Davie, Richard Sharp and Leigh Tavaziva, thank you very much for joining us.