

# Digital, Culture, Media and Sport Committee

## Oral evidence: BBC Pay, HC 732

Wednesday 31 January 2018

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Members present: Damian Collins (Chair); Julie Elliott; Paul Farrelly; Simon Hart; Julian Knight; Ian C. Lucas; Christian Matheson; Brendan O'Hara; Rebecca Pow; Jo Stevens; Giles Watling.

Questions 1-251

### Witnesses

**I:** Carrie Gracie, Journalist, and Michelle Stanistreet, General Secretary, National Union of Journalists.

**II.** Lord Hall, Director General, BBC; Sir David Clementi, Chairman, BBC Board; Anne Bulford, Deputy Director General, BBC; and Fran Unsworth, Director of BBC News and Current Affairs.

Written evidence from witnesses:

– [National Union of Journalists](#)

### Examination of witnesses

Carrie Gracie, Journalist, and Michelle Stanistreet, General Secretary, National Union of Journalists.

**Q1 Chair:** Good afternoon and welcome to this session of the Digital, Culture, Media and Sport Select Committee. This evidence session follows up on the Committee's work in the last Parliament on the BBC charter and White Paper, and follows the recommendations made by the Committee in 2016 that the BBC should disclose salaries for on-air talent as well as for executives. I would like to welcome Carrie Gracie and Michelle Stanistreet to the Committee to give evidence this afternoon.



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Before we start, I would like to make a declaration of interest on behalf of the members of the Committee who have previously worked for the BBC and, as a consequence of that, were either in receipt of or entitled to benefits and payments relating to programmes they participated in. That declaration applies to Rebecca Pow, Giles Watling, Julian Knight and Brendan O'Hara.

I would like to start the questioning with Carrie Gracie. A lot of what we will discuss this afternoon will relate to the concerns you have raised and the grievance procedure that you have entered into, but could you tell the Committee a little bit about your appointment as the China editor following a long and distinguished career at the BBC, the reasons that you accepted that post and why the BBC appointed you to it?

**Carrie Gracie:** I was appointed China editor at the end of 2013 and I went to China in early 2014, so I was the China editor for four years. At that time the Director of News felt that China was an under-covered story, that it was a great big chunk of history that was quite difficult to get across in daily news agendas and bulletins and that it needed a more strategic approach.

My first experience in China was in 1985 as a teacher. I joined the BBC in 1987 and I went to Beijing as a correspondent for the BBC in 1991. By that stage, I had a very long experience of reporting on China because, even when I was back here as a presenter on the News Channel, I would go to China every year for reporting. I speak Mandarin. I have a Chinese degree as well as two other academic qualifications, and I have a very long experience of a country that is going through enormous change, which we all know—especially with the Prime Minister being there today—is a matter of great concern for all of us. China affects our lives in so many ways.

My appointment took place at the end of 2013 and I went out in 2014. I had a couple of major considerations in taking the job. It was not a great time for my children. They were embarking on A-Levels and I was very concerned about that. The BBC had left the appointment too late for me and I had been resisting doing the job because I thought it was not the right time for my children. But James Harding, the former Director of News, did what he called 'getting down on bended knee' to persuade me to go, and I agreed with him that we needed to get more women into senior reporting posts. If you remember the context, this was quite shortly after the Miriam O'Reilly tribunal case when she won against the BBC on a claim of age discrimination. The BBC was very concerned in the aftermath of that to put more senior women and older women on air and I had just turned over 50 at the time. That was something they wanted to do and I could see their point. I thought we did need more women on air in senior roles and we did need more older women on air in senior roles. Therefore, despite my concerns about the children, I did the lean in to work thing while my ex-husband did the lean in to family thing, really for the first time. That was quite high risk as a family because they were at the point of A-Levels.



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It involved some sacrifices and it was a very difficult job, as I have described in my open letter. China comes with some challenges. It is so big; you have to operate in Chinese. It is 176th out of 180 in the world press freedom index. It is very hard to persuade people to talk to you in China, especially on sensitive issues, and it is very difficult to get the attention of our editors to put it into bulletins, because they always have something more pressing that President Trump said or is happening with Brexit or is happening in Westminster. It is a difficult story to tell but I feel that I told it well. I am proud of what I did.

The last thing I should say about the time of my appointment, which in a way is one of the reasons I find myself before you now, is that I said at the time that I had to be paid equally. I knew, as did many other women in the BBC, that we had been underpaid by comparison to male peers. Not absolutely, because we all feel that we are privileged to work for the BBC, that it is a public service broadcaster—I am proud to have served for 30 years at the BBC—but we knew there was inequality. We did not know the details, because the BBC is extremely secretive on pay, but we knew we were underpaid and I was determined at this point, where I knew I would give the China job every last ounce of my skill and stamina. I knew I would do that job at least as well as any man, and there was no man. Frankly, there was no other candidate for the job at the time, which was why James did the getting down on bended knee thing.

I insisted on equal pay and I thought I had won a commitment to pay parity when I set off to China, which is why I got such a shock last July when I discovered that two men as international editors were being paid at least 50% more than the two women international editors. Sorry, that has been quite a long answer.

**Q2 Chair:** That is all right. I will ask you further questions about some of those points. You said you speak Mandarin. Are there many senior news journalists at the BBC who speak Mandarin?

**Carrie Gracie:** No. I can't think of any who have that kind of experience on China, who speak Chinese. We have one or two younger people who speak good Chinese, but I cannot think of anyone who has the broadcast skills and the editorial capacity—who the BBC can trust to carry the China story for four years in face of enormous pressures of censorship, frankly. Probably at the time I was almost the only candidate. I can think of one other who probably would have been appointable. I tried to suggest that to the Director of News, because I was worried about my children, but he was not having any of it and said it had to be me who went. I really, really cared about the China story. I felt it needed to be told more comprehensively and more strategically on the BBC.

**Q3 Chair:** It sounds that not only did James Harding want you to do the job but you were pretty much uniquely qualified to do it as well, with your knowledge of the country, your language skills and your broadcast experience.



**Carrie Gracie:** That is probably fair. I don't want to boast but I think that is probably fair. Certainly, since then, the BBC has repeatedly said that it would be very hard to replicate me in China and always tried to persuade me to stay as long as I possibly could. I think the current Head of Newsgathering once said, "I would be happy if you stayed for life".

Q4 **Chair:** The reason I ask you, without wishing to pick on any one part of the world, is that I can imagine that the number of people in BBC News who are qualified to go to Washington is quite extensive. Lots of people will have reported from there before; largely speaking, the language barrier is not an issue, and there are many people who would already be pretty immersed in transatlantic politics.

**Carrie Gracie:** I would say a couple of things about that. It is a part of the world with which many more BBC journalists are familiar. I would say the BBC has failed to invest in China skills, and I am disappointed by that. I have invested in China skills for years and, in fact, one of the things about my current pay situation is that the BBC did not appear to put much value on those prior to me going to China in terms of pay. However, that is a separate question.

One of the things that has made me sad over the past three weeks, since I wrote my open letter, is the tendency in some sections of the media for this to turn into a comparison between me and the North America editor or me and the Middle East editor. I suppose there is a degree to which that is inevitable, because you cannot talk about equal pay without talking about what the law calls comparators. However, I would like to put on record that I admire the work of my male peers as international editors. I admire the work of Jon Sopel and I admire the work of Jeremy Bowen. I have been proud to stand alongside them as an international editor for the BBC for four years. Other people say, "China this, North America that. North America is on the 10 o'clock news more often" and other people in the China camp are going, "Yes, but everyone speaks North American". I don't want to get into that fight.

What I want to talk about more is the sense in which my case is just an example of the bigger problem, but it is a useful example. I was a senior person who the BBC really wanted to keep in position and yet, even at the point where this arose—and for six months of me trying to get the BBC to take my equality issue seriously—it has not been possible for that to be resolved in a way that I feel is in accordance with the law. If the BBC cannot sort it out for me as a senior person of 55 in a powerful position, how can it sort it out for more vulnerable people who do not have a public profile? That is my concern and that is the only reason that I am prepared to talk about my case.

Q5 **Chair:** You said that you were very clear with James Harding that you expected equal pay if you took the position.



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**Carrie Gracie:** I just want to clarify that the pay conversation happened with the then Head of Newsgathering, who was Fran Unsworth, not with the Director of News, who was James Harding.

Q6 **Chair:** Thank you for that. For you, equal pay means pay equality with the other international editors. Is that the group with which you expected equal pay?

**Carrie Gracie:** At the time I set off I was told that I was roughly in line with the North America editor and the Europe editor. What happened subsequently is that, in the same year I went to China, the BBC appointed a new North America editor and a new Europe editor. The North America editor earned much more and the Europe editor earned about the same as me, and she has given me her permission to say that. Before that time the Middle East editor had been the highest paid but when the new North America editor took up his post, I guess—I only discovered it in July, I did not know any of this before—he must have been paid a lot more because he is certainly now in a much higher band than the others. There you get a situation where you have two men high and two women low.

Q7 **Chair:** I am probably right in saying that, roughly speaking, it is not just that there is a bit of disparity in pay within that band of international editors. In that case, the North American editor was being paid maybe nearly double what you were being paid.

**Carrie Gracie:** Possibly. We fumble around in the dark in the BBC. We have no information. The only information is what you manage, through your work, to push the BBC on being a fraction, a glimmer more transparent on pay. You have that transparency down in £50,000 bands from £150,000, so obviously Jon is in the £200,000-£250,000 band.

I don't know if this is the right moment to say it but I had my grievance outcome finally last week, on day 89 of 90 that the BBC allows itself for grievances. The BBC had previously said it would expedite my grievance because of the China dimension. They kept saying they were hoping to deliver it before Christmas and then very early in January. In the end, it was day 89 of 90. That is expediting at the BBC. However, leaving that point aside, I think the outcome is relevant to the question you are asking me because the BBC has said that it had inadvertently underpaid me since 2014, since the point at which it appointed the North America editor who is currently in position. The BBC has now said that not only does it want to pay me an extra £45,000 for the financial year of 2017, but it wants to pay me more for 2014, 2015 and 2016, and it was inadvertent that it left me off when it raised other pay in April 2017.

I have said I don't want that money. That is not what it is about for me. I feel my salary is a good salary. It is public money. That is not what it was about. They are still not giving me equality. They are not giving me parity and they are not giving me the benchmarks that would allow me to judge that it is a robust pay system so that it counts as equal pay, even if it is



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not pay parity. I know this sounds like employment law language, but that is what we have to get into. As I have said all along to them, if they showed me robust data and robust benchmarks on why they want to pay the men more than me—which they still want to do throughout—that would be okay, but they have not given me any of that, even now.

Q8 **Chair:** “Inadvertently” is the word that was used in the report you received from them; is that correct?

**Carrie Gracie:** Yes.

Q9 **Chair:** They have upheld all the complaints you made originally last summer, effectively, about the fact you were being underpaid and that you deserved not just—

**Carrie Gracie:** No, they haven’t actually. They have said it was not gender pay discrimination. They have not called it pay discrimination either. I am not an employment lawyer but to me it sounds like a tacit admission that it is pay discrimination, in that they want to pay me nearly £100,000 in back pay now. But the thing that is very unacceptable to me—and I don’t know why they do this—is they basically said that in those three previous years, 2014, 2015 and 2016, I was in development. It is an insult to add to the original injury. It is unacceptable to talk to your senior women like that. I would never have gone to China on those terms. I asked for equal pay at the very beginning. The idea that I would have agreed to being sent to China in development—

When we were coming back from meeting the Chinese ambassador, and were walking down Portland Place, the Director of News said, “You’re it. You’re in charge. I will have your back”. I was leading our Chinese coverage for four years. There are significant risks in our Chinese coverage. I dealt with them and I did a good job. Twice I have been a Royal Television Society nominee for the BBC for specialist journalist of the year.

I am getting emotional, but what I really want to say about this equal pay problem at the BBC is what it forces the BBC to do, which is to retrofit defences, justifications of the indefensible. It is not acceptable to say that you have an equal pay problem but you cannot admit it because you don’t want to confront what may be fiscal liabilities, which we all agree are there. I am not a fiscal liability. I have said I don’t want any more money. I am not a fiscal liability to the BBC. They are trying to throw money at me to resolve the problem. This will not resolve my problem. My problem will be resolved by an acknowledgement that my work was of equal value to the men who I served alongside as an international editor. An apology would be nice.

I note that the BBC is saying it is very grateful to men last Friday taking a voluntary pay cut. They have never said they are very grateful to me for not taking a pay rise at the time. I have the quote somewhere. They said, “These are great broadcasters, great journalists who have a great





connection with the public". I have 500 and more e-mails from the public here in support of me, in support of my work as a China editor and in support of my stand on equal pay. I have more than 300 e-mails from members of staff who support that too. Some day it would be nice if the BBC could bring itself to say that the women, too, are good broadcasters and journalists but, because it is in this terrible position of not being willing to acknowledge an equal pay problem in relation to women, it is effectively forced to belittle our contribution, not just this year, not just last year, but for decades.

**Q10 Julie Elliott:** Thank you both for coming in, and I think it is very important, Carrie, that we say thank you to you for raising your head and going on record. It is a very brave thing to do, however high profile a journalist you are, and it will benefit enormous numbers of women much lower down the food chain in the BBC and in other organisations. I think it is quite important to say that.

I want to ask just a few things, because you have already highlighted a whole load of things that we can ask the next panel, but particularly on this conversation with Fran Unsworth when you asked about equal pay or pay parity, or whatever the terms were, can you tell us a little bit more about that conversation, please?

**Carrie Gracie:** This was the meeting at which we were deciding whether I went to China or not and the terms on which I went. There was a discussion about how many days I would be in China a year, because I was worried about my children. My daughter had had to move school for sixth form. She was not able to be moved. It was too late to move her, but she had already just moved once and she was in her first year of A-Levels.

There was first a discussion about how many days I could do in China a year. I agreed to do 200 days in China a year and that the rest I would do in the UK. There is a lot of China that can be done pre-production and post-production and I can do a lot of writing, but, just for the record—because I see that there is some confusion about this in the media—last year I spent 214 days in China. When I say "China", I mean the majority of about 200 were in the mainland of China and then another few days in Hong Kong and Taiwan. I call it greater China: mainland, Hong Kong and Taiwan. I was there 214 days last year, and then I did some work in Kazakhstan and some work in Poland last year and I did the rest in London.

Coming to your question about the equal pay conversation with the then Head of Newsgathering, current Director of News, I guess I am not a lawyer, so I went into that saying, "I think that I have been underpaid for a long time at the BBC, not absolutely but in comparison with male peers".

**Q11 Julie Elliott:** Did she comment on that when you said it?



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**Carrie Gracie:** No, she didn't. I said, "I think I have been underpaid since probably about the year 2000 when I started on the News Channel, possibly longer". I just didn't ask. We actually trusted the BBC; that is the problem and we had no information. We had trust and we had no information. Then over several years on the News Channel I began to realise that there was an issue of unequal pay and I didn't do anything about it. I was a single parent, sole breadwinner, and my daughter had had leukaemia and I had had breast cancer twice and, frankly, I had enough just getting on with life. I just never argued about money with them, but I knew that when I went to China I was not prepared to let an unequal pay situation go on.

I had been reading the Sheryl Sandberg book "Lean In". I thought it was important that I lean in as an older woman with my children growing up. It was not a perfect time for the kids but there was never going to be exactly the right time, so I felt I had to lean in.

As I said before, I also knew that I should ask for equal pay. I don't want to go into the detail too much of that conversation. It was not a long conversation and it was four years ago. On the whole I am a pretty trusting person. If somebody tells me "This is what is going on" or I think I have understood something about the situation, then I take that on trust. I said, "I demand to be paid equally. I don't think I have been paid equally in the past. I don't know, because none of us know the details, but I don't think so. I demand to be paid equally". What the then Head of Newsgathering, now Director of News, said was, "The North America editor and the Europe editor are getting about £120,000".

I said at that point, "My children can't come with me and my son will have to go to state boarding school in this country because he will not go to an expensive private school in China because it costs £25,000 to £30,000 a year and he is right on. He just wouldn't do it". At that point I was proposing to put him into a state boarding school in the UK. That was going to cost £10,000, and so I said to then Head of Newsgathering, "I am going to have to spend £10,000 on these school fees. It is a lot less than accommodation, healthcare, £25,000 to £30,000 in school fees and flights in China". She said, "Okay, we will make you up to £130,000". I thought that I was effectively getting equal pay at that point. My grievance outcome says that Fran does not recollect the conversation the same way I do, or words to that effect. She will no doubt tell you.

**Julie Elliott:** I am sure we will ask her.

**Carrie Gracie:** I am puzzled by that because when I had a pay negotiation with the current Head of Newsgathering, Jonathan Munro, on the phone from Beijing in October last year—so that was my first pay negotiation—I told him I had said this to the then Head of Newsgathering. He said, and I quote exactly his words, "Fran remembers the conversation as you do".





**Carrie Gracie:** The current Head of Newsgathering, Jonathan Munro. I was surprised to read in my grievance outcome that Fran did not remember the conversation as I did. To be honest, we don't have a tape recording, so it is different people's words against different people's words and it is four years ago. At the end of the day, I don't think it is the heart of the problem.

After July's pay disclosures I had to overcome my inhibitions about asking my male peers about pay, so I asked all relevant male peers in the past 20 years about what they were earning, roughly, compared to what I was earning at the times we worked alongside each other. Some of them told me and some of them didn't. The then North America editor did tell me. He told me he was roughly on the pay that I started in China on, so he wasn't on £120,000. He was on about £130,000. I hope that is clear.

Q13 **Julie Elliott:** That is very helpful. I want to ask Michelle a couple of brief things. In the written evidence that you submitted to the Committee, in point 14 you talk about, "As part of the BBC-led move to make presenters work on a freelance basis via a personal service company, it is very concerning that many women were pressured into leaving staff jobs and told that otherwise presenting work would be withheld from them". That reads to me like bullying. Can you tell us a little bit more about the background to that, please?

**Michelle Stanistreet:** As part of this process, it has been really alarming for me in speaking with many women who have come forward to the NUJ to talk about their situation and have their cases reviewed for equal pay. For me, it has not just been about what their headline salary or fees have been at any given time. It has been about the processes that have been in place, which speak to me of a really problematic culture of how many women journalists at the BBC have been treated, and to find out that—seemingly to me anecdotally—a lot more women at a moment in time were clearly told by the BBC. Many of them were on staff contracts and had the protection and benefits of staff contracts and they were told very explicitly by the BBC, and there is lots of evidence in writing, that, "If you wish to pursue your career as a presenter, we expect you to leave that staff job and your relationship with the BBC in the future to be one of a freelance operating through a personal service company".

Many did this very unwillingly. They felt very coerced and pressured to do that and, when you are faced with that or an option of not progressing your career in the way that you want it to happen, really, it is no choice at all. Many women made that step very reluctantly. What many of them have been shocked, horrified and angered to find out down the line is that a lot of men kept their staff contracts, kept the benefits and perks associated with that, and at the same time were being paid more than them.

There were different elements to the discriminatory way—as I would see it and our lawyers would see it—in which people were treated, and it has had massive impacts on people. In that significant period of time, people



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have had huge insecurity. They have not had sick pay and some of them have had really serious illnesses and conditions and that has made it very difficult for them, financially and professionally. Women have had babies, several times over, and have not benefited from any maternity leave or maternity pay and have faced compounded problems when they have come back to work after having children. I have been concerned that people returning from having—in some cases—very short periods of maternity leave have not been treated as well as they should have been by the BBC, and certainly not on a commensurate basis with colleagues who would have been on staff contracts.

To me, all of those elements are bound up with the issues of the disparities in pay as well. Similarly, the way in which the BBC approached the process of renegotiating contracts—it seems to me from reviewing the paperwork—deliberately allowing contracts to lapse, which meant that people would renegotiate from a position of no power, really, and under a lot of pressure to—

**Q14 Julie Elliott:** Did the trade union have a role in that negotiation?

**Michelle Stanistreet:** We don't have collective bargaining rights for those individuals, so lots of people left the bargaining unit, left their staff jobs and those protections where they have the collective representation and some degree of the structure within the BBC as it was. They left and seemingly there has been a bit of a Wild West approach to pay and to who gets what in that process, really to the disadvantage of many women. Their contracts were allowed to lapse, which weakened their negotiating position. Some had fees withheld, under pressure to sign up to new contracts; really inappropriate practices that have no place in any organisation but particularly in a public service broadcaster.

One of the NUJ's priorities in the process of engaging with the BBC at the moment—and as the BBC is going to open up its consultations, as it needs to do with everybody affected in the on-air talent cohort—is all of those people who genuinely should have been on staff contracts for all of that time, and to all intents and purposes are real employees, need to be on real staff contracts, not inferior, diluted versions with fewer benefits in terms of their terms and conditions, practices, and we need to make sure that the genuine freelance workers, who engage with the BBC, have contracts that are fit for purpose.

Really, that has not happened. That has been a very significant source of concern for the NUJ and I know how badly it has impacted on many of the people it has affected, men and women, but I think women have had a particularly worsened experience as a consequence of those practices.

**Q15 Julie Elliott:** Finally, very briefly, the report that came out yesterday talks a lot about consultation. It mentions trade unions. Can you elaborate on what involvement trade unions have had in that? My understanding is that there are only recognition procedures up to a very low level and then it seems to be a bit of a free for all. What involvement



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have you had in this interim report that was published yesterday?

**Michelle Stanistreet:** The NUJ and our sister union BECTU have recognition across staff unions for the grades 2 to 11, so people who are outside of that bargaining unit do not have any collective bargaining rights.

When the high earners list was published in the summer our reaction as a union was one of huge concern about the lack of women, and the lack of black and ethnic minority faces in that list. We expressed real concerns about the BBC's immediate reaction to embark upon its equal pay audit and gender pay gap, because it was deliberately excluding the population of staff where it was obvious, from the publication of that report, that there existed a real problem. All the guidance about doing these kinds of audits is: don't segment the staff. Do it as one piece of research and one piece of analysis. If you are going to segment the staff or the population, start with the area where you know you have a problem and then roll it out from there. In fact, what it seemed to be doing was to try to focus on the area of the business where it thought it would have a cleaner bill of health.

Our involvement and reaction to that led to more discussions about what they were planning for the on-air talent review, which they said was going to be coming down the line and would run to the end of 2017, and we were saying, as unions, "It is vital we are involved in that. There are significant issues that we want to be part of, trying to come up with solutions". The BBC's initial response was that it would try to get the unions close to it but it was not planning on us having any role in it whatsoever, because we have no consultation rights.

However, at a certain period of time—I think it was in October—the NUJ discovered that a significant chunk of our bargaining unit had been plucked out of our bargaining unit and put into this review, which we knew nothing about and there had been no discussion about. We were understandably outraged. We had a meeting with Anne Bulford about this and there was an agreement that, from that point on, the unions would obviously have to have a role because we had members of our bargaining unit who were now caught up in it. We have had a role, but the NUJ has—nothing secret about this—been very upfront with the BBC about what we see as the inadequacies of the equal pay work that was done last year.

We have the same concerns now, in terms of the methodology and the approach. Before we were involved we had been having regular meetings and it is fair to say that, in all of the issues we have been raising—which is about the unfit contracts, the way in which these have happened, the lack of a framework, the need for transparency and genuine engagement with all staff, everyone in the future—we have been pushing those issues. Wherever the BBC has got to now, in terms of its framework, and it may talk about that later, it is in a much better, more transparent state than it was at the first iteration.



PricewaterhouseCoopers has been involved way before we got involved. The approach in its methodology is agreed with the BBC and, like with all of these reviews, to a degree it is embedded within the BBC to carry out that work. One of the frustrations for many NUJ members is that they don't feel it is impartial enough. It feels like an exercise in trying to give the BBC the cleanest bill of health it can, and that is one of the concerns we had.

My legal team reviewed the report after yesterday. They see it as more of a PR exercise rather than a meaningful assessment of the problem.

**Julie Elliott:** As a former trade union official, that was my reaction.

**Carrie Gracie:** If I could just add something to that point. None of these things would stand as a piece of BBC journalism.

**Julie Elliott:** That does not surprise me.

**Carrie Gracie:** We have standards. It really pains me and hurts me that the corporate machine is not living up to our values. There are 90,000 people in the BBC. We are loyal. We are dedicated. We are responsible. If they honour us with the facts, and give us transparency, we will sort it out. The BBC has not sorted it out for decades, and the current leadership has not sorted it out for five years.

As some people may remember, I declared my pay on air in 2009. Somebody from management came to imply that, "We don't do that at the BBC". I said, "If you have a problem with my pay, cut it. If you think it is defensible, defend it, but we all know the real problem is the can of worms the BBC has on pay". That was 2009. We are nearly a decade later. Look where we are. This is damaging the credibility of the BBC in a completely unacceptable way.

Q16 **Julie Elliott:** I would agree. The final question I want to ask. The phrase "equal pay for work of equal value" is what is at the centre of everything we are looking at here today. Do you think the BBC understands that?

**Michelle Stanistreet:** What has been really frustrating is the language of the BBC, and it is obviously a deliberate thing because it is from a lot of different executives at different times over the last few months. They keep talking about fair pay rather than equal pay, when we are trying to talk about equal pay. They have said in meetings to me that they believe fair pay is a higher benchmark than equal pay, and it misses the point about what a lot of this debate is about.

The language of how they are reacting is also frustrating. It may be partly a bunker mentality or too many lawyers involved behind the scenes, but the use of the language is making the problem worse. Referring to "inadvertent errors" of underpaying people or talking about, "There is no evidence that decisions were taken to wilfully discriminate". They are weasel words. The reality is they have and, instead of trying to somehow come up with excuses and make the situation look better, they



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should just hold their hands up and say, "Do you know what, yes, there has been a problem. Some of it I inherited. I could have done more on my watch, but this is how we are going to sort it out now", rather than talking about a future structure.

It is important to focus on a future structure—and I am glad they are and I hope it gets in a much better state over the next few weeks of real consultation with all of those affected—but it is not just about the future and future pay structures, which I also have some issues with. It is: how do you right the wrongs of the past? The only way you are going to do that is if you take a pragmatic view, sit down with people, involve the unions, involve the individuals affected, and come up with a way of settling this that is pragmatic and does not force all of these talented women to have to take litigation against the organisation that they have dedicated their careers to. Nobody should be put in that position. The stress that people have been put under is just too great already and I think it would be outrageous if the BBC sits on its hands in that regard and does not do the right thing now to resolve things properly.

**Carrie Gracie:** If I could add to that, that a lot of big companies across the UK will be reporting their gender pay gaps over the next few months. This is a huge story and we, the BBC, will be reporting on it obviously. We are supposed to be an example. We are in a position because we are first up in a way because of this huge row, and how we handle it is important, not just in "W1A". It is important to workplaces, employers, employees, women and men across the country.

I would also add to Michelle's point that we are not in the business of producing toothpaste or tyres at the BBC. Our business is truth. We cannot operate without the truth. If we are not prepared to look at ourselves honestly, how can we be trusted to look at anything else in our reporting honestly? It just will not do. It cannot be a starting place to not deal with the facts. The facts are the facts. I have been taught for 30 years to report the facts, the important facts, "Make a story. Tell it like it is as best as you can see".

I spent four years in China, for heaven's sake, where there is enormous censorship. There are so many injustices. I have been proud to go out there and deal with the facts as I find them, to face down the censorship pressures and the intimidation of a very significant and powerful regime, which operates now at every level in the UK as well as in China. I believed in our values. I had a compass. If corporate centre take my compass away, I don't know who I am as a BBC journalist. The profoundest sense I have of who I am as a BBC journalist is to report the truth as I find it. If they don't report the truth how can we?

**Julie Elliott:** Absolutely. Thank you.

Q17 **Jo Stevens:** Carrie, can I ask you a bit more about the grievance outcome? You said that they have inadvertently underpaid you. That is what they have said in the decision and they have offered you back pay.



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**Carrie Gracie:** I will find you all of these exact words because it is quite legalistic.

Q18 **Jo Stevens:** Yes. They have offered you about £100,000?

**Carrie Gracie:** Yes. They have not told me the exact amount but I would say it is just inside, probably.

Q19 **Jo Stevens:** In their decision to you, have they explained what you should have been paid and how that equates to a male comparator? Have you been given any of that information?

**Carrie Gracie:** No, not really.

Q20 **Jo Stevens:** Therefore, do you know what they are suggesting you should have been paid is correct?

**Carrie Gracie:** Basically, they are saying in 2014, from the point at which the new North America editor was appointed, I should have been paid, I think, the sum is £155,000, which is obviously £20,000 more than I am currently being paid. That was for all the way up to spring of 2017. Then in spring of 2017, my salary was supposed to go up to £180,000.

Q21 **Jo Stevens:** They haven't said to you how they arrive at the £155,000?

**Carrie Gracie:** That relates to the development issue.

Q22 **Jo Stevens:** Have they said anything about pension contributions or other benefits that would have been paid had you been on that salary?

**Carrie Gracie:** Not really, I don't think so. I only got it at the end of last week because I was dealing with a family bereavement. No, I don't think there is anything in pensions, but I will get back to you.

Q23 **Jo Stevens:** You will get my drift. Obviously, if you are being paid less as a woman than a man for doing the same job, you are also receiving reduced pension entitlement and all the things that go with it.

**Carrie Gracie:** This is all capped for people. They capped the final salary pension scheme increases in 2011. It was 2011, wasn't it?

**Michelle Stanistreet:** Yes.

Q24 **Jo Stevens:** They have not given you any information about whether in your grievance outcome they have factored in any other losses, aside from the salary that they say you should have been paid?

**Carrie Gracie:** No, I don't think so. I am slightly scrabbling to find the bit of paper, but I will get back to you on that.

Q25 **Jo Stevens:** Okay. I want to go on to a different point. You have talked about speaking truth, "Our business is truth". How do you feel about the fact that there are some of your female colleagues who have been taken off air and not allowed to present or report on the equal pay issue, which came to light as a result of your stance and going public?





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**Carrie Gracie:** Well, I am disappointed. I think we have got back to a better place. I thought it was handled better yesterday, in terms of people being allowed to do their job. We can all do this job. I suppose what I would say about that, the handling of the infamous John Humphrys, Jon Sopel recording in a studio, various other issues, the very strange day last Friday where they announced these voluntary pay cuts and had to change the story several times. It is not worthy, any of this, of the BBC.

To me, what it says is, "We are not secure in the foundations of what we are saying and, therefore, because our foundations are not securely in truth, accountability, transparency and our real values, we are not living our values in the press office and corporate centre", or wherever they live. They are not living the same values as the rest of us. It makes me angry. It makes me disappointed. It makes me desperately anxious for the future of the BBC. Tell us who are we? We are no better than the next news source. The BBC lives or dies by its reputation for telling the truth, without fear or favour. That is what we go out and do every day and that is what our bosses should do.

Q26 **Jo Stevens:** Thank you. Michelle, if I can ask you a couple of questions. The on-air report that came out yesterday. Am I right that when the terms of reference were decided you played no part in that?

**Michelle Stanistreet:** Not in the actual report itself because that has come out of a process that started before the joint unions became involved in the broader umbrella of the on-air talent review, which covers more than just the equal pay piece of work and the PricewaterhouseCoopers' report. PricewaterhouseCoopers has also been involved in advising the BBC on a future structure, and the unions have been playing a part in that. We have been having regular meetings over the last few weeks.

Q27 **Jo Stevens:** As a committee, we have had evidence that prior to July last year, when the BBC was being required to publish salaries of top earners, at that point, and beyond July last year, a number of women who had been raising equal pay concerns for some time and been completely stonewalled were suddenly approached and told, "Here is a pay rise". Did you have evidence of that among your membership?

**Michelle Stanistreet:** I think that is one of the issues as well that this has not come as a surprise to the BBC. It has obviously known about the scale of this problem and the reality of this problem and has been very slow to react. It has only been under the glare of the public gaze that it has started to act. But, yes, a lot of NUJ members and a lot of the cases that we have at the moment involve women who have repeatedly raised the issue of their pay and their sense that they do not have pay parity, at various junctures, and they have been fobbed off. In some cases they have been misled. In other cases they have been lied to, so that stoked the anger and the frustration that people have—understandably so—much more because it feels like the BBC is only beginning to be more



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transparent in acknowledging any degree of a problem when it has been forced to, which I think is a significant problem.

It is also important to note as well that the NUJ is involved with a significant group case—a grievance that we lodged, although there is no collective grievance policy, so ultimately we will end up having to deal with all of these individually—of originally 121 women. A number of other women have come forward since. We are also involved in a number of individual cases at different stages of the grievance process. These are women across all parts of the BBC. It is not just women in the on-air population, and we are not just talking about higher earners comparatively in the population of the BBC. These are women journalists of all scales and all grades of the BBC. It is fantastic that so many high profile women have put their heads above the parapet collectively, because that is a really difficult thing. That is a big ask of anybody, particularly then when it garners so much of the broader media interest and speculation. That is incredibly stressful.

They are doing that not just about their own cases. It is because they also know there are scores of other women, at all different other levels of the corporation, who are also affected. That is a priority for the NUJ at the moment, is trying to unpick all of those cases across the piece. They are women within our bargaining unit as well as outside, and that is why it was difficult to recognise the findings of the equal pay audit because of those minimal kinds of pay gaps or differentials, and there were justifications for some of these differentials. It does not ring true to any of the cases that we have. That is why we do have significant problems with the methodology of that work.

As of a week ago, I know there are 297 equal pay cases in train at the BBC and 133 of those are on-air but the rest of them, 151, are off-air. I think this is another issue with the report that came out yesterday. In the discussions that we have had with the BBC I have stressed that, when this all blew up last summer, this population was not addressed at that time. The analysis wasn't done. That was really important. Before the BBC talked about the future and how it was going to resolve things, an honest assessment of the scale of the problem, and what that was, was an important first step.

They cut off the data at the beginning of January 2018. That included 90-odd pay rises that the BBC had made between the whole furore starting and that piece of work cutting off, so it does not include the type of data we would have expected to see. We wanted to know what the situation was when all of this hit. The BBC has been very active offering pay revisions for a whole range of different women, sometimes multiply so, "Here is £40,000. You don't want £40,000, okay, we will give you £80,000", a seemingly very scattergun approach that is very concerning.

**Q28 Jo Stevens:** This review that we have seen, which was published yesterday, is effectively a sanitised version of what has gone on, isn't it?



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It takes pay data that is pay data after those offers of £40,000, £80,000 have been made to women, who the BBC knew were not being paid the same as men doing the same job?

**Michelle Stanistreet:** That is a very fair assessment and it would be the assessment of the NUJ's legal team.

Q29 **Jo Stevens:** Do you think that this review is genuine, because it says in it there is no gender bias in decision-making around pay? It says that on page 3 and on page 31 it says, "We haven't found any evidence of pay decisions being based on gender". Knowing what we know and what we have heard this afternoon, do you think that is a genuine, fair inquiry document?

**Michelle Stanistreet:** It does not reflect reality because it happened. Has it happened because of managerial cock-up or conspiracy? There is a problem if it is about incompetence, how this has come to pass. The reality is that many layers of management did know there was a problem. Many women have said, "There is a problem" and it hasn't been sorted out, so that to me does not back up an assertion that there is no evidence of gender bias. As I said, for some of the NUJ cases that we have it is about equal pay but it is also other layers of discrimination, whether it is maternity discrimination or race discrimination for that matter.

It is a much more complicated reality than the BBC wants to come out and say it is, and I think that is a missed opportunity because, if it had been a report that was so much more warts and all, it would allow people to have a lot more faith in it and see that that is the starting point for having a broader discussion about how you put these things right. In a way, the BBC is going to have to try and regain that ground for the individuals who are affected.

Q30 **Jo Stevens:** Absolutely. You said in your statement yesterday when this report came out it is about rebuilding trust. It is about finding a pragmatic solution. It seems to me—and I suspect you will probably agree with that—that one way to find a pragmatic solution is to allow everyone who works at the BBC to be within one bargaining unit, so that you have one pay structure with transparency, clarity and consistency.

**Michelle Stanistreet:** That has been an absolute priority of the NUJ. The discussions that have taken place, we started them with PricewaterhouseCoopers saying, "For this group of a few hundred people in an organisation of 19,000, it is far too complicated to have the same pay structure. You are being naïve, Michelle, to think we can have the same structure to cover these individual people". Where we are now I think is much closer to where it needs to get to to have a framework that is common, but that has been the joint unions who have pushed the BBC to that position. I think that will make it a much better one but there is still work to be done.



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One of the things that were highlighted in the report was that for this population there is going to be narrow pay bands. That is going to be one of the outcomes. It has been reported now—the BBC has obviously given this information out—that the top pay bands in its proposed new structure that is yet to be fully consulted on, would cap at £320,000. That is going to be a population that affects a handful of people who present on two different news programmes, but that pay band, as the BBC believes will happen, would start at £200,000. I don't know about anyone's definition of what a narrow pay band is but my definition of "narrow" is not one that spans £120,000. I don't see how you can come up with a material defence factor that says, "This person who presents this programme could be paid £200,000 and actually this person, it is completely fair and appropriate and transparent to say they earn £320,000". That beggars belief. You could hire four broadcast journalists for that amount of money in other parts of the corporation. Therefore, "narrow" surely has to mean narrow because otherwise it feels like it is giving it another place to hide future inequities. That requires a lot more work to get that structure right.

Also, one of the things that the NUJ is saying is we want full transparency of all pay across the BBC for everybody. That means everybody in all layers of management, all layers of journalists and programming cohorts and the on-air staff as well and freelancers. If that becomes an outcome in the coming months then that would be a really positive thing to come out of this process, but I think we need to work hard collectively to make sure that that is where we get to because, without the transparency of not just where you sit in a pay band in your broader job family, you need to know what the person across the way from you is earning as well. You need to see where the progression lies. That all needs to be out there and I think it is really important that the BBC is pushed to do that.

**Q31 Julian Knight:** I need to make a declaration at this point, Chair, that I was a former NUJ father of the chapel in between 2011 and 2012, which I think is quite germane. I am afraid I did not do it at the start.

Carrie, obviously since your letter and the exposure that has gathered, do you feel as if you have been briefed against by the BBC? As examples, I have been sent over some lines that management has been putting out about your letter and about—

**Carrie Gracie:** I am interested to hear those.

**Q32 Julian Knight:** Yes. One thing that you have already contradicted, it says you only have to spend 100 days a year in China, unlike the Washington post where you have to move your family and live there. But you have said 214 days was the amount of time that you—

**Carrie Gracie:** Sorry, what did they say?

**Julian Knight:** They said 100 days.



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**Carrie Gracie:** That is absolute nonsense. How on earth does anyone end up saying that? They just need to look at my contract.

**Julian Knight:** The other points they raise is that you were not lied to—

**Carrie Gracie:** Sorry, can I just say on that, I have noticed some misinformation appearing in sections of the media and wondered where it was coming from. That is very disappointing.

Q33 **Julian Knight:** Yes. That came from sources I have within the BBC that passed over the information from management that they had basically been told. In terms of this briefing against you—

**Carrie Gracie:** This raises something that did seriously upset me. I got called by a journalist on the first Saturday after my letter, from a very big Sunday newspaper, who said, "Trusted sources at the BBC have told me that you are part-time". It was very upsetting, in and of itself. I said, "I am not part-time. I work so hard". Because I really just want to promote China in my work, I can encourage everyone to have a look and judge for themselves. In order to ensure that nobody spun or smeared or buried my work, I created my own website earlier this month, [carriegracie.com](http://carriegracie.com). Please have a look at the work of not just me but our team in China, mostly women. We are so proud of our work and we have worked so hard. The idea that anyone could brief that I am part-time—

It raises another thing. I wasn't going to say this because I don't like talking about individuals, but I was also very upset in mid-November, just before my grievance hearing, when a former senior member of staff told me that the current Director of News, who is the most senior woman in BBC News, had given them the impression that I was part-time. Just to set out the context, he was at an alumni event that she was at, the day after the pay disclosures, and he told me that he had asked her why myself and the Europe editor were not on the high pay list.

As reported by him, he said, "I don't understand why they are not on the list. Carrie Gracie and Katya Adler work so hard, produce so much great material, why on earth wouldn't they be on the list?" He said that Fran's answer was that I was part-time. I have since raised this with Fran and she has told me that she would not have said that because, of course, she negotiated my contract so she knows I wasn't part-time, so she says it is a misunderstanding. This person went away with a misunderstanding.

What I would say about this is that, as the senior woman in BBC News, bearing in mind the current head of newsgathering once told the media that we had a problem recruiting women because we had unconscious bias in the recruitment of women in BBC News—I would expect the most senior woman in BBC News to stand up for her senior women journalists and at that point, when somebody says, "These two great women journalists on that list—" I would have liked her to say, "Carrie and Katya are great. They do brilliant work. It is puzzling. I will go and have a look



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and investigate". That is what I feel would have been the appropriate response. This kind of justification, whether it is that I am in development or I am part-time or I just hang out in south-west London, it is really upsetting; it is either funny or it is sad. I worked so hard. It has been so tough.

Q34 **Julian Knight:** It is tragicomic, isn't it, really, in that respect.

**Carrie Gracie:** What I am saying is it is not about me. We end up talking about me and my case, but really I am a resilient person, I have a life, I have skills that are marketable. I could leave the BBC tomorrow and get a better-paid job. The thing is that I don't want to leave the BBC because I don't want to leave it in this state. It is my work family. I have been with this family for 30 years. It is in deep trouble and we need to sort it out. I need to be there alongside the other great BBC women—also belittled, their work also marginalised—helping the BBC to sort it out. BBC management needs to stop treating us as some kind of enemy, putting up the kind of fortress with the emperor and his sons behind the fortress wall. No. This is the BBC that belongs to all of us. In fact, I am going to stop calling them the BBC. They are BBC management and we are BBC women and there are BBC men and, increasingly, BBC men and BBC women will get together and we, by means of transparency, trust and solidarity, will help management get out of their hole and get to the right place.

Q35 **Julian Knight:** In relation to the briefings, would you consider it to be intimidation that you were subject to? Is that the idea behind it, do you think? Or do you think it is just another example of that bunker mentality that seems to exist every time the BBC faces any form of criticism?

**Carrie Gracie:** I don't know because I don't have the experience. I have a lot of experience of intimidation in China, so I can tell you a lot about that. I have less experience of intimidation at the hands of the BBC and, to be honest, if you had told me 30 years ago, or on any previous day in my 30 years in the BBC, that I would be talking about being intimidated by my employer I would not have believed it. What I have to say about this is that when I decided to resign and then when I decided to go public about resigning—because my resignation did not change their minds at all. I should explain the timeline here. I had my grievance hearing in mid-November. I then got my grievance notes a week later. They were an absolutely disgraceful nine pages of errors and spin. I could not have been more disappointed and I would class that as my worst day in the BBC.

If one good thing comes out of today, it will be to insist that the BBC allows those making grievances to make an audio recording of their grievance hearing, so that that never happens to anyone again. I could not believe it. After 30 years of trying to uphold BBC editorial standards, of never being challenged on accuracy in China in four years, despite—one can only imagine—the armies of people trying to take me down there, and there being no complaint, because I really cared about





editorial standards, to be spun in an error-filled account of my own grievance hearing and the first complaint I have ever made in the BBC, was unacceptable. That is the point at which I realised we are really in trouble and I have to do something to help this machine change course.

First, I went to bed for two days. I thought, "I can't do it. This is too big. I can't do this". I was so distraught by what had happened. Anyway, then I thought, "No, I have to fight". That is the point at which I decided to resign my post in China in protest at the way the BBC was handling my case and the case of many other women, and the way the BBC was discriminating against all the women that Michelle is talking about. This is not just rich, entitled, high-profile women. This is women who are on salaries where they cannot afford to buy a home, they feel worried about having money to raise a family; it is all these women. That is who we are fighting for.

Anyway, I decided to resign, to make that point. A week later I heard the then Director of News on a BBC programme say, "We don't have an equal pay problem at the BBC". I thought, "No, that is not what BBC journalists do. They tell the truth" and that was our Director of News. I thought, "This is not good enough. It is not good enough to resign. This ship has not changed course. I need to climb this wall and tell the public, who own the BBC", and that is why I decided to go public on it. At that point, when I was talking to friends and colleagues about going public—coming back to answer your question—a lot of people told me not to; Michelle was one of them. Well, not exactly told me not to, but she was worried—

**Michelle Stanistreet:** I warned you of the risks.

**Carrie Gracie:** She was worried that I was going to get sacked. She was worried that I might get victimised and so were colleagues. Some senior colleagues were also worried that I would get smeared and spun against, but my job is to tell the truth. It was like, "I can't do that for four years in China and then fail when it comes to my own organisation". I could not live with myself.

Q36 **Julian Knight:** Michelle, there has been a lot of reference to lower down the income scale in this respect. Do you think the BBC should open its books to all areas of the BBC, including middle management for example, and disclose what they are actually paying people, the levels of pay, so that we can see exactly how far this problem reaches?

**Michelle Stanistreet:** That would be a very sensible and constructive thing to do. For the bargaining unit there have been negotiations with the joint unions, going on over the last 16 months, about a package of changes the BBC wants to introduce to terms and conditions and that has involved a separate process of creating what they are calling a career path framework, which will have overarching bands and sub-family bands for different jobs within it. We have been pressing the BBC, saying that all that information is to be made available to everybody so people can see precisely where they are—not just their own information but



everybody else's—and not just our bargaining unit; everybody that the BBC employs. That would be a very constructive step forward. I think it is a basic thing for a public body to do in any case, but I think it is a no-brainer. It could only be a very positive thing.

**Q37 Julian Knight:** The reason I am raising that particular question is because I have been contacted by quite a few senior broadcast journalists, who have said to me, effectively, "Okay, we are not talking about these sorts of astronomical salaries, the ones we have been hearing about in the papers, the hundreds of thousands of pounds. I am earning far less than that. However, I do have a very good idea that perhaps someone in my department seems to be earning exponentially more", mainly because, it seems, that they may have been brought in by a particular person. They may effectively have not had a relationship but at least a career history with that individual in the past, and so on, and suddenly they find themselves in a place where they may be sitting next to someone who is doing the same job—this goes across gender as well—and that person may be paid more than twice what they are earning themselves. Is that an experience that you think is common within the BBC?

**Michelle Stanistreet:** Absolutely. The division of News is a particular offender and it is no surprise. That is where a lot of the problems are. I think there has been a serial misuse of managerial discretion, which has fostered all these different pay inequities across the piece. The NUJ has complained about this, complained when appropriate boards are not followed when jobs are made available, and somebody who happens to be friends with whoever is making those kinds of decisions is parachuted in. Often, in those kinds of scenarios, men are treated more advantageously. I think that is a bare fact. Lots of women have said to me that when it comes to pay, when it comes to promotion, when it comes to job opportunities at the BBC, it is still very much feels like an old boys' club. That should not be the case in 2018. That needs dismantling. The more transparency there is, that will be what enables that change to shift. Achieving any kind of cultural change in things at the BBC is really hard because of the lack of consistency across the piece. There is the language of one BBC, and I know a lot of the genuine motivation behind some of the changes the BBC wants to introduce is about trying to address the inconsistencies that exist, but you also need buy-in from those many layers of managers in order to do that effectively. That is the big challenge for the leadership of the BBC right now.

**Julian Knight:** Thank you.

**Q38 Rebecca Pow:** Thank you so much again for coming in. It is much appreciated. I want to start with you, Carrie. I know you have touched on lots and lots of these things, but if you had to summarise it in a couple of sentences, why do you think you did not receive the pay you deserved?



**Carrie Gracie:** I think it is complex. There are a number of factors. To be honest, I kind of did receive the pay I deserved; that is a lot of money. In absolute terms, I was always happy with my pay. However, the issue I always had was the equality. It has always been complicated to fight for equal pay because it looks like you are asking for more money, which I did not need and I did not want. There are people, lower down our pay structure, who do need more money, who really are underpaid—

Q39 **Rebecca Pow:** But just talking about you, do you think it had anything to do with the fact that you were a woman and perhaps you were considered a soft touch?

**Carrie Gracie:** Yes, of course. I did not ask for pay rises. All I asked for was equality.

**Rebecca Pow:** Do you think there was an element of the BBC thinking they had got a good deal?

**Carrie Gracie:** Yes. The then Director of News, James Harding, once said to me when I walked into his office—when I did walk into his office, it was not very often over my four years, because obviously, despite what somebody says, I was mostly in China—he said, “Carrie, what a joy to see you. How is it that you deliver so much and you ask so little?” I did not realise he was talking about money. He may not have been talking about money. But now, when I think about it, I think, “Oh, interesting”.

Q40 **Rebecca Pow:** Do you think, from all that we have heard and you have witnessed, that the BBC is in breach of the Equality Act 2010 and is guilty of illegal discrimination over pay?

**Carrie Gracie:** Emphatically yes, and I am so not alone. I am here, not just representing myself but representing the 190 now—because this group is growing all the time—BBC women. We all think the same. We think emphatically yes, the BBC is in breach. I was astonished when I heard the Director-General say yesterday that he thought he had resolved so many cases because I know these people individually. I am not sure they would not use that verb.

Q41 **Rebecca Pow:** How do you feel when you read that one of the witnesses—she was a national radio presenter—was told that the BBC does not do equal pay.

**Carrie Gracie:** Yes, I think that is about the size of it. I found it really astonishing because we approached it, all of these women subsequently did, last summer, after we had got over the shock—because you go through a shock like that and you feel dismay, disbelief, rage, guilt, confusion, self-doubt, all of these emotions—once we had got over the emotions, we all individually and collectively went about treating it as a reporting assignment, finding the facts.

Obviously if you are going to do that, you go to the law and when I looked at the law—I am ashamed to say it was the first time I had read



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the relevant employment law—the equalities legislation, I thought, “Oh my word; I wish I had read this when I was younger” because all the protection is there. I thought, “Why didn’t I read it and why do we have pay discrimination, seeing as it is so clearly set out in law and it is illegal?”

I did that. I read the law, looked at a lot of tribunal cases, noticed with interest that many against the BBC do not make it over the threshold of the tribunal because they are settled beforehand, hence my point in my open letter about non-disclosure agreements. I read a lot of tribunal case summaries, talked to a lot of lawyers and then I thought, “Okay, this is clear” and I felt just like a Chinese petitioner going to talk to the emperor. I have seen it so many times in China. You talk to someone who has suffered a terrible injustice and they just think if they get to the emperor, and tell the emperor what happened, the emperor will sort it out and all will be well. I was just that innocent. I thought if I got this message to the Director-General, Tony Hall, about what was happening to me and others that he would sort it out because it was the law.

**Q42 Rebecca Pow:** How do you feel about a public broadcasting service like the BBC not sorting that out?

**Carrie Gracie:** It is unsustainable. That is not who we are. That cannot stand. That will go down to all kinds of defeat. The first defeat is that many women will leave. Many women have already left. Many women are leaving now. We probably don’t have time for me to read the quotes, but people have been deluging me with messages over the last 48 hours and some of them are saying, “Yes, I am lining up a job now; I am not going to be here”.

**Q43 Rebecca Pow:** You said you did not want to get emotional, but how do you feel when you walk into a room full of your male colleagues at the BBC? How do you feel, now that you know what has been going on?

**Carrie Gracie:** The situation has put all of us in difficult positions and I do include managers in that. A lot of them are decent people. In many personal ways, they have been kind to me, and in editorial ways they have backed me up. Editorially, we have had difficulties in the four years that I have been in China, with pressures brought to bear. I am proud to say that BBC managers have backed me up. Along with my senior male colleagues, on-air colleagues, and my managers, I would say that we are all in this mess together. In relation to the managers, I would say that they have been forced to make dishonourable choices and make dishonourable decisions. They are also victims.

**Q44 Rebecca Pow:** You don’t feel humiliated?

**Carrie Gracie:** No, I don’t. No, because I never feel humiliated. If you try to humiliate me, I feel angry and I am determined to fix it. Hence my grievance outcome is entirely self-defeating because anyone who tells me I was in development for three years in China is going to lose.



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Coming back to the other costs of all of this, we have a toxic work atmosphere. It is going to get worse. We have women leaving. The credibility of management is diminished and damaged and they will lose in employment tribunals. I don't know who is going to insist on testing this in an employment tribunal, but if they go on sticking their heads in the sand, with the bunker mentality that Michelle is talking about, with their strategy they are stumbling towards a kind of Greek tragedy where they make their own worst fears happen. They need to stop now. They need to pull up. They need to trust their staff to handle this responsibly. I have noticed there is a kind of 'keep calm and carry on' hashtag since I did my open letter, but that is what we all need to do. We need to keep calm; for the sake of the BBC, we need to just work on this together and all show responsibility.

I do say to some of my male colleagues, language about having money thrust upon you, language about having money sloshing around, this is not the BBC that any woman I know has lived in and it is not the BBC that many male members of staff, who are not in that alpha-male category, have lived in. There are people who are struggling to put a roof over their heads and food on their table and all that kind of language is unfortunate and should not be used.

**Q45 Rebecca Pow:** This is a slight aside but it is a rather strange contrast, I imagine, between all this stuff about who is paid what, and then your programme budgets, which are so regimented, costed and analysed.

**Carrie Gracie:** Yes. I really hope you are going to get an answer from the Director-General about how much is spent on consultants, lawyers and senior management in grievances and on. The grievance costs alone must be massive and they don't work because we don't trust them. We don't trust the equal pay audit. We don't trust the report that came out yesterday. We don't trust these things. We don't trust management. They have to put their hands on the table at all times now. We need full transparency in the BBC. The grievance handling just has to change. We have to have independent managers in charge of grievances. All the money that has been wasted, this is money that could be spent on saving jobs, saving programmes and making good programmes. I hate to think about it.

**Q46 Rebecca Pow:** Quickly, to Michelle: you have heard all these descriptions. In your evidence you referred to the secrecy over the pay and the poor clarity over the bands. Sometimes the BBC was saying, "We are in austerity. We cannot pay any more" and then they were throwing more money at somebody else and bringing in a mate. It sounds quite feudal. How would you describe it?

**Michelle Stanistreet:** The BBC has always had a kind of schizophrenic attitude towards its conversations with the joint unions on pay. On the one hand, it will defend austerity and pay stagnation, which has been the reality for the vast majority of people working at the BBC for more than a decade now. Yet, when challenged about the levels of executive pay and



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managerial pay, in all sincerity it talks about how they are all working at a significant discount to market rates, not talking about any kind of public sector ethos or reasons why people would want to lead and work at the BBC for any other reasons than their pay packet. We find that very difficult.

The NUJ's position is that there needs to be a radical restructuring of pay and expenditure at the BBC. The last two licence fee settlements have massively hampered the BBC's ability to carry on as a public service broadcaster of international renown. The cuts to budgets have impacted on grassroots programming and journalism. Many, many hundreds of journalists have lost their jobs through redundancy, endless redundancy. A lot of insecurity; a lot of lack of certainty about the future and no prospect of even any inflationary pay rise, so yes, it does not compute with any talk about money sloshing around or being able to reduce anybody's salary by £100,000 or more, or half a salary, and it still being a really significant one.

Those things, you can understand, for the vast majority of the members that the NUJ represents, is really frustrating to know, when they are struggling to make ends meet as a family. You have not had a meaningful pay rise for a long time, and your programming budgets for the work you want to do are so compromised because there simply are not enough people doing the work to make it the quality you want to stand by. A lot of programming in journalism in the BBC happens because of people's goodwill, because they are working longer and harder and struggling with stress. We have seen the impact of stress on people's wellbeing. As well as greater transparency, I think there needs to be a more profound discussion about the BBC's level of pay in the round, for all those at the top and running the BBC as well as everybody else, because it is not sustainable as things stand.

**Q47 Ian C. Lucas:** Michelle, picking up on what Carrie said about this being our BBC, this is a public sector organisation, the picture I am getting is that the current situation is that there is no structure at all in paying individuals within the organisation. Is that right?

**Michelle Stanistreet:** There is a structure. There has been a structure of grades. But clearly they have not operated to the standards of transparency and accountability that you would particularly expect from a first-class broadcaster.

**Q48 Ian C. Lucas:** I have a long list here of quotations from employees of the BBC. This is my favourite from that list; setting out why I think it appears to be chaotic at the moment. This says, "Since July, I have been offered a 65% pay rise while also being told that the BBC is satisfied there was no issue of equal pay in my case. In pay terms this offer would bring me in line with the lowest paid of the presenters who work on the same programme as I do".

What I cannot understand is how a public sector funded organisation can





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have a structure like that. Rebecca and I earn the same amount of money. It is public knowledge. It does not kill us. Why can it not be the same in the BBC?

**Michelle Stanistreet:** It should be and the BBC needs to know that there is nothing to be feared from that. I always talk about the BBC as our BBC because it is, and whoever happens to be running the BBC at any moment in time does not make that corporation theirs. There needs to be much more public engagement in this as a debate about what we, as licence fee payers, expect about how our money is spent. It should not be on a kind of Wild West of fees and salary arrangement at the high end of the pay categories, where money is just thrown out willy-nilly without any justification. There needs to be an absolutely clear structure. It has not existed for all staff.

We have seen in this on-air group that there has been a real lack of structure, but there are problems with differentials within the areas where there are grades and where there should be more control but managerial discretion has been abused. That is the reality.

Q49 **Ian C. Lucas:** Not only do we need clear structures, we need those to be known to the public who pay the bill—

**Michelle Stanistreet:** Absolutely.

**Ian C. Lucas:** —because this is being done in our name. It is a disgrace.

**Michelle Stanistreet:** I totally agree.

Q50 **Brendan O'Hara:** If I may, a couple of points of clarification. You may have said this and I do apologise if you have. You said you were given a guarantee of pay parity when you were given the job.

**Carrie Gracie:** No, I didn't actually say that because I did not even know that language at the time. I just said I wanted to be paid equally. That is what I said. The BBC would say that I was, at that point. Sorry, I interrupted you.

Q51 **Brendan O'Hara:** No, you are answering exactly. You thought there was a mutual expectation that you would be paid equally with people of the same grade, and that is how that meeting was left. Who was that meeting with and who gave you that guarantee?

**Carrie Gracie:** That meeting was with the then Head of Newsgathering, Fran Unsworth, who is now Director of News. It was she with whom I had the conversation.

Q52 **Brendan O'Hara:** Subsequent to your resignation, the £45,000 that you were offered, that you refused, do you see that as a genuine offer or was this money for your silence? Was this hush money? Was this in effect your NDA that was being offered here?

**Carrie Gracie:** No, because I think realistically the NDAs come into operation later, if somebody litigates. There have been some issues with



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that, or there tend to be, so it was not that at all. I note that that the Director-General said yesterday that nobody would be expected to sign confidentiality clauses in future in relation to any pay issue at the BBC, which I heartily welcome because we will never get systemic change with the previous attitude.

On the £45,000 that I was offered, no, I think it was what the Director-General and the management team would call a revision in an attempt to resolve—his verb—the kind of issues that he was talking about yesterday. It was that kind of thing.

I am not going to use the language of “hush money” or “bungs” or “bribes” or anything. What I think it is is management’s attempt to resolve the issue without taking on historic liabilities. They want to resolve the issue in a way, but it is not a resolution for anyone because it does not deal with the equal pay point. It is not transparent. These women are not told what their male comparator is earning, so it is not as if they can check that that it is equal pay. They are given some money and some of them really need that money. Obviously I was already earning a lot of money, so it was possible for me to take the moral high ground and go, “I don’t want your money” but that is not possible if you are earning £25,000. People often felt forced to take that money but they don’t have equality as a result, and I would not say the ones that I know feel the issue is resolved. Many of them have—the relevant legal phrase—“accepted while reserving all rights”. That means they can reserve the right to pursue a claim in future, and that means the BBC has not effectively dealt with the fiscal liability that it may face as a result of the undoubted issues of equal pay.

**Q53 Brendan O'Hara:** The report of your grievance, the report that said you were in development, is that right?

**Carrie Gracie:** Yes. That is the first time I have ever been in development, at 55.

**Q54 Brendan O'Hara:** Was that also the report that said you were inadvertently underpaid?

**Carrie Gracie:** Yes. I need to find the exact words. I think the word was “inadvertent”. It was either “inadvertent” or a very similar word. I will get back to you to be absolutely 100% right.

**Q55 Brendan O'Hara:** If the same report said that you were inadvertently underpaid—whatever the language is—and that you were in development, sure those things are mutually exclusive.

**Carrie Gracie:** You are going to have to raise that with them, I am afraid. I don’t understand it. The mind boggles. Sorry, I am interrupting you again. On 22 July, the founding team of BBC women wrote to the Director-General to say, “This is not just a gender pay gap. This is an equal pay problem and you need to sort it out urgently”, and on 1 August I wrote personally to the Director-General explaining my story and



saying, "Do you know what? This is an equal pay problem for me and I will resign my post if it is not resolved" and so it goes on. Yes, I have lost track.

**Brendan O'Hara:** I think it goes to the heart of the chaos of this whole thing, that the same BBC report can tell you that you are being paid this amount of money because you are in development, and then that self-same report can then almost apologise and say you are being inadvertently underpaid. Which is it?

**Carrie Gracie:** I know. I do not understand it. Sorry, I lost my thread for a moment there, but what I was hoping to say is they don't understand me. That is what I felt all the way along. All I want to do is apply the law and be valued for my China work and an apology would be nice; that would be the icing on the cake. I don't want their money. They have this kind of very defensive, lawyerly approach to this, which is they cannot acknowledge the liability because it carries a fiscal liability, and that means they cannot admit that my work was equal. They have come up with all these justifications. I have said over and over and over again this is not about money for me, but they just don't get it. Yet again, they try to make it right with money that I don't want. I have already told them I don't want that money.

In fact, on your point, the point about the constant revisions, there is another revision in prospect in my case, because they are now talking about a meeting to look at my substantive salary, at the point in 2013 before I went to China. Heaven knows what is going to happen there. You lose the will to live. I know you get it, but all I want is for them to say, "Your work in China was of equal value to your male peers". That is all I want.

Q56 **Brendan O'Hara:** Finally, time and again we have returned to the issue of truth and trust. I think you said yourself that if the BBC cannot be truthful and cannot be trusted, then what is the point of the BBC? Given what we have heard this afternoon on the reporting of this issue by the BBC of the treatment of you and other women, the BBC's credibility on this issue has been shot to pieces. Do you think that the people who are currently in senior leadership roles, particularly in news, can be trusted to restore the BBC's credibility in this area?

**Carrie Gracie:** When I hear you say the BBC's credibility has been "shot to pieces" that is like a physical hurt to me, as somebody who has worked for the BBC for 30 years and tried to uphold its journalistic standards. I really hope our credibility is not shot to pieces. I would just hope that our editorial integrity can be protected from this pay row.

On the pay row bit, I do think that we have to get it right and it is urgent. Whether the current team can do that is not really a question for me. I am the China editor, I can tell you almost anything you want to know about China, but corporate governance and corporate management in the BBC are not my specialism. However, what I would say is I will not trust



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what they say on pay without the evidence, not for me, not for any other women, not for any member of staff. It has to be transparent in the future. This question of other parts of the public sector and MPs—the NHS, the Civil Service—can handle transparency, why can't we? We can and we need it now.

It is uncomfortable for people at first and the transition to transparency will be painful, because people have lost out—the people who are not on the Director-General's salary or the Deputy Director-General's salary or the Director of News's salary of multiples of hundreds of thousands of pounds. There are people who are earning so little and working so hard, as Michelle has explained, for the BBC and giving their all to the BBC for very little money. When they see the inequalities, when they see the hard facts in black and white about the inequalities they face, it will be very, very painful to them, I think.

However, at the end of the day we cannot lose the BBC. The BBC is 19,000 great people doing a great job. At the moment, our leadership is not doing a good job on pay, but the rest of the BBC rank and file, you would just be so proud if you saw their work day in, day out; so proud if you watch them at work. We have to get this right. We cannot let this damage the BBC any further.

**Q57 Christian Matheson:** Carrie, can I ask, when you put your grievance in, did it feel like quite a big deal to you at that point?

**Carrie Gracie:** Yes, it was huge.

**Q58 Brendan O'Hara:** When you were considering putting it in, Michelle advised you of the possible consequences. Was there any intimidation or suggestion from management that you might not benefit if you put a grievance in?

**Carrie Gracie:** How I feel about that process is as follows. I did not feel that precisely at the point of putting my grievance in. I had already gone several months of an equal pay complaint. I think at the point where I lodged a grievance, I was angry and I was determined that these people were somehow misunderstanding the law or else they did not care about the law, because it did not apply to them and they had Crown immunity or something. I was angry; I was not afraid. You have to remember that I work in China, so I am used to attempts at intimidation. I said to my lawyer when she warned me that the grievance process could be very difficult, "How hard can that be? I am your China editor" but I did, I underestimated it.

It was not that I faced intimidation. What happened was two things happened: the mental health issues that Michelle talked about, people facing the strain of being in conflict and of the delays and obfuscation and opacity and the belittling of your work, because that is what has to happen. If they are not going to concede, they are going to have to crush



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your self-esteem about your work. That is very painful. I found all of that really hard. I am going to get upset now.

I feel very angry about what they put some other people through. I feel angry about some of the things I have seen and heard and some of the women and the suffering they have gone through. It is not funny. All these women have been underpaid; I believe many of them for years, some decades. At the point where this becomes apparent to us all, they then have to spend months and months and months trying to put it right, unpaid work on top of their already underpaid work, while trying to raise families, while trying to run homes, and constantly being belittled. Feeling that they are being belittled in their work, because that is what that machine has to do in order to deny every single one of them the legitimacy of an equal pay complaint. I would be interested to hear if the Director-General has conceded any equal pay complaints that the BBC has accepted, but I don't know of any.

The second point I would make about what happened to me, it was not exactly intimidation but what did happen to me, on 6 December I wrote to the Director of News, the head of news-gathering, and the foreign editor, copied to the Director-General and the Deputy Director-General, because I talked to both of those in the course of my case, saying I could no longer do the enormous, hugely challenging job of China editor—I believe one of the hardest jobs in journalism, though others disagree—at the same time as fighting my huge, powerful, determined employer 5,000 miles away on equal pay. I just could not do it anymore. It was a strain that I could no longer sustain. I also felt by this stage that it was clear that the BBC was not going to do what I considered to be the right thing, to acknowledge the truth of the situation, and I felt that one or other of us was going to have to litigate against them.

I said in that e-mail, "I cannot do this job for you at the same time as possibly pursuing litigation against you", and at that point I went from hero to zero like that. Only one person who I e-mailed on that list replied and none of the others replied. The Director of News, to whom it was addressed, did not reply then or since; the foreign editor did not reply then or since; the Director-General did not reply then or since; the Deputy Director-General did not reply then or since. I got to my last day as China editor on 5 January, before my open letter on 7/8 January, and no one said goodbye; no one said thank you.

**Q59 Christian Matheson:** Michelle, you might want to comment on this. The reason I raise that is because it has been suggested to me by BBC employees that I know—and obviously I will not give anything away to identify them, and that in itself tells a story—that there is little confidence in the grievance process, and that they felt that there would be no point submitting processes because nothing would ever come of it. Have you come across cases like that before or instances like that?

**Michelle Stanistreet:** Absolutely. That would be probably on lots of different issues. Obviously, with these issues on equal pay, it is really



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important to go through the internal processes first to try to seek resolution potentially if there is going to be litigation further down, but I cannot stress how difficult and onerous and stressful those processes are.

One of the big problems we have had at the BBC—and we had it particularly with all the bullying and harassment cases post the Dinah Rose review—is the sheer length of time that many of these complaints take. Sometimes it goes far beyond the 90 days and 90 days is a really long period of time. Sometimes they are complicated and sometimes they have difficulty getting investigators and lots of things happen, but the pressure and stress on the individuals involved cannot be overestimated. Then when you have a situation in terms of the BBC defending its own stance, it is sometimes in the face of what looks very clear evidence to me of an open and shut case, and it makes the situation so much worse.

When you have it written in front of you and you have somebody who has a grievance outcome and their professionalism is somehow impugned, when you have this notion of women in perpetual progression or development, always lagging behind blokes doing the same work, you cannot understand how insulting that is to individuals who are hugely experienced and have spent their careers doing this job. I am dealing with cases of people who work in a group of cohorts, maybe in different parts of the BBC. They are sat on the same couch as a man who is being paid hugely more than they have been paid. It is an open and shut case, yet the BBC goes into a stance of defending its position.

I think all of the ongoing cases have ended up in appeal processes, which tells its own story. They are not dealt with at that first stage, so you might have your 90 days and then you have another very long process to appeal it. It is daunting and it is difficult. I know individuals that I am involved with, and some that I have been representing, it is having an impact on people's health and their wellbeing and their families. People should not be put in that position and there should be a better, quicker, more straightforward way of resolving these cases, I think. That is what we need to look at.

Certainly in the past, on the bullying and harassment cases, for a long time, the NUJ was campaigning for it for over a decade, we managed to secure independent involvement in some of those bullying and harassment investigations. For something like this, it requires somebody from outside. That might be a sensible way forward, somebody with expertise in dealing with equal pay and not too enmeshed in the Byzantine processes of the BBC. Having somebody from outside might inject a bit of commonsense in the decision-making. I think that would be a constructive outcome.

**Q60 Christian Matheson:** Bearing in mind the prevailing culture that you have described—and I know that Rebecca and Ian and Julian have all asked you about how we got to this position in the first place and how perhaps it is men giving their mates, who happen to be blokes, more of a





leg up and so on—I am concerned about those people who are not 30-year senior editors, but those who are starting out, perhaps where there is more of a structured pay band. But if the atmosphere that you are talking about is the prevailing atmosphere, is there any evidence or is there any anecdotal evidence of, for example, younger women journalists perhaps not being given the next leg up as soon as they might to the next band, as assistant producers or a research assistant producer position, and then as a result their whole career progression being behind the men?

**Carrie Gracie:** Can I just say one thing on that? It is partly also a belated answer to your question. I think that it is very difficult for women in the BBC to maintain a trajectory after they have had children or around maternity. Michelle will fill in more on this, but for all the women I know who have families it is very hard. Obviously, like me, you can still have a job, and because of my China expertise I was a one of a kind and in a protected position, much more protected than a lot of women in the BBC. But, yes, I would say that it is very hard for women to progress, particularly in their 30s and 40s, if they have going to have families because they are vulnerable. They are vulnerable to exploitation, effectively.

Q61 **Christian Matheson:** In what way?

**Carrie Gracie:** They need the job and they have their kids, so they cannot exactly jump out and go somewhere else. Michelle is more authoritative on this than I am, but my experience is that I was the same. Just to take my story, I was a single parent, sole breadwinner with two children. I still don't have the details, because none of us have the details on anything, but I was vulnerable. I could not have gone somewhere else at that point in my life. A lot of people are in that situation.

Q62 **Christian Matheson:** Exploitation is a strong word, but is there any defence for senior management that they might not have been aware that exploitation in that way was going on with women at a vulnerable time? Can you see any excuses at all for it?

**Michelle Stanistreet:** They should have been aware. The BBC is a very big place, it is very dense. It has different fiefdoms around it. I think it has lots of challenges culturally that has allowed lots of weird dysfunctional and unacceptable behaviour to flourish and, consequentially, to become normalised over decades. It is a difficult tanker to turn around in that regard, but ultimately there is lots of layers of management and I think there is a collective responsibility to bear, isn't there? It is not like people are not being paid to do that work and they should be doing it professionally and effectively. I would say lots of people did know and, if they did not, they should have done.

However, setting aside what has happened in the past, they certainly know now, so they can be measured by how they go about putting this



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right. I think that is the biggest challenge now. The unions are more than willing to work with the BBC's leadership and management and all of our members, men and women, to try to get this right and to try to put in processes to ensure this behaviour does not carry on, does not proliferate and real genuine transparency is introduced. But, critically, for all of those outstanding issues, you cannot just draw a line and say, "Everything that has happened before now, we just will not talk about that. We will move on". You cannot just move on. You have to practically and pragmatically address those problems that they have allowed to exist and proliferate. They need to sit down with people and come to sensible solutions.

**Carrie Gracie:** Can I just add a small point? The other reason why the past is never the past is that the pay issues that we have affect opportunities, so, if people come in on higher pay, they have to be given the opportunities to match, because you have to justify why you are paying them that you put them on the flagship shows. Then, because they are on the flagship shows, they get a pay rise because they have a high profile. They are the whatever. These things are all related.

For example, we had an issue last summer at around the time of the pay disclosures, where the senior women were obviously upset about what had been revealed. At that time, the "Today" programme brought in four stand-in male presenters from news-gathering, just to stand in over the summer holidays. The women were obviously already having an issue over their pay and then every morning when we wake up, on the "Today" programme, "Oh, look, there is another man who has been brought in". This is in no way a criticism of the individuals that are involved. They are all great journalists. But many of us wrote to management to say, "How can this be?"

For a long period of time, we had said we wanted to have opportunities on the "Today" programme. I remember my most upsetting encounter with an attempt to get a stand-in slot on the "Today" programme was in 2010, when the then editor had been on the "Feedback" programme on Radio 4 and had said some disobliging things about news channel presenters—of whom I was one—and that we just would not cut it. We were just not good enough. He was being challenged by a listener about why he did not put women on as presenters on the "Today" programme. I went to him and I said, "Just give me a week. If I am rubbish it will make your point, and if I am good you can say you have been trying. One week". The answer was "No". That is a long time ago.

I am grateful to the current editor of the "Today" programme for giving me an opportunity to present "Today" a few times over Christmas and New Year. It is great to have a listening management on these opportunity issues. It is not just the "Today" programme. It is Radio 2. It is "Newsnight". It is everywhere where women need opportunities. They need to be treated fairly.



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**Michelle Stanistreet:** That is an important point. You cannot have these disproportionate rewards for the male authoritative voice. That seems to have been a very common approach that is taken, and I think the report flags the impact that perceived flight risk has had at the BBC as well. I don't think flight risk and rewarding people significantly to stay, to stop them leaving, is an appropriate thing for a public service broadcaster to do either. Let people move on; people do move on. There are huge numbers of talented people at the BBC who would love to have the opportunities to progress their careers.

**Chair:** Thank you. Talking of moving on, we have three more members of the Committee who wish to come in, Simon Hart, Paul Farrelly and Giles Watling, and then we will have to conclude.

Q63 **Simon Hart:** I will keep it brief. If I have misinterpreted you on this, Carrie, please tell me. Earlier on in your comments when you were talking about pay equality versus pay fairness, I was thinking if you have two identical employees who have worked for the BBC for a similar amount of time, but doing, in a sense, arguably different jobs, maybe one in China, maybe one in the UK, is it justifiable to have any difference in those pay rates at all? If it is, how can you calculate that percentage difference fairly?

**Carrie Gracie:** I think it is fair. I don't have a problem with different pay rates. Somebody in the press called me a Maoist, but I am not a Maoist. I know more about Maoism than them for sure. I understand the point that you need to be able to attract and retain talent and that some jobs are different and all the rest of it, that is fine. But I think transparency will help. BBC people are smart. If you just give us the data, we will work it out. We will all just go, "Oh, that seems fair, because Jeremy Bowen is being shot at, for heaven's sake" or whatever. I don't think it is a problem and I don't think it is rocket science. It is too patriarchal, top-down, "We are in control" and so on. Just give us the data.

Q64 **Simon Hart:** There was some commentary alongside why you and Jon Sopel were paid differently, which explained that, and you think that both parties and the licence payer would be reasonably content, is that what you are saying?

**Carrie Gracie:** Sorry, if we were paid the same?

Q65 **Simon Hart:** You are being paid differently, but if that difference was explained in a logical way, which satisfied Jon Sopel and satisfied you, you would be happy for that to be subject to public scrutiny, you think it would help?

**Carrie Gracie:** Yes. I think it would be hard to justify that disparity, to be honest. But a disparity, the public can make up its own mind. But, as the employee, if they give me the clear benchmark and data, that is fine. I don't have a problem with that.



The other thing I would like to say about talent, however—because there was a lot talked about these high-profile names, and obviously I am sitting here so we have talked a lot about me—is it is not the talent that I am worried about in the BBC right now. I am not worried about the top talent and I am not worried about people coming in at the bottom, because the BBC brand, despite the damage that we have been talking about, is still a very strong brand in journalism. It is great for young people to have some experience at the BBC and some training and so on. I am worried about a lot of people in the middle, when they have the benefits of their training and so on and then they need to progress in their careers and they need to have a home and they need to have a family. They are so, so talented. I don't know why everyone talks about on-air talent. They are incredibly talented people that we work with. The top talent would look a lot less talented if they were not there.

**Q66 Simon Hart:** Turning to Michelle briefly, we have talked about the problems within the BBC. You presumably deal with members who work for other broadcasters too. How does the BBC compare with all of them?

**Michelle Stanistreet:** I was really clear in the NUJ's evidence that we are obviously talking about the BBC. I can be very easily a critical friend of the BBC. The NUJ has lots of issues sometimes with how the BBC operates, but it is by no means the worst culprit in the industry. I think there is a real industry problem.

**Simon Hart:** That is what I was trying to ascertain, yes.

**Michelle Stanistreet:** Not just other broadcasters, but other newspapers, agencies—there are a significant amount of issues with equal pay in many of the workplaces. The NUJ is currently involved in various pieces of work in different titles and outlets with members of the NUJ. Our chapel is trying to tackle this, doing their own surveys, gathering their own data and really putting this on the industrial agenda, which is great. People like Carrie speaking about this, the fact that the BBC's issues with this are so in the public eye are sparking lots of other positive work elsewhere, which is great. But I also very firmly believe that the BBC is not just another media outlet. It is our public service broadcaster. It has responsibilities under the Charter to lead in a whole range of ways. On this issue, it should be leading the pack. Others will follow, but there is so much the BBC needs to do to clean up its act here.

**Q67 Simon Hart:** This is not a flippant question, but it was quite striking earlier on when you mentioned the number of grievance claims that there are in and around this subject earlier on. Are you dealing with anywhere where male employees may feel that they are being paid inexplicably in an incomparable way to their female colleagues? Does it ever happen the other way around?

**Michelle Stanistreet:** Yes, some men have come forward and are taking advice from the NUJ at the moment. Obviously some cases were flagged in the report as well, yes. That also leads back to the lack of structures,



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the use of managerial discretion in a way that has put salary ranges sometimes out of kilter in a way that they simply should not be.

Q68 **Simon Hart:** Last question, because we need to move on, for either or both of you. Every journalist I have ever spoken to has always finished an interview by saying, "Who is to blame?" Who is to blame? The buck must stop somewhere.

**Michelle Stanistreet:** When Tony has been speaking about this in recent days, he has referenced he has only been at the BBC in the last five years or so. Clearly, there is historical blame to be levied across different bits of the BBC. In a way, it is missing the point. The current leadership have this problem. They have to grapple with it and they have to sort it out.

Q69 **Simon Hart:** It is about accountability. As a Committee member, I am not trying to make you say stuff salaciously. We have talked a lot about management but, by that, do you mean the management leaders? Otherwise, everybody just gets to look over everybody else's shoulder and say, "It is not my problem. It is somebody else's". Somebody must be ultimately responsible, not only for what is going on but for what is going to happen.

**Michelle Stanistreet:** I run the NUJ. I am the elected General Secretary of the NUJ. Whatever happens at the NUJ on my watch, whoever might be responsible on one element, the buck rests with me and it will be my responsibility to sort it out and clean it up. I think that is the same for the Director-General.

Q70 **Simon Hart:** Carrie, do you accept that?

**Carrie Gracie:** My feeling on this is that it is an extremely large and unwieldy system or lack of system. However, I do think that this is a great national institution and it needs great leadership. When I saw Tony Hall to say, "Please give us transparency and give us a proper response to equal pay", because I was very disappointed with his response at the time of the pay disclosures in July, I thought it was unacceptable to complain about being forced to make these disclosures. Without them, I and many, many women up and down the BBC would have gone to our graves ignorant of our personal pay gap. Many women still are ignorant of their personal pay gap, unless the BBC provides them with transparency. I want full transparency. I want him to do that. I told him, "You have to show courage. You have to show leadership on this issue. You have to be brave". We are still waiting for courage and we must have it.

Q71 **Paul Farrelly:** I should declare that I was a former member of the NUJ, having worked for Reuters, *The Independent* and *The Observer*.

I think generally, by releasing a limited report—coincidentally a day before this hearing—that the BBC probably does not quite get it. It might get it in terms of the headlines, to coin a phrase, that John Humphrys has



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given up more than three times you have ever earned, Carrie, but in terms of this Committee it certainly hasn't.

I had a text yesterday from someone who is lucky enough to be within the BBC, very hardworking, a very good reporter within the 824. She said, off the record of course, "As a woman at the lowest end on the on-air review, total shambles. I put my equal pay claim in three months ago, still heard nothing. Now more delay, prevarication and obfuscation while they 'consult'".

**Carrie Gracie:** That is a familiar story.

Q72 **Paul Farrelly:** At least she was in the review, but how do people feel if they are not part of the 824, how valued are men or women at the BBC?

**Carrie Gracie:** This is why I think we just have to have transparency now, we have to have complete honesty and we have to have truth-telling. I feel that the Director-General needed to make a much braver speech last summer. I thought yesterday was another missed opportunity. Personally, I think we are all owed answers. We are not just any other company. Truth is our business. We go around challenging companies in the UK and internationally; challenging large, powerful institutions, calling them to account and telling the story when they are failing to meet their grievance procedures let alone their legal obligations. Why wouldn't we do it in the BBC? The BBC has to be honest and now is the time.

Q73 **Paul Farrelly:** Before 2015 this Committee put forward a recommendation to get the BBC to publish, in some form, the salaries of those people being paid more than the Prime Minister. It was the then Chair, John Whittingdale, who got to put that into practice as Secretary of State as part of the Charter renewal. I was always sceptical because I thought it would be used by certain people as a stick to beat the BBC, but in fact it has been very good to shine a light. I was not sceptical because of the arguments the BBC used, such as that it would be a poacher's Charter or that there was a market, which now seems suddenly to have fallen out of the news, because I could not imagine anyone picking up that report and saying, "Hey, John Humphrys, he is paid a smidgeon below £750,000. We must recruit him for our new earlier 'Today' programme that we are going to launch or 'Masterbrain'" or something like that. It was ridiculous.

I put one point to Tony Hall, which he could not really answer the last time he was here. What does it take at the BBC to put in a claim when you are already very high-paid for an extra £80,000 to co-present coverage of the Scottish referendum? What does it take? Do you have to be a man? Do you have to have a pushy agent or do you have to have chutzpah? Do you have to realise that if you don't ask, you don't get and they will always roll over if you do ask?

**Carrie Gracie:** Possibly all of the above. I don't know. Sometimes I wonder if they appoint a man as the next China editor maybe that will





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make it easier to get on air. I just don't know. The whole situation is so disappointing, so your question just makes me feel sad.

- Q74 **Paul Farrelly:** I was asked yesterday on Radio Stoke, "Does this really matter?" It does, because I remember years ago, with the help of the management of the local radio stations and the squeeze on the licence fee, we were fighting from the bottom up to stop cuts in local radio while this culture was still going on at the top. The licence fee pot is finite, so it does matter.

**Carrie Gracie:** Yes, exactly. It does matter. More pressure, transparency. I know I have said it several times already, but we need it.

- Q75 **Paul Farrelly:** A couple of last questions. Lord Hall took over in a sad situation, given the demise of "Incurious" George Entwistle, and then he was brought in to steady the ship. But the BBC had already had controversy about high pay and pay-offs—Mark Byford, and we have had Alan Yentob since—and one of the arguments for recruiting people without competitive interviewing or advertising was, "We need to steady the ship". As far as I recall, Anne Bulford, ex-Covent Garden as well. They are mostly men. As a former newspaper journalist, the salaries are just eye-watering.

**Carrie Gracie:** We have a female Director of News now.

- Q76 **Paul Farrelly:** Yes. It has progressed. You will see after this review. It does seem like, from the outside as well as the inside, it is jobs for the boys. The question is: over the last four years—I will ask him when he appears in a moment—what do you feel that Lord Hall has done to contribute to a change of culture within the BBC, Carrie?

**Carrie Gracie:** He makes a point about making women more visible. Obviously visibility is not pay. As I have pointed out several times. It is all very well to make me visible as the China editor or the Europe editor visible—as the Europe editor is also a woman—but if you are going to pay us half that of the men, it is like there is some dissonance there. He has made women more visible and perhaps he is a victim of his own success in that respect; he and the Director of News. I think it is fair to say our previous Director of News was keen to promote women to senior on-air roles and did attempt, if not in pay, in other ways, to support us in those roles.

I have said before, and I will say again, that I was grateful for his confidence in me because your confidence is often knocked as a woman in the BBC. I am grateful to the former Director of News for always having confidence in me that I could do that China job and do it well. Nothing else I have said about this situation takes that away.

In a way, the Director-General and the former Director of News—coming back to my point—promoted these women and then, lo and behold, the women did not want to be seen but not heard. When they had an issue about pay, they raised it because they thought, "Hang on, I am supposed



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to be a senior person". "You may be a senior person, but that does not make you entitled to equal pay is how we feel now".

**Q77 Paul Farrelly:** Michelle, a final question to you, picking up on Julie's question. The issue of personal service companies has been controversial at the BBC. It goes right back to John Burt, the Director-General, who used one himself. The argument has always been about people who pretty much exclusively work for the BBC being allowed these arrangements and it is to be effectively paid even more by minimising tax, potentially. But this is a completely different issue and turns it on its head. The BBC seems to have been forcing people to operate those arrangements to minimise the cost.

**Michelle Stanistreet:** It is a great injustice that some of the language and discussions about it has labelled these journalists as somehow trying to make more money or not pay their dues in terms of tax. That flies in the face of the reality because, as I said, scores of people were forced into these arrangements. They were given no choice. It was made perfectly clear to them that their careers would not progress in the way they wanted unless they went on to these arrangements.

There needs to be an honest look back at what has happened there because of the impact on people. It is not just the ones that I have mentioned, in terms of contributing to the pay inequity, leaving people adrift when it comes to sick leave and holidays and maternity pay, all of which are hugely damaging—access to pensions—but it has also put people in a very insecure position of work. They have gone through the great pain of the BBC and the Revenue's decision-making about personal service companies turning on its head. Many have faced investigations and lots of stress about tax. Then the BBC abandoned that as a mechanism and told people to go on to these other contracts that were inferior, diluted versions of contracts. They still don't have the stability and security of decent contracts.

That is very much something I want to see addressed out of this because you cannot blame the individuals who were set on this path. The decision-making for that lay with the BBC. There is a case against the BBC in that regard in terms of the impact it has had on people, financially and in many other ways.

**Carrie Gracie:** Can I add a small point to Michelle's point because I think that there are other groups? This problem of secrecy, illegality and inequality is not just about women and it is not just about this group. Men can be vulnerable as well; different ethnic groups get on at different paces in the BBC; educational background. There are quite a lot of equality issues that are not just the women issue. Obviously, if you have the educational background issue and the race issue and the women issue, then you are going to potentially be at the bottom of that caste system.



**Michelle Stanistreet:** Just to add another point because it is part of that historic issue and, frankly, scandal about employment status here, because since April a lot of individuals are being classified because of changes from the Revenue. They are being classed as employees for tax purposes but not for employment purposes. A lot of people who are also affected by equal pay at the moment are facing enormous issues of stress about deductions being made now for National Insurance and PAYE and real issues about their freelance status. That is a broader issue that needs to be grappled with here by the unions and by the BBC, because this is massively impacting on people's livelihoods at the moment, and their wellbeing and their security and their future relationship with the BBC. People who should be on staff contracts and people who are genuine freelancers are being dragged into all of that at the moment, in a very difficult and damaging way.

**Paul Farrelly:** It is an integrity issue. Thank you.

Q78 **Giles Watling:** One of the great joys of going last is that you seem to have answered most of the questions I was going to ask. I have to say, first of all, I stand in awe, Carrie, of your courage and clarity and searing honesty today. It clearly is not easy. In the list of emotions you came out with, one of the ones you missed on your list was enormous sadness, not just for the people involved but for the BBC as a corporation that we all love. It has come to a rather sticky place at the moment. I know you were talking about not being into corporate governance, but what are we going to do? How do we rebuild this great corporation, while preserving its prestige and worldwide good name?

**Carrie Gracie:** If we just always go back to our values because we live them, the rest of us. Our values are truth, transparency and accountability. I believe in those and most BBC staff do believe in those, so if we can realign ourselves around the truth. I am guessing the reason why the BBC is finding it so hard to acknowledge the equality problem it has is because of the fiscal risk but I think it will find that the more it commits to building a better future, the more people will be able to forgive some aspects of the past and the fiscal risk will diminish if it builds that better future.

What I would like to see is I think it is very important to acknowledge that trust is broken between a lot of the women involved and management. It is broken and I don't think it is very easy to repair that without outside help. We don't want to get the point where that outside help is an employment tribunal, as in the Miriam O'Reilly case. That will cost the BBC enormous amounts of money, lots of women will leave along the way, there will be a toxic atmosphere at work and its credibility will be shot further. The damage to the BBC would be so intense if this ends up at tribunal. I would hope that it would work with us, work with women, and work with Michelle through the NUJ to appoint an independent arbitration of some form that everybody can trust to deal with individual cases as swiftly as possible.



Another thing I would like to see personally is full transparency on pay. I just believe in it so profoundly. I think it will help us get there really fast if we have more information. Because of the difficulties of the grievance process I went through, and, I am not joking, that was the worst day of my 30 years in the BBC when I got those grievance notes. I could not believe that we had sunk so low as an organisation as to do that. I don't want to see anyone go through that process and I cannot imagine any reason, other than some kind of hiding or spinning something or other that the BBC would not allow an audio recording of grievance hearings. It seems so obvious to me in 2018. We are going to have a beautiful transcript of this session and that is what I would have liked to see from my grievance hearing.

**Q79 Giles Watling:** Do you see it as structural as well as management, personalities in management that are the issues to be dealt with?

**Carrie Gracie:** Yes. Management cannot sort this out. As Michelle says, the BBC is enormously complex, vast and unwieldy. I honestly think trust the staff. We are responsible people. We are incredibly loyal to the organisation. Some people will insist on enforcing their rights to back pay but some, like me, will not. People are in a different place on it. It is important to trust staff, to move to a better place as fast as possible so the risk to the BBC is diminished. As I said earlier, I think it is walking towards its worst outcome now by everything it does and it needs to stop and it needs to let us help it out.

**Q80 Giles Watling:** You are looking at a rebuild. Finally, and slightly flippantly, but there is a serious motive the question: would you like to be involved in that rebuild?

**Carrie Gracie:** I feel I am involved; I did not leave. I have seen there is some social media criticism of me out there, saying this was all some ploy to get a pay rise. Really? It is an unorthodox way of going about getting a pay rise. Or that I should have left. That it is some kind of hypocrisy not to leave. What I see is I feel that by speaking up from within the organisation, I am asserting our values and I believe in doing that. I don't believe in leaving your family. This is my family. I am not going to leave the field, just to leave it to people who have made a mess of managing it recently. I am going to be watching. It needs to put its hands on the table and we need to see everything it does.

**Chair:** Thank you very much. That concludes the questions for this panel. I would like to thank Carrie Gracie and Michelle Stanistreet for your evidence, which has been compelling and heartfelt. Carrie, we are particularly grateful to you. We know from the work the Committee does that, unfortunately, it is only when people take the very brave stand to speak out against injustices they face that change happens. It is a harder and more painful process than it should be. You certainly embodied for us I think everything that we value from the BBC at its best.

**Carrie Gracie:** Thanks so much.



**Chair:** I think we feel that, sadly, the story you have told and what you have been through reflects on the BBC as a corporation and a body that falls below the standards we would have expected of it. You have posed a lot of difficult questions for the BBC board, which we will put to it now, but I am pleased that, at least in your grievance procedure, you have been vindicated against the complaint that you made. Thank you.

## Examination of witnesses

Lord Hall, Director General, BBC; Sir David Clementi, Chairman, BBC Board; Anne Bulford, Deputy Director General, BBC; and Fran Unsworth, Director of BBC News and Current Affairs.

Q81 **Chair:** Good afternoon, Lord Hall. Welcome back to the Select Committee. Thank you as well to David Clementi, Fran Unsworth and Anne Bulford for joining us for this session. I believe you have had a chance to see the previous session broadcast, so you will have seen the issues that were discussed and the points that were raised by the witnesses in the previous panel.

Lord Hall, if I could ask you: Carrie Gracie has discussed the result of her grievance procedure that she lodged with the BBC. Would you accept that she has been vindicated in the complaints that she brought regarding the unequal nature of the pay that she received for her job as China editor?

**Lord Hall:** I think the result of the grievance, the procedure that she describes did say very clearly that we had got some things wrong. I would say that we had not got all those things wrong, but we did get some things wrong and I think we should be clear about that.

Perhaps I might also say that I hold Carrie in the greatest regard. I was lucky enough to spend some time with her in Beijing when she was there as editor. She is an absolutely first-rate editor and has done first-rate work for the BBC and I don't want in any way to undermine the work she has done, because I think she has been extremely good. Could I also say on the record how much I admire the stand she has taken on this? It takes courage to speak out against the corporation, which as she says, she loves a great deal. She carried on presenting the "Today" programme when she had announced that she had resigned and she has not in any way been other than allowed to say what she thinks about pay at the BBC. I think that is a good thing.

Where I think there is probably more common ground than you think is about the values that I think the BBC should stand for. I came back to the BBC for one—and only one—reason, which is I believe profoundly in the BBC and so do people who work in the BBC. They believe in the values of it. They believe in the fact that the BBC is a good, shared by everybody. We are broadcasting equally to everybody. We are owned by



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the public. The licence fee payers are our shareholders. Also, the values the BBC stands for are important. You are right, as a Committee, to focus in on the values of the BBC because we are owned by the public and our values matter hugely.

I do want you to know that, since I came back to the BBC, equality—and equality particularly with women—has been something that I have felt very, very strongly about and wanted to fix and do things that were long-term changes. That is why I think, in terms of presenters and correspondents on air, we have made a lot of progress towards a 50:50 goal where I want to have equal men and women on air by 2020, or earlier if we can. That matters to me hugely. Likewise, backstage, behind the microphone and the screen has mattered to me a lot. I am very proud of the fact we have been able to promote some really excellent women, never mind the two who are sitting beside me there. What has been really good, going around the corporation and talking to people, the next generation of leaders in the BBC, we have some really good women and I am pleased about that.

We have committed yesterday to a degree of openness and transparency about all issues to do with pay on the very top pay for presenters. We have been working on that for the rest of the corporation, the 18,000 members of the corporation, over the last couple of years. Although this may seem a dull thing to talk about, that framework—which I think Michelle Stanistreet was talking about, we have been putting forward, consulting on and talking about—where, whoever you are, you can see where you sit and you can say, “Why aren’t I paid the same as that person?” or, “Why aren’t I paid the same as that person?” To my mind, that is absolutely central to the reforms we are bringing about because that degree of transparency will give people a view about where they sit in the system and whether they can trust the system. That is really important.

**Q82 Chair:** Sorry to interrupt you, Lord Hall. Although what you are saying is very important, I would like at the beginning to focus on some of the specific questions coming out of the issues that Carrie Gracie has raised and members will do as well. I am sure members will want to ask you about all of these other very important matters as well as we go through.

I asked you at the beginning whether you thought Carrie was vindicated in her appeal, and you acknowledged obviously that the grievance had awarded in her favour. You spoke a lot about admiring her work and the values of the organisation. You will have heard that what she has repeatedly asked for, and seems to have placed greater value on than the remuneration that she has been given, is recognition that the BBC valued her work equally with that of her male peers. Can you say for us today, on behalf of the BBC, that you do value the work she did as China editor as equal value to her male peers?

**Lord Hall:** I profoundly believe the BBC needs to demonstrate under the law that we are paying equally. Where I think Carrie and I would disagree





is that I think there is a hierarchy within a band that has been far too big—and I think that is one of the conclusions of the grievance—whereby the China editor, versus the Europe editor, versus the North American editor, versus the Middle East editor, there needs to be a range in there. We will not discriminate on gender between anybody to do with whatever they are going to do, but there are differences in the work, the amount of work and the nature of the work between, say, North America and China. What am I saying? The range between those two has been too big, I agree completely and I am sorry about that, but there is a difference in the scope and the scale of those two jobs.

- Q83 **Chair:** I am sure members of the Committee will want to question you on this. They are different roles but, equally, being China editor comes with additional complexities that don't exist in other parts of the world as well. We heard Carrie Gracie say that there were effectively no other candidates for that position because she was uniquely qualified within the BBC to do it. When she was offered the job, when she accepted the job, she believed she would be paid equally and that her work would be of equal value to the other editors.

**Lord Hall:** Chairman, what I think and what I was saying yesterday, we have to get it right in the BBC. If you say there was a band of editors from X to Y, this is the band. What we have to be clear about are: what are the qualities we expect from people within that band, the things we expect them to do, and, therefore, how X is paid because they have this, versus Y over there who has the other qualities. That needs to be absolutely transparent. Where we have not been right in the past is we have not been clear about people about, "Why you are paid that or why you are paid that", and the qualities that we put into any decision about where you sit within a band. The band has been too big. We need to be upfront about why people sit where they do.

- Q84 **Chair:** It would also seem to be the case that decisions are made about pay for these senior positions, someone in the executive team agrees that pay settlement, but there is not an automatic consideration of what it means for other people that sit within the same band.

**Lord Hall:** That is a really good point. The reforms we are bringing about—and have been working on for the last two years, but in intensity the last year—are about saying, "We have devolved too much to programme editors or other bosses around the BBC, and we need to have an overall view of pay and equality of pay and fairness of pay right across the piece".

What we were talking about yesterday was that we have already done this for 18,000 people within the BBC and the Career Path Framework. That was the first thing we did in the autumn because we wanted to get most people clear about what they are. These are very, very sensitive things. We wanted people to be very clear about where they sit in a framework that is upfront and they can understand that. In that, whether



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somebody comes from one background to another background, whatever the qualities, they need to understand what those differences are about.

Q85 **Chair:** How many international editors are there at the BBC?

**Lord Hall:** Fran will correct me, but five.

**Fran Unsworth:** It is currently five. It was four. We have just recently recruited an African editor.

Q86 **Chair:** Yes. How is it possible, when there are only five international editors, for one of them to be inadvertently underpaid for years?

**Lord Hall:** The answer is that is wrong.

Q87 **Chair:** Yes, but how is it possible? It is not like there are hundreds all around the world and you have to keep track of who is doing what.

**Lord Hall:** Yes. What we are doing going forward is saying we want to make sure that we keep these things regularly under review and we are upfront about it, so that we do not get to the point where the band between someone who is a low-pay editor—if we are taking the editors, say—and the top-paid editor is not justifiable. What we are saying is we are going to bring those bands down so they are justifiable, and then make sure these things are reviewed properly.

Q88 **Chair:** The bands: we don't know the exact numbers, but it seems to be approximately double, that one editor is on approximately double what the other editor is on, and so one editor is on way more than everyone else.

**Lord Hall:** David Holdsworth's review—which I think Carrie mentioned, so I presume I can talk about it—is making the point that it was a mistake not to review Carrie Gracie's pay when the new Washington correspondent was put in place.

Q89 **Chair:** I believe other international editors also had favourable pay reviews, which Carrie Gracie did not receive, after that point as well.

**Lord Hall:** This is part of the grievance procedure. We want to get it right for Carrie. We want to get it right for all the editors, and I want to do that in a very transparent way.

Q90 **Chair:** I am sure we will come on to this in more detail through the session as well, but, going back to my point. When you only have five international editors and one of them is—according to the BBC grievance procedure—inadvertently underpaid for years and no one spots it, throughout this process the BBC seems to be almost talking about itself as a third person. It is saying these things have gone on, but no one is really responsible for the fact that they have gone on. There is no corporate responsibility for the fact that these mistakes have been made.

**Lord Hall:** If you read the PwC report, which I am sure you all have, the notion that that is not a tough report on us is just not true. It is tough,



and it is making the point very strongly—one of its many criticisms of what we have done—that we have devolved too much to programme editors or divisional directors and we need to look at this right across the piece, across divisions, but also across the BBC. I agree with that.

- Q91 **Chair:** How much confidence can we have in their top-line finding? The first line of the press release from the BBC, the first item in the summary report, is basically admonishing the BBC for any responsibility for unfair pay, for gender bias in pay, even though the report says there is a gender bias and it always favours the men, on average. The report says also that it is not its role to go into the individual cases on equal pay because that is a matter for the grievance procedure. By the time the grievance procedures are completed, we could have a totally different impression of what has gone on.

**Lord Hall:** The report is saying we put the data out there in more detail than I suspect any other organisation has ever done. There is nothing systemic here, but there are equal pay issues you have to deal with. I think the fact that this data is now out there in the public domain and we are also working on it—I hope we can consult on it because all of this is to help the consultation process of how we take these issues forward—is something that people will seize upon.

- Q92 **Chair:** Within the remit of the report, how would the report have determined that there was a bias in terms of gender? What would PwC have to have discovered? Clearly, the data supports the fact that men are paid more than women for doing equal roles, but, beyond that, what would PwC have had to find to be able to say, “Actually, we believe there is a gender bias”?

**Lord Hall:** Could I suggest the Deputy Director, who has been working very hard on the report, answers that?

**Anne Bulford:** If you would not mind if I just go back up to explain a little bit about what they have done, for the very top group—

- Q93 **Chair:** These are not questions about the scope of work and its breadth. There is a lot there. I am sure we will go through that through the session. I just want to focus on the question I asked at the moment.

**Anne Bulford:** What they would need to find. They would need to have found a systematic approach resulting in whole classes of people where there is a clear gender bias in the way in which their pay has been set. Effectively, because somebody is a woman, they are in a group that is predominantly female, and, all of that group, where the work is of equal value to another group that is predominantly men, that the women are paid lower. It is back to the local authority cases where it is classically looking at gardeners and dinner ladies and these kinds of things, or you would need to find a complete lack of gender distribution in the spreads.

What the work has identified is there are two different populations, one population with quite a lot of people in it, where you can look at it, and



then another group where you need to take a more bespoke approach to job evaluations so you can compare like with like. In both cases, what the data show is a pattern of gender distribution through the whole population, explanations as to why the people are different—what they are doing, where they have come from, how it has worked—but the report then goes on to say, particularly with the large group but in fact it is true of both, that the spans are too broad. What it is concluding is you can explain, and sometimes it is men to men, sometimes it is men to women, sometimes it is women to men. You can have objective explanations as to why people are paid differently—individuals may or may not agree with them, but you can find them—but that the spans are too wide and, right at the very top of the span, there is a concentration of men.

Q94 **Chair:** You explain it there. I think a fairer result of that report should simply say it is not possible to determine because the policies are not clear and the datasets are too variant. The averages show that men are favoured more than women, yet the first line of the executive summary of that report is, “We have found no evidence of gender bias in pay decision-making”. That is not because it is not there, but because, with the methodology that was set and because the BBC structures are so opaque, it is not possible to see, not that it is not there.

**Anne Bulford:** The conclusion that PwC reach on frameworks and the conclusions that we have reached, the points that have been put to us by the NUJ and the points that have been put to us by the staff all point to the same thing, which is, across the BBC as a whole and this group in particular that we look at today, we absolutely have to have up-to-date, open, transparent frameworks that evaluate jobs on a consistent basis across the whole, that enable you to compare them to the two and look at them. In the absence of that, the risk of pay decisions being wrong is high and, in the absence of that, it is extremely difficult to undertake a, “Right, let’s have a look at where we are once or twice a year, look at everybody. Where are adjustments needed? Who needs pay rises? What do we need to do?” That message comes through loud and clear from this report. It was the message that we absolutely took and recognised in introducing the Career Path Framework and the revised pay bands. They are telling us that. They are saying that we need to do that.

Having then taken this population, taken this group—this terrible word—“normalised”, particularly for the high-paid group where people have different work patterns, different contractual arrangements, which I know you will want to ask us about, to put it into a group and look at it, and then say, “Okay, when we look at this, in these groups that we put people together, what are we seeing?” What the data is showing is a spread of gender through the groups, no evidence that anybody is being paid a number because they are a woman or because they are a man, but a pattern where the spread is too wide, the differentials are too wide, and, for reasons that they speak about in the report, a small number of



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the very highest paid being predominantly men, which exacerbates that problem.

- Q95 **Chair:** I am going to say that I think one of the reasons why people have spoken in the last 24 hours about the fact that they did not have confidence in that report was the way in which it was presented. It was presented in such a way as almost to excuse and vindicate past practices that people acknowledge are not good enough. That is one of the reasons why, when you look at the detail of that report, there are so many holes in it, and people don't have confidence in the top line of the executive summary, which I think seeks to paint a very different impression.

**Anne Bulford:** I am very sorry if people have taken that impression, because what this report is telling us is that we absolutely lack that framework to manage this group of very talented people in an effective way, and we need to put it in. That is quite a tough message.

- Q96 **Chair:** It is not like the National Audit Office has come in and said, "We have never worked here before, and this is what we have found". What many people find striking is that this is your organisation, your structures. Many of you have worked in it for decades. To be in this position I think many people will find astonishing. This is information the BBC could have sought. These structures could have been clearer. Better processes could have been put in place years ago, without the external challenge that has come to make this happen.

**Anne Bulford:** We have been working on these challenges. Across the whole of the BBC, we have been undertaking a fundamental programme of reform for the best part of a couple of years. We have been talking to our unions, to our staff, for the 18,000 people, about the introduction of the Career Path Framework, the reduction of 6,000 jobs down to a more manageable number, the introduction of transparent pay ranges, publishing to all staff who work in groups of more than 20 a pay range, a distribution of that pay range, and information as to where they are.

When that consultation is completed and this work is completed and we have that sort of information for these groups, which people have had a proper chance to comment on, look at, make sure it is right, the jobs are right, people fit right and it all makes sense, we will publish all of it. That will provide exactly those frameworks that people need to feel confident. It is a very, very extensive piece of work.

Of course, all of us would like to move faster and quicker on it and to get on to it, but these things are not straightforward with groups of staff. People have very strong views about where their jobs should sit, what the value of them is, how the job evaluation mechanics work, what that results in, who they find themselves in the same job family as. It has taken time.

- Q97 **Chair:** There are two follow-up questions from me, and then I know other members of the Committee want to come in. Both are to Lord Hall.



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First, Carrie Gracie sought an informal resolution to her concerns after the pay levels were published last summer. She was promised that that would be done, and only out of frustration at the failure of that process did she launch a formal grievance procedure, which, as we heard, was resolved on day 89 out of 90. Given that that went in her favour and that the BBC accepts that she was underpaid for years and that that was wrong, we have not heard so far that she deserves an apology, and there may be other women at the BBC who have gone through a similar experience who also deserve an apology from the executive board.

**Lord Hall:** I had a very good meeting with Carrie in August. She met James Harding, who was running the division at that time. James and I spoke about the case, and I know James was working very hard to try to resolve the case of Carrie. I am sorry it went to a grievance. I said upfront at the beginning I would very much like to resolve the case of Carrie Gracie with her, and I am sorry this has taken so long, and I am sorry we are in this position, yes.

However, as I said, the thing that divides us—there is an awful lot that we agree in terms of analysis of what should be right and all of that—is the idea that every single editor, home and abroad, I would imagine, should be paid exactly the same. I don't agree with it. It should not be a matter of gender. I completely agree. It would be outrageous if it was. You have balances between different editors, and we need to be very upfront about what that pecking order is.

Q98 **Chair:** We are able to have this debate, certainly on people at high levels in the BBC, because of the disclosure of salaries for on-air members of staff. Would you accept now that it was wrong for the BBC to seek to oppose the publication of those salaries?

**Lord Hall:** I have said in a number of places that I got this wrong, and I should admit it if I get something wrong. On this area, on news particularly, I think the market is much less heated than it was maybe a decade ago, and the notion that, therefore, people are going to come and poach people probably is the case in entertainment and drama and those areas, where, let me tell you, the market is very hot, or in tech. In this area, some people have left, but it is much less so. I am content to say to you that on that I got it wrong. Where I don't think I got it wrong is on Studios and on Worldwide, but maybe we will come on to that later.

Q99 **Julie Elliott:** Thank you for coming in this afternoon. I understand you have listened to the previous session, so you are aware of what has been happening this afternoon. Among you, you have decades of experience at the BBC. When the pay rates came out last summer, were you surprised at them? Just quickly go along the line.

**Anne Bulford:** I was surprised at the range of differentials.

Q100 **Julie Elliott:** Did you know what was in there?





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**Anne Bulford:** Did I know what the disclosure was going to say ahead of it being disclosed? Yes.

Q101 **Julie Elliott:** Before it was produced, did you know what people were being paid?

**Anne Bulford:** I had line of sight of what individual people were being paid who had come up, been reviewed or been recruited or something, but seeing the ranges—I think we are going to keep coming back to that—in a format where you can absolutely compare one to the other, I had not seen it in that format and I had not seen those differentials in that way. Even then, it was quite difficult to make comparisons between cash sums of money paid to people when they work in different ways.

**Lord Hall:** Yes, of course I knew what was going on there, and—

Q102 **Julie Elliott:** You knew that there were pay disparities between men and women?

**Lord Hall:** Can I just say to you, between men and women, we knew that on the top earners over £150,000 there were more men than women? Yes, we knew that.

Q103 **Julie Elliott:** No, that is not what I am asking.

**Lord Hall:** Can I just say, for the last five years we have been working to lower the amount of money we are spending on top talent pay and we have reduced it by 40%?

Q104 **Julie Elliott:** You are missing the point, Lord Hall.

**Lord Hall:** I don't miss it.

Q105 **Julie Elliott:** You knew of the disparities between people doing very similar jobs, equal pay for work of equal value? You knew before that was published that that was there?

**Lord Hall:** No. I knew what the ranges were. I knew what people were being paid, but I did not—

Q106 **Julie Elliott:** You knew you had correspondents on around £120,000 and correspondents on approaching £250,000?

**Lord Hall:** I want to be very clear. I did not know some of the issues that we now know about because they have come into the public domain, but I knew—

Q107 **Julie Elliott:** Did you know that? Did you know that differential?

**Lord Hall:** I am sorry. I knew the people who were earning over £150,000. I knew the issues we were facing. These are things we have been working on for some time. We have been working to try to get this right. James Harding had a review of pay; I think it was when John Humphrys took a pay cut for the second time. This is something we have been working on.



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Q108 **Julie Elliott:** How long had you been Director-General, just remind me, at the point that this came out last summer?

**Lord Hall:** I have been Director-General not yet five years.

Q109 **Julie Elliott:** Approaching five years, and you had done nothing to sort it out?

**Lord Hall:** No. I think that is completely wrong. I really believe in getting women's place in the workplace right. I have been really helping to promote more women into senior positions, into other positions, working to get more women on the air. Carrie was one of those, but that was part of what I have been pushing for. I think it is misrepresenting what I have been doing by saying that I have done nothing; quite the reverse. I have been doing a lot. That is not saying I am happy with where we are.

Q110 **Julie Elliott:** Sir David, were you aware before it was published?

**Sir David Clementi:** I was shown the papers, the numbers—

Q111 **Julie Elliott:** Before the papers, were you aware?

**Sir David Clementi:** Yes, but I was also aware of the context that the national average was 18% and our own number was 9%, and the board—

Q112 **Julie Elliott:** We are not talking about the gender pay gap. We are talking about equal pay for work of equal value, and it is becoming quite clear that, as an organisation, you don't understand what that means.

**Sir David Clementi:** I know very well the difference between gender pay, which we announced in the gender pay report, which we announced in July, and the issue of equal pay, which has been the subject of two significant audits subsequently. I know very well what the difference is. If I may say so, Chairman, by the way, they are regularly conflated, and they are conflated in the announcement that was made by this Committee a day or two ago. They often come together. They are separate issues. On the gender pay issue—

Q113 **Julie Elliott:** I am not asking you about gender pay. I am talking specifically about the equal pay issue.

**Sir David Clementi:** About equal pay. My view is the same is the Director-General's. I was surprised by the width of the ranges, and noted that it is our intention to seek to narrow those ranges. I also recognise that in the world of on-air talent there is a clue in the word "talent", and not everybody would be paid precisely the same for job descriptions that are similar. Within the report it sets out clearly that there may be different reasons, many legitimate reasons—

**Julie Elliott:** For £100,000 plus?

**Sir David Clementi:** —why people doing similar sorts of jobs are paid different amounts; different skills and whatever. The answer is: I was aware of it. The discrepancy between the North American editor and the



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Chinese editor, which was zero, in her favour when she signed the original contract, had moved for the reasons you will want to explore, and we accept we should have looked at Carrie at that time. However, I don't accept that we were in any way acting illegally.

**Fran Unsworth:** No, we were not surprised, because we had looked at this the year before when James Harding instituted the cost of talent review, which we had started in News in 2016. We knew that there were discrepancies, particularly among the highly paid men. The disclosures list showed that there were just over 20 on the list. Seventeen I think were men and seven were women, so we knew we had a problem. We set about thinking at that point about what we were going to do about this. This was when, rather than putting a burden on the licence-payer of addressing it in the direction of paying women more to equalise, we decided that we would try to cut the pay of some of the senior men on the list. This is when we spoke to John Humphrys and we had instituted conversations with a number of other as well.

Of course, it is quite difficult because, in order to achieve a pay cut from people, they have to volunteer to do that. Then it became a wider issue because of the disclosures list, and it became wrapped up in the whole wider BBC issue of the fact that this was not just a problem in News any longer, it was across the whole of the BBC.

Q114 **Julie Elliott:** Let us move on. I am quite surprised at your answers, I have to say. I am very surprised at your answers.

Fran Unsworth, you have been mentioned in the evidence at the last session quite a number of times, and in the previous role to the one that you do now you were, I think it is fair to say, responsible for agreeing pay with a number of the more senior correspondents and journalists employed by the BBC. Is that right?

**Fran Unsworth:** I was the head of newsgathering at the time when Carrie became the China editor, and—

Q115 **Julie Elliott:** I have not moved on to Carrie yet. I just want to get that right that you were responsible for a number of these agreeing salaries.

**Fran Unsworth:** For the newsgathering editors and correspondents, yes.

Q116 **Julie Elliott:** When you were doing that, what benchmarks did you use in awarding salaries?

**Fran Unsworth:** Carrie mentioned some of the benchmarks. There were at that time four international editors. There was Europe, North America, Middle East, and China, which was a new role. The Middle East editor was Jeremy Bowen. He was based in London because it covers 14 different countries. I looked at the comparators, Europe and North America, and in setting the salary I had a conversation with Carrie. As she has said, she was keen that—for obvious reasons, and she wanted me to assure her—she would be paid the same as the male editors. I used those



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comparators, North America and Europe, as the most relevant, I thought, people to compare with. I offered Carrie a salary, which was more or less the same as they were on.

As she explained in the previous session, she had certain issues about how to do the job with her life. She explained the issue of her children not going with her to China, and in fact she wrote an e-mail to me and James before accepting the job, in which she felt that the offer that I had made of I think around £120,000 at the time was not enough, and she asked for £150,000. I felt that that was £22,000 more than either North America or Europe were on at the time, and we settled on £130,000, which was still more in fact than either the North America or Europe editor were on.

Q117 **Julie Elliott:** £2,000 difference?

**Fran Unsworth:** Yes, £2,000 difference. Yes.

Q118 **Julie Elliott:** Not £100,000 difference, as we later—

**Fran Unsworth:** No. That came later, of course. At the time that we set Carrie's pay in that role, there was no issue around gender at all.

Subsequently what happened, I moved on to a different job and there was a new head of newsgathering that came in. There was a change of personnel. Then Jon Sopel was appointed to the job of North America editor. Jon Sopel came, obviously, with a different pay history. He had been a BBC One presenter, he had been a presenter on World News, he was a former political editor of the News Channel, he was a former Paris correspondent, and he had accumulated a much higher salary than Carrie was on at the time as a presenter of the News Channel, and we did not cut his pay in asking him to go to North America. We felt that he was the right person for the role. This is when things, as we see, get out of line, and this is where we should have addressed what the impact of appointing such a highly paid person to that role would be on all the other salaries that we had.

Q119 **Julie Elliott:** I also want to ask, going back a step, where Carrie has said that you led her to believe that she was on equal pay in that discussion when she was appointed, you agree with that?

**Fran Unsworth:** Yes, because that was the case.

Q120 **Julie Elliott:** Fine. When Jon Sopel was appointed, did he negotiate directly with the BBC, or did he have an agent?

**Fran Unsworth:** I think he negotiated directly with the BBC.<sup>1</sup>

Q121 **Julie Elliott:** Directly. Who would that negotiation have been with?

**Fran Unsworth:** I would imagine it would have been with the head of newsgathering.

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<sup>1</sup> Note by witness: Mr Sopel negotiated via his agent with his line manager.



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Q122 **Julie Elliott:** Who would sign that off, at the top of the organisation?

**Fran Unsworth:** That would have been signed off by the Senior Management Remuneration Committee, which is chaired by Anne.

Q123 **Julie Elliott:** Anne, would you be aware that the other correspondents were on so much less money than the amount you agreed for Jon Sopel?

**Anne Bulford:** I would have known that that was there. I would have—

Q124 **Julie Elliott:** You would have known the salaries of those people?

**Anne Bulford:** I would not have had a concern unless I knew, which I did not know, that there had been an assumption that they needed to be treated as comparable. Jon Sopel went into the Washington role without a pay rise. He did not take a pay cut. He moved into that role. There would be no reason for that Committee to ask questions about relativities because the material was not being looked at in that—

Q125 **Julie Elliott:** Whose responsibility would it be to look at relativity?

**Anne Bulford:** I am very happy to take responsibility for it because, of course, now, when we look at it as we do and look at the comparators between them, clearly that was the right question to ask, and we missed that opportunity and I apologise for that.

Q126 **Julie Elliott:** Apart from apologising, surely, in an organisation as big as the BBC, with the reputation of the BBC, and bearing in mind this is all public money, somebody somewhere should have had the responsibility to ensure that relative salaries were within the law.

**Anne Bulford:** The responsibility for looking at the relative salaries—and we have spoken about this before—has been over-delegated down to the groups. The purpose of the approvals has been very much about controlling costs, not about ensuring equality or ensuring fairness, and that has been a mistake. Certainly, having received this report, there is the need for a proper framework so that when jobs come up for review you can look at them, understand where they sit, make these appropriate comparisons and intervene. It is trying to deal with individual approvals—whether it is at corporate level or in programme level—without context for it that is the root cause of the problem.

Q127 **Julie Elliott:** At the point that Jon Sopel was appointed, you approved the salary as head of this Remunerations Committee?

**Anne Bulford:** We noted the appointment. There was no new salary to approve because his salary did not change.<sup>2</sup>

Q128 **Julie Elliott:** You approved the appointment of Jon Sopel to this job on the salary that was—

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<sup>2</sup> Note by witness: Having checked our records, Mr Sopel's pay was increased in June 2014 by 3% (which also included the annual cost of living increase awarded across the BBC).



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**Anne Bulford:** That he went across with, yes.

Q129 **Julie Elliott:** Was there anybody then responsible for looking at the equity across people's pay?

**Fran Unsworth:** I think that would have been done within News.

Q130 **Julie Elliott:** Who would that be?

**Fran Unsworth:** We are accepting that it was not done within the News team.

Q131 **Julie Elliott:** Whose responsibility would that have been?

**Fran Unsworth:** There was a head of HR, a director of News, a head of newsgathering.

Q132 **Julie Elliott:** HR does not seem to be playing any role in any of these negotiations. It is the first mention this afternoon. We have been here three hours. HR does not seem to have a role in this. Are you saying HR was involved in these negotiations?

**Fran Unsworth:** Obviously, HR actions and advises on the parameters—

Q133 **Julie Elliott:** Yes, but does it have a role in the negotiations?

**Fran Unsworth:** No. The negotiations are usually done by the manager.

Q134 **Julie Elliott:** So, HR has nothing to do with this except issuing the letters probably of appointment and instructing Payroll, which is an administrative function. You have said it would be within the News part that would look at this across the piece. Who would it have been at that point? It does not mean the name, the person—

**Fran Unsworth:** I am not sure that anybody did.

Q135 **Julie Elliott:** Nobody had responsibility?

**Fran Unsworth:** I think that is the point that we are making here, which is an oversight, which is why we are putting the framework in place.

Q136 **Julie Elliott:** It is a little bit more than an oversight. I think there is an illegal pay structure going on in this organisation. I think it is far greater than an oversight, but I want to move on because I know a lot of colleagues have questions. I want to move on to Lord Hall.

Your grievance procedure has an arbitrary 90 days clause in it for responding. Why is that?

**Lord Hall:** It is not arbitrary. It is agreed with the unions.

Q137 **Julie Elliott:** It is not in line with ACAS codes of practice. There are no unions representing people at this level in the organisation.

**Lord Hall:** That is one of the things we have been debating and discussing with the NUJ, particularly over the autumn. As Michelle said to you, that is changing. The grievance procedure is agreed with the unions,





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and if it is not absolutely tip-top then we will have a look at it, but that 90 days is agreed with them.

**Q138 Julie Elliott:** You have the final say on it. This report was published yesterday, which I have to say I watched a lot of news coverage on this yesterday. I have spent many hours reading through it. I felt very let down by the interviews with both yourself and Ms Unsworth yesterday because there seemed a complete lack of grasping the point that the BBC is at major fault here. Is that a fair reflection? Is that how you feel, that there is not a major problem here?

**Lord Hall:** I think it is an unfair reflection on what I believe. I am absolutely committed to equality within the BBC. I want us to be the place where people come to because we are the very best workplace for people to give their best, and I also want openness and transparency, as I made clear yesterday, so that people can see exactly where they sit in pay bands, they can question those, and ensure that they are being paid properly.

Let me also say, in case there is any doubt about this, that if we get things wrong, then we will say so. I really believe in that sort of culture, and I believe in a culture of openness too, where we can talk about these things with the staff in a very direct and open way.

**Q139 Julie Elliott:** I have to say my response yesterday to what you said, and it is something that Carrie said earlier on. There was no acknowledgement at any point. You were dancing on the pinhead. You were not admitting there was an equal pay problem. I have gone through the report. You can see how many markings I have with inaccuracies, contradictions, things where I don't think they have quite got it. I would be ashamed and embarrassed to put my name to that report. Are you happy with that report?

**Lord Hall:** Yes, I am happy with that report, and—

**Q140 Julie Elliott:** Are you happy with that report, Ms Unsworth?

**Lord Hall:** Can I finish and say why?

**Julie Elliott:** No. I have asked a question. Just a minute.

**Fran Unsworth:** I think it provides a much—

**Julie Elliott:** Are you happy with it?

**Fran Unsworth:** Yes. I think it provides a much better framework going forward about how we are going to manage this.

**Q141 Julie Elliott:** Thank you. This is not really just about going forward. I would accept there are quite a lot of things in going forward if we were starting with a new organisation, bringing in proper systems, but this is about putting right what has clearly gone so badly wrong in what we are talking about here today, and that is what there was no acknowledgement of. Can you give any element of justification for why



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people, particularly the on-air talent, are being paid so unequally? Is there any justification for that?

**Lord Hall:** As I said yesterday, as the report said yesterday, there has been a history here of markets being very different for news people versus others. There has been a cultural issue in the BBC where we have traditionally let these issues be discussed at a programme level. That is clear. There have been different sorts of contracts. There have been different payments and allowances for people. There have been different ways of negotiating.

Q142 **Julie Elliott:** They are old explanations, but is there any justification for it?

**Lord Hall:** What we are saying in a very open fashion is we want to move forward and get on to a framework that is clear for these people and put as many—

Q143 **Julie Elliott:** That is moving forward. That is not putting forward the historic losses, the redress to historic losses, the lack of pensions, the lack of pay, that have gone on for years. What are you going to do about those things?

**Lord Hall:** What I also said yesterday in that document, in interviews and so on, was, if there are things that are wrong, we will put them right. We are committed to that. I want to make sure that people, if they feel they have grievances—

Q144 **Julie Elliott:** Do you accept there are things wrong?

**Lord Hall:** If you look at the 18,000 people who are on this new Career Path Framework, which we introduced in the autumn, of those 18,000 people, 231—

Q145 **Julie Elliott:** Does that affect on-air talent?

**Lord Hall:** It does, because some of them are in there. 231 people from the mass of the organisation of the BBC have raised issues to do with their pay, and we are seeking to resolve them. That says to me there is an open climate there where people feel they can come to us with these issues and we will resolve them. Exactly the same thing happens with the 180 we are talking about here of the top talent.

Q146 **Julie Elliott:** Again, you are talking about this career pathway, but this is something moving on. There is clearly this issue with on-air talent. I have never, in 25 years of working in this arena, seen such huge discrepancies of pay between men and women doing equal work of equal value. Never, anywhere, in the private or the public sector. There is a huge problem here. What are you doing directly to address these historic concerns and put it right?

**Lord Hall:** You cannot say, with the greatest respect, what you have just said without understanding a framework for pay. This has been something I have been really, really committed to, as has the team. What



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we were announcing yesterday was, first, a whole lot of data for people to judge where they sit and how they are paid, but also where we want to consult on a framework by which people can judge their pay going forward and we can make sure that the pay decisions we are making are fair and proper and equal where people are doing equal work. I attach a huge amount of importance to that. That is what I really believe in and that is what I want to achieve.

**Q147 Julie Elliott:** I don't doubt you want to achieve it moving forward, but you are telling us nothing about what you are going to do with this huge historic problem you have, with these huge inequities in pay. Quite frankly, that is not complying with the law in terms of equal pay, in my view. You are not telling us anything on that.

**Lord Hall:** I am sorry you think that. What I have been trying to say is that where there are issues to do with pay, to do with individuals, we will look at them and we will—

**Q148 Julie Elliott:** You are suggesting throwing money at things. You are not looking at how you solve the problem.

**Lord Hall:** If we need to raise people's pay because we have not been treating them properly, fairly, equitably, yes, we will make payments to them. We absolutely will. That is the right thing to do.

**Q149 Julie Elliott:** You will address the historic pension issues and all of the other issues around that?

**Lord Hall:** This is one of the difficulties we are trying to reform. We are trying to reform the way we run the BBC. That is why Anne and I are here. At the moment, one of the issues we really have is you have some people on certain sorts of contracts, some people—as you are rightly saying—with contracts with pensions. What we are seeking to also—

**Q150 Julie Elliott:** I want to go on to the contracts, and this is the final thing that I want to come on to before other colleagues have an opportunity to ask questions. I raised in the previous session the evidence that came in in writing from the NUJ, which you will have heard me read before, for point 14. "As part of a BBC-led move to make presenters work on a freelance basis via a personal service company, it is very concerning that many women were pressured into leaving staff jobs, and told that otherwise presenting work would be withheld from them." That was in the written evidence, and the verbal evidence from the NUJ said that, in terms of renegotiating for these women, deliberately contracts were let to run out of time and lapse, so negotiating a pay contract from a position of weakness, and also that fees were withheld. Is that an appropriate way to treat staff?

**Lord Hall:** No, it is not. Let me be clear about that. No, it is not, and maybe Anne could answer in a bit more detail on that.



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**Anne Bulford:** The historic use of freelance contracts for presenters is something that dates back a long time. There is not in our organisation a particular bias between men and women in that. There are both men and women who are presenters who have been on freelance contracts for a long time.

Q151 **Julie Elliott:** This putting pressure on people to move on to them when they have been on staff contracts.

**Anne Bulford:** That dates back a long time.

Q152 **Julie Elliott:** It is going on.

**Anne Bulford:** It is not going on now.

Q153 **Julie Elliott:** Has it been going on in the last couple of years?

**Anne Bulford:** No.

Q154 **Julie Elliott:** When did it stop? When was action taken about it?

**Anne Bulford:** What has happened in the last couple of years is, with the changes in the application of IR35, more people have needed to come on to PAYE, and that has raised issues of what is the contractual basis they should be on, and a number of different things have happened. When that first came about, some people were very unhappy about the change in their status and they did not agree with it, and the cost of moving across and all the rest of it altered things for them. We introduced some new contract forms, if you like, to manage the transition.

Those contracts, known as OATs contracts, run. One is very similar to the staff contract, and the other has statutory benefits rather than BBC benefits. That is one thing that happened.

Q155 **Julie Elliott:** The women on these contracts, of course, will not get things like maternity pay.

**Anne Bulford:** They would get maternity pay if they opted for an OAT B contract. They had completely free choice as to which they wanted to take when they moved on.

Q156 **Julie Elliott:** There was no pressurisation to move people on to these contracts?

**Anne Bulford:** There were about 90 people involved in that. They were about two-thirds men and one-third women, and they had a free choice as to whether they went on to an OAT B or an OAT S.

What has then happened over the course of the last six months is a further change in the application of the new IR35 test has meant that many more people, around 2,000 people, have needed to have their contracts revisited because of the withdrawal of the radio mergers. The majority of those people, again, are male, about 1,500. About 500 are women. That is the background to it.



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We, like many organisations, had a great deal of difficulty in rolling this out at the speed that we needed to because the new test, the new arrangements, did not stabilise until August. The way in which that was rolled out people found it was very difficult in deducting PAYE for the first time, getting people on to new contractual arrangements.

We worked hard to try to get that right. We did not get that right. We spent time with a number of groups of staff. They talked to us about some of the difficulties that people were experiencing, particularly out in the English regions in local radio, where people were not necessarily paid highly. We stepped in. We increased the focus on it. We sent people around the country to talk to groups of staff.

There were a number of different problems. The first problem was our obligation to deduct PAYE getting muddled up with, "You have a new contract. What do you do with that?" The second problem was in some cases people not wanting to be paid, which we put a stop to, because they disagreed with the tax assessment and they did not want to do anything to underwrite that. In a couple of cases—which was completely unacceptable and when we got on to it we fixed it—there had been a mistake in telling people that they needed to sign contracts before they could be paid, and that was fixed.

What we are going to do going forward—it comes out in the review—is we have looked at the whole range of contracts and we don't think it is right. It is too confusing. There are too many of them. What we are going to start consulting with staff on is: people that we move to a staff contract, if they are working with us, they are having PAYE deducted, they meet the criteria, and they want a full staff contract. That is fine. A more simple approach to worker contracts, where people are working for us for shorter periods, we need to deduct PAYE, and further standardisation in our freelance contracts.

There are two things that are additional concerns that we also want to speak to staff about. One is the use of fixed-term contracts and being much more rigorous about the circumstances in which people are contracted for two years, rather than on a continuous basis. Of course, where these contracts are rolled over, there is not any particular difference in their employment rights, and what it does is it gives people an unnecessary uncertainty. It is different when you are working as a freelancer on a single commission that is going to end.

The additional thing that we are looking at is in some contracts we have a clause that is described as "creative refresh", which of course is absolutely relevant if you are working exclusively on a commission. The commission is cancelled, the work is gone, but if you are working on continuous news, it is wrong for some people to have that and not others, and we want to take that out.

**Q157 Julie Elliott:** Can I just come back to the thing that I read out about people feeling pressured? Do you recognise that?



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**Anne Bulford:** I recognise that—

Q158 **Julie Elliott:** Do you think that is wrong?

**Anne Bulford:** I think it is wrong. I have heard that directly from people I have spoken to, not exclusively women but many women. I understand it. The contractual arrangements, and this idea of a renegotiation with people who have been working for us for a long time, is wrong. There are two different bits to it. In many ways, the fixed-term contract is more of an issue, even if the underlying contractual arrangements. We think it is wrong. We want to reform it. We have proposals that we are going to start talking to people about, and it has been one of the frustrations.

Q159 **Julie Elliott:** Within those proposals to put that right, you have said that you will be offering people the opportunity, if appropriate, to go back on the staff contracts.

**Anne Bulford:** Yes.

Q160 **Julie Elliott:** Will you be compensating people for their loss over sometimes many years, when they have been bullied under these contracts, when they did not want to change?

**Anne Bulford:** I think the definition of “loss” in those circumstances needs to be worked through because it depends what work they are doing, what—

Q161 **Julie Elliott:** If there is proved to be a loss under equal pay legislation and everything else, will you be putting that right?

**Anne Bulford:** In all cases, if we have a financial liability that is there, of course we will meet it, but every case is different. In some cases, people have had freelance rates that they have received, which reflect not having access to those benefits when you look at it in the round. Everybody is different. If something is going wrong with that, then—

Q162 **Julie Elliott:** Some of the things I have looked at, I think people are getting paid nothing significantly more—in fact, in some cases, lower, without the added benefits that a staff contract would give. In those cases—

**Anne Bulford:** We have to look at cases, and some of the claims that we are dealing with, which Tony referred to, are absolutely about mismatch of contractual status and, in particular, miscalculation of the two rates. I know you don’t want to keep hearing me talk about the future, but it is important for us. One of the things that we absolutely need to do—

Q163 **Julie Elliott:** I have never said it is not important. I have said it is not what we are here to talk about today.

**Anne Bulford:** One of the things that we want to be much, much more rigorous about is keeping a staff rate and a freelance rate or a worker rate properly aligned and clear so that people can understand, if they are working in a different way, they are being paid fairly. I think these





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reforms are overdue. What we have done over the years is try to help individuals' circumstances. It has got furred up, it is too difficult, and we are not comfortable with it, and we want to fix it.

**Julie Elliott:** Thank you.

Q164 **Ian C. Lucas:** Lord Hall, do you agree with me that the BBC has paid less to women for work of equal value?

**Lord Hall:** The answer is there may be individual cases where, if that is the case, we need to know where they are and we need to solve them. What I don't believe is that the BBC as an organisation has gone out and said—because it would be illegal to do so, and anyway, I don't believe that—"That is a woman. We will pay her less to do that job". I don't believe that is the way we operate.

Q165 **Ian C. Lucas:** To go back to the case of Carrie, we have just heard that she was being paid less.

**Lord Hall:** I have said already, Mr Lucas, that the grievance and the mistakes the grievance procedure has found I accept were wrong, and I am sorry about that.

Q166 **Ian C. Lucas:** That was a big failure of management, wasn't it? The systems were not in place to deal with that.

**Lord Hall:** No, and I think that is—

Q167 **Ian C. Lucas:** Are you saying, no, it was not the failure of management?

**Lord Hall:** No. What I am saying is: for me, management is always about learning and listening. Things are never right. You have to reform. This is why Anne and I began a process of reform in pay and conditions, terms and conditions, two years ago—James Harding at the same time also looked at this whole issue of top talent pay in news—because we knew we had things to get right. It has taken a long time and, as this Committee has heard today, these are very complicated issues. Do not underestimate our desire to get this right.

Q168 **Ian C. Lucas:** You have to accept that in the case of Carrie, she was being paid less, and your systems were not in place to ensure that, in the change of circumstances that happened when Jon Sopel took his job, that should have been addressed. It was your legal duty to be paying Carrie equally for work of equal value.

**Lord Hall:** I wish to just hold back the notion of different bureau heads or different editors getting different pay because of different skills or different workloads or whatever, but I think what the result of the hearing that was done in the case of Carrie shows is that, yes, there were management failings. I completely agree with that. What I am working toward is getting to the position where these things are not devolved to the point where they are not spotted, where we are proactively managing equal pay and making sure if there are equal pay issues, they are raised and dealt with, but making sure we have very clear criteria for why that



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person gets that and that person gets the other. My belief is that transparency and putting data out there is part of the key to that.

Q169 **Ian C. Lucas:** I think we all agree with that, and if there is one thing we have learned from today, it is that we would really like some transparency. I have been appalled by the description of the way that you use the public money that we all pay to an organisation we all respect and love.

**Lord Hall:** I am with you in love and respect for the BBC. It is an organisation—

Q170 **Ian C. Lucas:** Are you with me in transparency?

**Lord Hall:** Also, I think I have been very honest with you. In the whole period of the Charter negotiation, I was worried and concerned about too much transparency from the point of view of competition and people being poached. I now understand that the transparency in this area is the root to trust in the systems of the BBC.

Q171 **Ian C. Lucas:** We have learned that lesson too over this side of the table.

**Lord Hall:** Yes. I go back: I think management is constantly about learning and it is about listening and it is about acting on what you hear. In what we said yesterday, I hope that is what we are doing.

Q172 **Chair:** Just to be clear on what you said in response to Ian Lucas's question, you have also been clear as well that you don't believe that the role of the China editor is of equal value to the role of the North America editor.

**Lord Hall:** I hate putting the word "value" on someone like Carrie, who is an extraordinary journalist. What I am saying is, under the law, we would need to be able to demonstrate that we are not discriminating by gender but by clear factors. That this job is worth more than that job because there are factors that make that job worth more, in a very clear band. I am sorry this did not come across yesterday to you, but the framework we are putting forward to consult with everybody and we want to consult with everybody is to be able to give, going forward, that clarity of bands and frameworks to the way we pay people. It is really important that people trust that framework and where they sit in the bands.

Q173 **Chair:** Just to read the last question, because from what you have said so far, in attributing different values, which you clearly do, that may not just be about a journalist's experience but also about the status of the post as well. Is it your policy to say the status of certain international editors is different, regardless of who is holding the post?

**Anne Bulford:** There are two steps, aren't there? The first step is the job evaluation, and what range do you have for the jobs that you group together? The second step is the individual that goes into that job and their experience. Sometimes the combination of that matrix can get you



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to a very similar number, sometimes the combination of that matrix can get you to quite different numbers, but we would not normally expect to see the sort of range that we have seen here.

**Chair:** That is fine.

**Anne Bulford:** The principle of pay ranges is very important.

**Chair:** If Jo does not mind, Rebecca has to step out in a moment. She has a quick question and then we will come on to Jo, if that is okay.

Q174 **Rebecca Pow:** Just a couple of very quick things, just on that point though. We are talking about equality and the equal sharing of jobs between women and men. The original publication of the salaries, which Government asked the BBC to do, revealed that two-thirds of the people earning £150,000 or more were men. That highlights the fact: is it equal? How could that possibly be the case? It cannot be right that only men are good enough to be paid those salaries.

**Anne Bulford:** We spoke at the time and we have spoken since that we want to see improved representation in that group. There are a number of additional issues around the disclosure. The disclosure is a list of what people are paid in a year, as we spoke at the time, and it is what people are paid in the year from the licence fee.

One of the things that we are seeking to do in this work—and it is one of the reasons that it has been so challenging, and the PwC report speaks about it—is to normalise comparisons so that you understand what you are dealing with. Of course, people do quite different patterns of work. People who are on a rate for the show are paid at a higher or a lower level, but you would not necessarily see that by just comparing somebody who has done 10 a year with somebody who is on every day.

Q175 **Rebecca Pow:** We were led to believe that a lot of those particular men, even on those higher salaries, were earning even more than that because they were on these personal tax arrangements, which we have just covered, and they were getting other money in addition, which meant they were not even paying the right amount of tax.

**Anne Bulford:** There is no gender bias that we can see in any data that we looked at on contractual status or arrangements.

Q176 **Rebecca Pow:** I just want to put it to you that in this world where next week we are celebrating 100 years of women and the vote for women and equality and all the work we do in Parliament, I suggest this is not a great week for the BBC to be coming out with all colours blazing. Blatantly, we have heard today a great catalogue from Carrie Grace and from the union representative about how all of this is: “You are too patriarchal. It defies credibility. We don’t trust you. The BBC has belittled and marginalised us”—that is women—“this does not stand up as journalists, and we are in the business of truth, and this is a caste system”. That has to be based on something.



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**Lord Hall:** Could I just reply by saying, when you look at the domination of men in the very high-paid positions, the £150,000 list, that is wrong, and we are working to resolve that, and we have been over the last four years by getting more women into prominent positions in TV and on radio, and bringing more women into management. We now have 42% of our senior leadership who are women. Is that good enough? No. I want to get to 50%. 48% of the people of the BBC are women; 52% are men. We want to get more women into senior management, and we are really working very hard on that. I have set a target, because a lot of this comes from representation, of being 50:50 men and women on air—and, by the way, we are looking at contributors as well—by 2020.

One of the things I said yesterday was that I want to get there much quicker. We have some—

Q177 **Rebecca Pow:** Thank you very much, Lord Hall. I think you have said that before.

Just my final point, which I think I will put to you, Sir David Clementi. You have pay principles identified by the BBC, which I have on this piece of paper there. It says they are fair. This is crucial. "Pay, fairness and equality is enshrined in law. Clear and consistent in equal pay decisions and transparent reporting on pay. More than what is required in law. Competitive and clear." I suggest that from a lot of what we have heard, you have not been adhering to that, to the point that the head of finance did not know what people were even being paid. Can we have assurances this is absolutely going to be addressed?

**Sir David Clementi:** You have heard today we have moved from a system that was fairly decentralised, where a number of the contracts were bespoke, with a high degree of flexibility passed down, and a high degree of pragmatism as we moved people around. We are going to move towards a system that is more centralised and more transparent, with ranges for each of the jobs, and above £150,000 those will be public. For even those below £150,000, they will know the cohort they are in and they will know and be able to see where they stand within that cohort.

To go back to the PwC report, there is some very uncomfortable reading in it. While it does conclude we do not discriminate on the basis of gender that is not a whitewash. There were a number of things that were, as I say, uncomfortable. The two things that we have reflected here, but they are in the report, are that the bands were much too high. We are doing that and we observe management doing that by bringing down some of the top men and by moving up some of the people, actually quite a number of men as well as women who were paid below the proper grade for their job. The second thing that we are seeking to do—and we, on the board, will be encouraging the management to do this—is to be better at explaining to people where they stand so there is much greater transparency for the individuals.



Q178 **Rebecca Pow:** Are you hoping that all the men will just volunteer to take less money or are you going to set a proper structure in place? One would suggest that is hardly the way to go about sorting the problem.

**Sir David Clementi:** We know what the law is. When the ranges are absolutely established through the consultation process we discussed, there will be some men, and perhaps some women, who are above that, and we will certainly encourage them to move down. If they don't move down, they are not prepared to do that voluntarily, we will have wait until their contract ends and they will be red-lined for that period. We will act within the law.

**Lord Hall:** To answer your question very directly, what we put out yesterday was our proposal for dealing with these issues: the framework and the banding system that we want people to then consult in and see how they fit in those structures.

Q179 **Giles Watling:** It is the style of management that I am interested in here. Yesterday you published your intention to reopen and so on, and it seems to me that there is no leadership. It seems as if you are following events; you are not being proactive, you are being reactive. Would you agree that in the five years you have been there, Lord Hall, that you have let the BBC down on your watch?

**Lord Hall:** No, I am not reactive. We have been proactive by bringing in these reforms. We have known exactly what we were doing. We had to win a charter, get the charter done. We were absolutely committed, once we had done that, that we wanted to bring in big reforms to the terms and conditions, the way people are paid and sort out things that we knew had to be done. You could not do that at the same time as you were winning a charter.

Q180 **Giles Watling:** It just feels that you are being brought by events to where you are now.

**Lord Hall:** No. We were absolutely set on this pace of reform of the organisation, the way it is run. I came in and one of the first things I said was, "I want to simplify this organisation and I want to make sure we can justify every pound we spend to the licence fee payer". I profoundly believed that the organisation was too complex and I set about simplifying it. This is one part of the big reform to simplify the organisation and to bring clarity to it.

Mr Watling, you asked an interesting question about style. I want to listen to people, want to consult within an organisation where people demand that of us and that is good. I believe in very clear leadership, very clear emphasis on the values, but when it comes to working through these in detail, we want to consult, we want to involve people—not just the unions but other affected groups as well. Indeed, I think some of the things that are reflected in the document we put out yesterday have been as a result of conversations with the unions but also conversations with the women's group over the last few months. Anne and I have been



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seeing the women's group monthly, apart from December and we recommenced that in January. The style has very much been clear on where we want to get to but also listening.

**Q181 Jo Stevens:** Ms Unsworth, I want to ask you a couple of questions. Yesterday on the Radio 4 "PM" programme you told Carolyn Quinn that, "We have asked men to be generous about this". I have listened to what has been said, but is this the BBC leadership approach to dealing with this problem; you are going to wait for individual male employees to agree to take a pay cut in order for BBC management to bring the BBC within the law?

**Fran Unsworth:** No, that is not our strategy. We have in News a handful, and it is only a handful, of people who are paid on salaries that we thought are not acceptable in justifying it to the licence payer and those are the people that we are looking at.

**Q182 Jo Stevens:** Justifying it to the licence payer or justifying against the law? From what I have heard today about what you would be putting forward as genuine material factors for differentiating between the China editor and the North America editor, I don't think that that difference and those factors would justify paying somebody over £100,000 more.

**Fran Unsworth:** I think we have accepted that. We say that it would not be justified for the differential to be that great but where it becomes a matter of debate is—and we alluded to it earlier—is there any differential that is justifiable? We think that there is and it is obviously not based on gender at all. It is based on the status of the job, how often it is on the air, how interested the audience is and where it appears in prominence in running orders. I think it is fair to say that a couple of these on-air jobs are incredibly tough, such as the political editor and the North America editor jobs at the moment, and probably the Europe editor too, but North America and the—

**Q183 Jo Stevens:** That is a very subjective view, isn't it?

**Fran Unsworth:** It is subjective.

**Q184 Jo Stevens:** How are you going to demonstrate that objectively?

**Fran Unsworth:** I accept that it is quite subjective, but it is not entirely subjective. If you looked at the data of on-air appearances—and that is not necessarily the whole story because, of course, Carrie was extremely articulate about the difficulties working on the China brief—the North America job is on the air three times a week at the moment. Since Donald Trump was elected, this is one of the busiest briefs. He is not only on the air three nights—and we have run the numbers on it. Even in the busiest period last year when we looked at when the China editor was on the air and when the North America editor was on the air, it is twice as much in peak time and that is at a busy time in the China story. The China job is a different job. It is a more features-based agenda. It is not





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on the relentless treadmill that something like the North America editor's job is and we think that is not necessarily a subjective reason.

**Q185 Jo Stevens:** But you are looking forward and you have presented what you propose to do to try to resolve this situation. I am looking at what has happened previously. It struck me yesterday when I read the on-air report and I looked at the statement that the BBC had issued to accompany it, that the report said, "There is no evidence of gender bias in any decision-making, that we have not had any evidence of pay decisions being based on gender", but in your statement it says, "The lack of pay reviews meant that there was no regular opportunity to address these issues unless a question was raised by an individual." This is about the issue of equal pay. "This meant we were not always able to explain to individuals why particular decisions on pay had been made." If you can't explain why a particular decision had been made in the way that it was, how can you say it was not based on gender?

**Fran Unsworth:** The methodology in the report has gone back and looked at different cohorts and looked at men in those cohorts and women in those cohorts.

**Q186 Jo Stevens:** Did you talk to any of the people who are actually doing the jobs to produce the report?

**Fran Unsworth:** The PwC report has looked at the data.

**Q187 Jo Stevens:** But did not talk to the people who are doing the jobs?

**Fran Unsworth:** It has looked at the different factors as to why people might be paid differently in each cohort, such as length of service is a factor, time in the BBC.

**Jo Stevens:** I understand that. I am just asking the question: did they talk to anybody—

**Fran Unsworth:** This is the data that the PwC report has examined.

**Q188 Jo Stevens:** Yes. Did they talk to anybody who does the jobs that are the subject of this report?

**Anne Bulford:** Perhaps I can help. In order to look at the past and look at the future and make recommendations for the future—and we asked PwC to do both—they developed the framework that helped us to develop ranges in jobs.

**Q189 Jo Stevens:** Could you answer the question: did they talk to anybody who does the jobs that the report is talking about?

**Anne Bulford:** We had information from a number of groups of staff. We spoke to lots of people about it. We dealt largely through the editors, the managers who deal with these jobs. Now that we have a framework, that framework is for consultation and the next stage is to go through a detailed process with, to use your phrase, the people who do the jobs. It is not the case that it is done completely in isolation. This particular



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aspect of what is the job evaluation framework, what are the ranges, which jobs go where, how do they go together, has been the subject of consultation with the trade unions over recent week.

**Q190 Jo Stevens:** The trade unions do not cover the whole of the BBC, as we have heard.

**Anne Bulford:** No. There are two separate things. The 18,000 career path framework, job evaluation framework that was published in October has been talked to with the staff extensively and we have had feedback. The report here identifies a particular group of staff who made very articulate representations to ask that even though they had been classified as journalists and broadcast journalists, they had a high proportion of their time on air and needed to be remapped. We have listened to that and dealt with it.

The approach that we are taking with the on-air group, including the higher pay group, follows that same mechanic, which is to get the proposal, talk to the unions about it, understand what the general issues are and then speak to staff in a lot of detail at speed. I am hopeful it will help us because one of the difficulties that we have had is that, particularly in trying to resolve some of the issues that have come up on equal pay and other pay questions, the absence of a framework to talk to people about it makes it extremely difficult that they can have confidence in your discussions.

**Q191 Jo Stevens:** On that point, you have talked a lot about management discretion and how you were not aware at a senior level, or I think you described it as a devolving responsibility for agreeing pay. Did the people who were making the decisions to offer different salary levels to different people receive any guidance at all about what their obligations were under the law and not to discriminate between men and women?

**Anne Bulford:** Yes, I think people understand their obligations.

**Q192 Jo Stevens:** No, did they get any guidance from you?

**Anne Bulford:** I believe that they have. I would have to check back on exactly what form that would be.

**Q193 Jo Stevens:** It couldn't have been very good, could it, because we would not see what we are seeing now?

**Anne Bulford:** I think there are two problems. One problem is people looking at relativities within groups and not necessarily looking at everybody that they should be in having a conversation. Then I think there is a second problem, which is looking at relativities between programmes. In balancing, meeting obligations, coming up with stuff that is fair, being sure that you have objective reasons for paying people differently, if you don't shape the group properly and miss people you are going to have a problem. The second challenge that comes through, which is why we have had to spend so much time dealing with the



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framework, is that just looking at individual programmes doesn't do it, which is the way in which a lot of this is being managed at programme level with programme budgets. You also have to look at the jobs across the whole organisation.

Q194 **Jo Stevens:** Have any of the men who have taken pay cuts been offered any form of compensation for coming to that agreement, either financial or otherwise?

**Anne Bulford:** No, not that I am aware of.

Q195 **Jo Stevens:** None at all? Thank you. Lord Hall, if I could ask you some questions now. Obviously there has been a big focus on BBC News and the issue of equal pay. In the past quarter of a century, every Director-General, apart from one, which I think was Greg Dyke, has a background in BBC News. Bearing in mind what we have heard today, is there a danger that this is perpetuating a kind of old boy network and hard-wired sex discrimination at the BBC?

**Lord Hall:** I don't believe there is an old boy network. I believe in equality of opportunity. I go back to what I said earlier, which is that wherever I can properly we have been trying to appoint women to key roles in the BBC, key roles in News, key roles as correspondents and reporters in News.

Q196 **Jo Stevens:** But just not paying them the same as men.

**Lord Hall:** I disagree on that.

**Jo Stevens:** That is what this report is about.

**Lord Hall:** But that has been the aim of what we are saying. Of course we have, we are saying we have issues with individuals that we have to resolve. But I go back, no, I abhor the idea of some old boy club. That is not the way I believe the BBC should be or is.

**Fran Unsworth:** If I can comment on the progress made in News, the News board, the people who are running News, is now a 50:50 split between men and women. I think that we have increased the number of senior managers in News in the last couple of years by 10%, so there is progress being made here.

Q197 **Jo Stevens:** I can see that there are greater numbers. My problem, I think, is that it is having your cake and eating it; solving the post-Miriam O'Reilly problem and putting women on screen, which you have tried to do, but at the same time saving money by paying them less than the men who were on screen before them. It is giving with one hand and taking away with the other.

Lord Hall, how were you appointed? We were talking about equality of opportunity. How did you come to be appointed as Director-General of the BBC?



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**Lord Hall:** I was extremely happily running the Royal Opera House and enjoying myself when I was approached by Chris Patten and a head-hunter who said, "Will you apply to come and run the BBC?"

Q198 **Jo Stevens:** Is that equality of opportunity?

**Lord Hall:** I was offered the job. The BBC was in crisis and I really felt that it was my duty to go back to the BBC and to help sort out the BBC, which is what I hope I have done since I came back.

Q199 **Jo Stevens:** Do you think the BBC is in crisis now over this? Do you think reputationally it can survive or you could survive?

**Lord Hall:** The BBC has an amazing future. This is not talking about the role of us versus Netflix and so on, but I think the BBC and what it stands for on creativity has an enormous and certain future. What it stands for on journalism—Carrie was talking about this earlier—is now more necessary than ever. I believe profoundly in the values that people who work for the BBC stand up for. I also believe in learning. I never believe any organisation gets to a perfect state. You have to listen and learn and change and reform and adapt to ensure the survival of something you really believe in and love.

**Sir David Clementi:** Could I interrupt here? This line of questioning requires a comment from the board to whom the executive is responsible.

**Jo Stevens:** I was going to come to you, Sir David.

**Sir David Clementi:** Fine and so here I am. I think that the BBC I joined is open. Compared with any organisation I have seen or any other broadcast company, I regard it as very transparent. We, on the board, consider that we are extremely fortunate to have people of the talent of Lord Hall, Anne and Fran and in the case of many of our senior management at a very significant discount to what they might earn if they worked in the private sector or for other public service broadcasters like Channel 4. I want there to be absolutely no misunderstanding on that. We consider ourselves extremely fortunate. These are people who are completely committed to public service broadcasting and also committed, which is the subject of today, to the principle of equality between men and women. You can see that in many of the appointments that Lord Hall has made over the last few years.

Q200 **Jo Stevens:** But what we have heard today, Sir David, is that there has effectively been no governance and no oversight whatsoever of the BBC's statutory, legal duty to pay equally.

**Sir David Clementi:** There clearly has been a structure in place but under a different regime.

**Jo Stevens:** Well, we have not heard about it.



**Sir David Clementi:** As we know, there were plainly structures in place with the BBC executive and with the trust, which you have quizzed many times. I also received and reached the conclusion it was a defective governance system. The current system was put in place from April last year and, as I have said on the record, it is now clear where the accountability lies. It lies with the single unitary board and we are wholly in support of the work and progress that Tony, Anne, Fran and many of the other senior people in the BBC are taking forward.

Q201 **Jo Stevens:** I have to say I disagree, but let's look forward. Lord Hall, we have heard some really good suggestions and very sensible suggestions this afternoon about offers to help the BBC resolve what I would describe as a crisis at the moment in reputation and particularly about trust. You have said—and I am really pleased to hear it—that you want to consult with people; you want to consult with the trade unions and the people across the BBC.

There were four suggestions made. I would be interested to know whether you want to take up any of these suggestions that have been made in the evidence today: bringing in an outside expert in equal pay to resolve the cases as an independent arbitrator; extending the bargaining group to cover everyone who works at the BBC so that unions can help you design, develop and implement a transparent and fair pay system, which is what everybody who has given evidence so far has said they want to see; an offer of help from Carrie Gracie and from the BBC Women to unpick the problems and suggest solutions and trust them to find you some solutions; and you heard from the General Secretary of the NUJ that unions are more than willing to work with you to practically and pragmatically sort this problem out. How many of those offers are you going to take up?

**Lord Hall:** We are talking to the women's group at the BBC. I hope that relationship will continue; I want it to. What we were doing yesterday is saying, "Here are our ideas, these are the reforms we want to bring about. Now come and join us, fill in the gaps, argue with us, look at it, help us to get that absolutely right".

From the point of the NUJ involvement, we are talking a lot to the NUJ and to Michelle and her team. We are consulting the women in the BBC group, plus Carrie, plus others, Women in News, the global news women's network; all these people. My view on this has always been that unless you have proposals out there, unless you have data out there, it is very hard to consult; on those points, absolutely.

The bargaining group extended to cover the people we are talking about is happening. That is in active discussion at the moment with the NUJ and we have been pushing that quite hard because we believe that is a very good idea. That is why some of the people who are in this top group in the 800 are now part of the NUJ negotiating machinery.



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On the expert to resolve some of these equal pay issues, I am thinking about what independent and expert help we might have to take us through some of those things. I need to think about that quite hard.

What I want to do is to have a system going forward where people absolutely believe in it, people have trust in it, and people believe it is open, people believe it reflects the values that I believe in and the staff of the BBC believe in.

**Jo Stevens:** I think we all do.

**Lord Hall:** What we all want, yes, thank you.

Q202 **Brendan O'Hara:** You have all said repeatedly this afternoon that the BBC does not have an issue with people paid for equal work on a gender pay gap. We spent two and a half hours with Carrie. She gave incredibly powerful and moving testimony to this Committee and we applaud her bravery in taking the stand that she has. Following her actions, 190 other BBC women said, "Yes, I agree". Are they all wrong and, if they are all wrong, how are they all wrong?

**Lord Hall:** This is why, Mr O'Hara, I think consultation going forward, working together going forward is really important. Call me an optimist but I believe there are things that bind together what Carrie was saying, what Michelle was saying and what we believe too. I go back to the framework we put out there for consultation. We want to get that right and consult on it and debate and discuss it so we have a very strong framework for the future.

Q203 **Brendan O'Hara:** I agree and the future is important, but what I would like to know is how 190 intelligent women have got this so wrong, in your view.

**Lord Hall:** I am not quite sure what you mean by that. There is, of course, support for Carrie and her stand and I said at the very top of this session that I admire what she has done. But what I am interested in is how we convert the people who have raised issues with us about the way pay is determined in the BBC into action so we can have a very clear framework going forward for settling these issues.

Q204 **Brendan O'Hara:** As I understand it, this is not 190 women saying, "We support Carrie". This is 190 women saying, "Carrie is absolutely spot on and there is a systemic, fundamental failure in the BBC in the way that it pays women", surely. If that is the case, how are they wrong?

**Lord Hall:** Let me try this, which is what I believe. In the meetings we have had with the women's group from the BBC, with the NUJ, and it is there in the dossier that you published two days ago, my line on this has been clear, "If you have cases that you know about, we need to know who they are, we need to understand the case, we need to deal with them and we need to make sure that they are dealt with properly and fairly". That is what I think is also part of the process going forward. If





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we have issues, if people think they are being treated unequally or unfairly, we need to address those issues and make sure they are dealt with properly and impartially.

**Q205 Brendan O'Hara:** I will move on. Yesterday when the PwC report was published you said, "We have really important issues to tackle, particularly in some areas of News and Current Affairs, and I am determined to get it right". This is your sixth year in the job. Why did it take a report to tell you the problems that existed and what did this report tell you that you didn't already know?

**Lord Hall:** As I think I said at the very beginning, I was brought in less than five years ago, as it happens, to sort out the BBC going through a big crisis post-Savile and then to put in place the basis for our charter negotiation, which finished about 15, 16 months ago. You cannot take on every issue you have to deal with all at once. We—by that I mean the executive team—knew that we wanted to have a major reform, as I said earlier, of pay and conditions, terms, the way we structure pay within the BBC. We began planning for that two years ago and we began working on that, negotiating and consulting on that, over a year ago. It has been staged. It is not right to say this is something we are dealing with that has come in lately. We have been on the case of this for some time.

**Q206 Brendan O'Hara:** When was this PwC report commissioned?

**Anne Bulford:** This work was commissioned in November.

**Q207 Brendan O'Hara:** In light of what happened?

**Anne Bulford:** The sequence was that we had been working on the career path framework for all staff. The disclosures in July raised these issues that we have been speaking about today very strongly. We did our best to complete that career path framework so that we could publish to the staff alongside publication of our gender pay report. We were working towards the end of September and we finished up in the middle of October. As we progressed through that work, we decided that we wanted to undertake an equal pay audit because a lot of people had asked us for that and we felt that that would help.

**Q208 Brendan O'Hara:** Sorry, can I just interrupt you there? Is this PwC report that was launched in November unrelated to Carrie's situation?

**Anne Bulford:** It moves on through. When we were completing that work, we identified quite quickly that dealing with the on-air group, as defined in the report, was going to take us longer and was going to need more time. As a result, we said we would look at that population, that very important group separately because we had the different contract arrangements, different sorts of work patterns. These were people who in many cases had been looked at, at a programme level, so we had to take the data and turn it through. Therefore, we said when we published in October that we would take that out. We carried on looking at the data. We were using PwC to help us do the data and in November we decided



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we wanted them to produce this sort of work with us. We spoke to the union about that and we talked to staff about it.

Q209 **Brendan O'Hara:** It was commissioned in November and reported at the end of January?

**Anne Bulford:** Work had been running on pulling the data out. It was not that we were not doing anything. What is the case—and there were a number of examples of this—is that alongside that we committed in July that where people had equal pay claims or questions about their pay or felt they needed a pay review, we would seek to resolve those as quickly as possible. Alongside that we were also, and we continue to, look at individuals. I think one of the reasons why it has been difficult to resolve some of the questions with individuals is the absence of a framework that says, "What is the fair rate for this job based on a job evaluation that we can talk to you about". I am more hopeful. Having got this, I feel more optimistic.

Q210 **Brendan O'Hara:** I am sure you can understand why for a report that was commissioned in November and reported in January, given all of the background to it—and it is not really an audit—people would say that in reality this is little more than an exercise in post-justification of a system you knew to be fundamentally rotten.

**Anne Bulford:** I don't think that is true. I think that the work that PwC has done on the hundreds of people that we have been able to put into the career path framework reflects a pretty standard approach to an equal pay audit. Through the data analysis we have been able to understand what it is that is driving the gender pay gap there and what we need to do to fix that as well as having more confidence on equal pay across the whole. For the 0.6%, the highest paid presenters, I think that the way in which we need to evaluate those jobs makes an audit in comparing to the median and sampling more difficult. What PwC explained in its report is that what you need to do is look at the distribution and patterns of pay and the male-female through the bands. I think they have done an audit and it has given us conclusions.

What we all agree—it is one of their recommendations, one of the points that was made in the announcement yesterday—is that there are a lot of different moving parts and one of the things that we want to do as the parts settle is rerun an equal pay audit when we have made more progress with our terms and conditions reform, and with some of these other reforms that have come through.

Q211 **Brendan O'Hara:** Can you call it an audit when 824 people were taken from it? This is not an audit of the organisation. This seems to be a carefully selected group of people. Can I ask about the methodology? Who decided on the methodology and who was it agreed with?

**Anne Bulford:** The methodology this time or the methodology—

**Brendan O'Hara:** Of this PwC report.



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**Anne Bulford:** The methodology was decided by PwC and that methodology follows the EHRC guidelines. For the first group, the methodology that they adopted, as I understand it, is that they looked at the distribution through the groups; they looked at the pattern and the mean of the pay gaps as they saw them. They chose to sample on the 3% variance, the higher level, because of the smaller population and the distribution spreads that they saw, which they felt merited further investigation. That is the methodology adopted for the 600 or so.

Q212 **Brendan O'Hara:** Do you feel that gives you an adequate picture of the whole organisation to be able to then say, "We do not have a problem"?

**Anne Bulford:** I think that gives us confidence that we have not seen systematic gender bias under which pay is set. What it does not do, either there or in the top group, is give absolute confidence that there are not equal pay problems in there. We have cases that we need to consider and the audit is not designed to do all of that.

Q213 **Brendan O'Hara:** It had a narrow bandwidth, a narrow remit and it was very restricted in whom it could speak to, very restricted in who it could analyse, and it took out the entire tier of top-earning BBC staff.

**Anne Bulford:** No, there was a second piece of work, which they speak about in the report, looking at the top BBC staff. When you look at that data, the gender pay gap in that group is pretty much zero but they did not stop at that point and say, "There is no sampling to be done, that looks okay". They did not stop at that. They then moved through into the distribution and in that group what they identified is exactly what we have been speaking about this afternoon, which is that there are differentials and there are reasons given for the differentials but the differentials are too wide because the bands are too wide—the very challenges that colleagues have put to us in relation to Carrie. Furthermore, when you get to the most highly paid people you have a group of men and there were reasons for why they are paid for what they are paid. Many of them are historic, response to market, at a time when the BBC was reluctant to let people go. That is a pattern that the BBC needs to do something about and that is the conclusion of the report.

Q214 **Brendan O'Hara:** Do you know how many women making equal pay claims against the BBC were spoken to by PwC?

**Anne Bulford:** PwC did not speak directly to people making equal pay claims. What PwC has done is an exercise from the data, but they did have access to the feedback from the various consultations that we had. The issues that people have raised, many of which are the themes that come out from the dossier, the themes that are being discussed this afternoon, they were absolutely aware of. Consequently, they were able to take into account the differences in contract that we spoke about, looking at allowances and different operations of things in normalising numbers so that they could look at like for like.

Q215 **Brendan O'Hara:** As I understand the Equality Act, in cases such as this



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the person making a claim about not being paid equally for work of equal value is able to pick the comparator.

**Anne Bulford:** They are.

Q216 **Brendan O'Hara:** Have the women making claims against the BBC on the grounds of unequal pay been allowed to pick the comparator or has that been picked for them by the BBC?

**Anne Bulford:** No, they have been allowed to pick comparators, of course. That is the way it works.

Q217 **Brendan O'Hara:** Something that came up earlier that I asked Carrie about was in her grievance report, which said a person had been inadvertently underpaid while at the same time the same report tried to explain it away by saying she was in development. These seem to be absolutely mutually exclusive. Could you explain why the same grievance report would say that someone had been mistakenly underpaid and tried to explain it away by saying they are in development?

**Anne Bulford:** As I understand it, the grievance report reaches the conclusion, which I think we all agree with, that Carrie's pay should have been reviewed sooner. Certainly when Jon Sopel was appointed was an opportunity. It is not my report but my read of the development is that this was a new role. That role was established and as a result it was appropriate to review the pay at that point in the cycle, which is much earlier. I think we all agree that Carrie's pay should have been reviewed and one of the reasons for that, as I understand it—I am not a journalist or an editor by background—was that that new role in China was being established. I don't think it is a reference to her personal development, but it is not my report. I believe it is a reference to the development of the role, its establishment and its position in feeding into newsgathering. Is that fair, Fran?

**Fran Unsworth:** This is written by a hearing manager but I think that probably what the hearing manager was trying to say here is that Carrie was new to the role of an on-air editor. It is no reflection of the fact that she did not have loads of experience of covering China but this was a different role. Her salary should have been looked at, just as anybody who has been doing the job for a year or two would argue, "I've been doing it for a year. Surely it is time that you looked at how I have been doing in this job and am I eligible for a pay rise accordingly?" I think that that is what the hearing manager was suggesting should have happened that didn't.

Q218 **Brendan O'Hara:** It goes to the heart of almost the chaos surrounding this whole thing. It leads to my final question, which is: do you think the BBC has handled this affair well? Do you feel the BBC is blameless in this whole affair? Do you fear reputational damage will come from the fallout from it?



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**Lord Hall:** As I said earlier on, I regret that we could not sort out this issue earlier and with more speed. I am a big fan of Carrie's journalism. There were clearly issues around how she was feeling about the job, how she was being managed. I can only say what I feel as a human being, which is I wish we could have sorted it out earlier.

Q219 **Brendan O'Hara:** Do you think there will be reputational damage and do you think you handled it as best you possibly could?

**Lord Hall:** You always wish you could handle things better than you do. I am self-critical for the organisation and self-critical for whatever we do. I think for me what is so important here, Mr O'Hara, is that going forward we have real clarity for people to see how they are paid and we justify how people are paid very openly and in a constructive fashion with the 18,000 members of staff, not just with the 170 top people that we are employing on air.

**Chair:** Thank you, Lord Hall. Thank you, Brendan. We are going to take a short five-minute break at this point and then we will resume after that.

*Sitting suspended.*

*On resuming—*

**Chair:** Thank you very much for bearing with us and we will now resume the questioning.

Q220 **Julian Knight:** I am aware of the time so I am going to try to keep it as brief as I can. I am struck, frankly, by the fact that for anyone who likes the BBC this is a complete horror show. I have been speaking to several members of the Committee beforehand. I want to address this to you, Sir David, as Chair of the BBC. Lord Hall was not capable of offering a full apology. He offered regret but he didn't offer a sorry, effectively. Ironically enough, at 10 o'clock behind you is sat Carrie Gracie. I wonder whether or not you, as Chairman of the BBC, will offer an unreserved apology to Carrie Gracie?

**Sir David Clementi:** You put me in a difficult spot. I am well aware of her case and, of course, I heard the evidence—

Q221 **Julian Knight:** Will you just apologise, Sir David?

**Sir David Clementi:** It is clear within the grievance that we made a number of errors, so I apologise that that should have happened and everybody here is sorry and has recognised the errors made. Not an error, by the way, at the time she was appointed, since it is clear to me that in the way it was done she was put on the basis of a very small premium to her counterparts. The error lay in the fact that when Sopel was moved across at his current salary pragmatically—

Q222 **Julian Knight:** I am going to touch on that with Fran but, Sir David, as Chairman of the BBC and—



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**Sir David Clementi:** I apologise for what she has been through. It is not just errors. I recognise for the individuals concerned how stressful these occasions are. It is stressful for us but it must be much more so for her, so there is no question—

Q223 **Julian Knight:** You are sorry?

**Sir David Clementi:** I am actually very sorry. But since you asked me to address it, I need to put it in context. Carrie's case may be replicated in a number of cases. We are dealing with 11 grievances as we speak, 10 of which are for women and one for a male. The board keeps abreast of the stats. Even if it is not engaged in the individual cases, it keeps abreast of the stats. We have 231 people who have asked for their pay to be reviewed. Given that we are carrying out a really fundamental review of everyone's pay and salary in a population of over 20,000, it means about 1% have put their hands up and said, "We want our salaries reviewed". We will go about that and are going about that in a very methodical way. A number of cases have been dealt with; there are quite a number outstanding. But I think we should put it in context. Some questions have been raised about morale within the BBC or the state of play. I think you need to keep in context that, at the time of enormous change, that is the number that has asked for a review.

Q224 **Julian Knight:** Thank you, Sir David. Fran Unsworth, if I may. Sir David made reference to the fact that you were paying the American editor basically the same as Carrie until Jon Sopel moved across, and that is correct, isn't it? The point you made to Jo Stevens before, which is that effectively the China job may not be as demanding potentially as the other jobs, is incorrect in that regard, because if the previous incumbent was paid the same, the jobs are the same.

**Fran Unsworth:** I was really talking about in the framework that we have set now going forward would we assess those jobs to be the same and there is clearly a different environment in a post-Trump age about the amount of workload that the North America job has. At the time I think they were broadly similar.

Q225 **Julian Knight:** Is the big problem that you have a large group of men in the organisation, due to systemic inequality that I think most people can recognise, moving from job to job and taking those salaries with them? Is that something you really feel when you have to allocate resources, that you have these people on these big salaries.

**Fran Unsworth:** You highlight one of the issues about moving people around an organisation like the BBC, and it is one of the issues for us going forward, which we are going to think about how we manage. If we set a range for the job and a pay range and we take a pragmatic decision that we would like to put a particular person into it who comes with a different salary, it is quite difficult to make them take a lower salary. Then it becomes a question, I guess, of how badly you want them to do this job and what it is going to mean for the rest of the people in that pay





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range. That is what we did not do in this case between Jon Sopel and Carrie.

**Q226 Julian Knight:** There is an element where you effectively put the cart before the horse, in some respects. You have the job and the person applies for it and says, "I will bring my salary with me". When you apply for jobs in many other places, quite often when you go for a new job you have a salary advertised and you know what you are going to. That seems to be a much more clear-cut way to do it.

**Fran Unsworth:** This becomes a balance between how much the person wants the job and how much we want them to do the job. These matters have been subject to negotiation in moving people around, obviously, especially when you are talking about moving people abroad where people have to take into account their family circumstances.

**Q227 Julian Knight:** Lord Hall, we have heard today about one case where a female reporter had been offered a 65% increase but not recognising any discrimination in that respect. You have 297 active equal pay case disputes on the go. Isn't this a situation where, frankly, the organisation, over this particular issue, is in meltdown? Is it not the case that you need something a little bit more radical than a PwC report that seemingly exonerates you in the first line? I have to say, I think that is probably the worst get out of jail free card I have ever seen in history. Don't you think that you need something a little bit more fundamental, a sort of truth and reconciliation within the BBC where you bring transparency and openness at all levels of the organisation so that people can be confident that there isn't, as Carrie said during her testimony, a caste system?

**Lord Hall:** We are managing 298 cases at the moment, because in the autumn we said to the 18,000 members of staff who are not covered by the review we issued yesterday that we welcomed it and, "Using the data and the framework that we put out there, you can now challenge us on where you feel you have claims you want to make. They might be pay-related; they may be to do with where you sit in the career path framework". I take great heart with the fact that 298 people have come forward, mostly women but not entirely women, and we are working them through our systems and we are coming to results. Of the 237 pay-related queries, we have resolved 117 and they are mainly women's cases that we have resolved. The system is working. What we announced yesterday was for a different group of people and we will apply the same systems to them as well, but the system is actually working.

**Q228 Julian Knight:** I can't believe you said the system is working. We have had Carrie say to us she had a response after 89 days to her grievance about this particular issue. We have testimony coming in right, left and centre from people at the BBC saying that they are pay-discriminated against and you are sitting in front of the Committee and saying that the system is working, "All is well. Move along, please".



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**Lord Hall:** No, hold on, Mr Knight. I am not saying all is well. What I am saying is that what we have been doing is managing cases and telling people to come forward with cases, and reviewing cases ourselves and seeing whether we think there are things we have to deal with. We have roughly 1% of the population of the BBC pursuing those cases and we are dealing with them. What I have said to the NUJ and to the women's groups, as I meet them, "If you have cases, don't anonymise, don't hide behind anonymity, bring them forward because we will deal with them". When those cases are brought forward we deal with them. That is the system working properly.

Q229 **Julian Knight:** Sorry, Lord Hall, when Carrie Gracie came forward, she ended up with calls from journalists saying, "Weren't you working part-time at China?" If that is anything to go by in that respect—that is testimony from Carrie on the briefing that she was receiving.

**Lord Hall:** I completely deplore briefing from the BBC about other journalists. I don't like that side of any business, be it in politics, the media, wherever it happens to be. I absolutely stand for proper decisions made openly and I have already said I think Carrie has done a very brave thing by coming out in the way she has. I would condone anyone briefing against her or any of that sort of stuff.

Q230 **Julian Knight:** Will you open an immediate investigation at board level into any briefing in that respect?

**Lord Hall:** If anyone wants to come before me and say, "We know of someone who has been briefing out and doing all of that" of course I will tackle it.

**Fran Unsworth:** Can I address the issue of part-time, because Carrie named me in the earlier session? This was a conversation with a former member of staff at the BBC who was asking me about the disclosures list and why there were fewer women on it than men. I was trying to explain, as part of a private conversation—he mentioned the names Carrie, Katya, other people who were not on it—in general terms that the list put out was the actual money that people had earned from the BBC without reference to what the job was, whether they did one shift a week or whether they did five shifts a week. I never said that Carrie was part-time; I never would have done. I wrote to Carrie on 15 November. There was another colleague with me at this event who does not recall my saying that. I have apologised to her if my language was loose that led to some kind of misunderstanding. I would never have said she was part-time. I did the contract; I knew she wasn't. I issued a correction on 15 November.

Q231 **Julian Knight:** The source of the particular call that was put into Carrie about her being part-time was not you?

**Fran Unsworth:** No, I am saying it might have been. There was a misunderstanding as part of a conversation but I never said she was part-time.



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Q232 **Julian Knight:** There is quite a big gap between 15 November and when Carrie got the call saying, "Weren't you part-time?"

**Fran Unsworth:** No, this was around the same time.

Q233 **Julian Knight:** A final question about the cases that are with you now, and that you have just dealt with. Of those cases that you have dealt with, that have come across your desk that you know of right now, in how many have you accepted that that there was equal pay discrimination, either a number or a percentage?

**Lord Hall:** I can't answer that question because what I see when the cases come to me and Anne is "resolved". It says "resolved" and that may be for a mix of reasons.

Q234 **Julian Knight:** Can I suggest that you try to explore a little bit more deeply into why it just says "resolved" and that is it, you tick it off? In this particular issue at this particular time, after we have had the evidence that we have had, do you think it would be better in future if you went into it to say, "How was this resolved? Have we accepted equal pay discrimination or not?"

**Lord Hall:** At the moment there are three cases of equal pay discrimination that we have accepted. I can think of three but, as I say, the data that I see and Anne sees says we have 117 resolved and I take your point, Mr Knight.

Q235 **Ian C. Lucas:** It is the crucial issue. The important first step you have to take is accepting that there have been cases of equal pay discrimination within the BBC. I accept your sincerity that you want to address the problem but the first step is accepting that within the BBC today you have been discriminating against women on the basis of their sex.

**Lord Hall:** The way in which cases are resolved can be quite complex but let me take the data point away and look at that, because I understand exactly what you are saying.

Q236 **Chair:** Fran Unsworth, I understand the explanation you have given about the part-time point, but can you see that if someone asked you a direct question and said, "Why is Carrie Gracie not on this pay list?" and your answer suggests that the pay list does not take into account the fact some people work different hours, you were implying that somehow Carrie Gracie was not full-time and, therefore, her pay was not full-time pay.

**Fran Unsworth:** No, it was not a direct question. It was part of an overall conversation in which I was asked the question why Carrie and Katya were not on the list. I don't know exactly what I said—it was three months ago—but I do know that I did not describe Carrie as part-time. If I gave somebody the impression that that was what I was saying I am truly sorry and I apologised to Carrie at the time.

Q237 **Chair:** I understand that you apologised but I think you should recognise



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that when asked a question like that and names are given and your response suggests people work different hours, different times, that could have been misconstrued and it was not a fair response.

**Fran Unsworth:** It was misconstrued and I apologised.

Q238 **Chair:** Probably the reason you gave a non-straight answer was that there was no answer. There was no simple, honest, clear explanation as to why Carrie was not on the list because she should have been.

**Fran Unsworth:** I was talking in general terms about the list. I was not talking about Carrie. I was not talking about anybody. I was saying that the list was simply what people were paid and did not have the context of hours and days that were worked.

Q239 **Chair:** Briefly as well, you mentioned earlier on that the salary for the North American post reflects the fact that in a post-Trump world—that was the expression you used—North America is in the news a lot more and there is a lot more coverage of Washington politics. Is that a fair reflection of what you said? However, Jon Sopel was appointed quite a long time before Donald Trump was elected, in the time when no one thought he would be. Yet he started on that higher salary. It would seem that, when he was appointed, the salary he was on did not reflect the busy nature of the North American bureau but more what he happened to have been on before.

**Fran Unsworth:** Exactly. I accept that. That is what I said. There is a pragmatic reason that we wanted him to do the job and we wanted him to go to North America. Looking forward, do I believe that the China editor and the North America editor should be paid exactly the same? They should be much closer than they were, but do I think they should be exactly the same? No, I don't, for the reasons I have outlined.

Q240 **Chair:** As Mr Lucas put it earlier on, in many other walks of life people say, "I fancy doing that job. It is on a lower salary and I really want to do that job", you just accept that it is on a lower salary and you do it. You don't say, "I want to do that job that lots of other people want to do. I want to do it and I want to keep my high salary as well". There are not that many other organisations where that would happen.

**Fran Unsworth:** This is a matter of negotiation between management and people and how badly we want him to do that job.

Q241 **Ian C. Lucas:** You are not the only organisation in the world where this issue arises. It is a question of balance between how much someone wants to have that job and how much you want to pay. Loads of businesses have to manage exactly the same issue. You are not the only business in the world that has to do that.

**Chair:** I thought it was interesting, in terms of pay bands, that the BBC spokesman was very critical of John Humphrys' joke, as supposedly was Jon Sopel. John Humphrys' statement was not a joke. It was a statement of fact. He has taken a pay cut, which was more than Jon Sopel earned



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and he still earns more than everyone else. Many people would still question whether that is an appropriate pay structure for senior people within news.

- Q242 **Paul Farrelly:** You were intimating there were contradictions that may yet play into claims from your evidence, Ms Unsworth, about the comparisons you used and the justifications and the timing for inequality with pay. Maybe in the future, as you judge this better, you may not have so many headaches because the people who want a particular job may not come with such a high price tag in the first place.

**Fran Unsworth:** I do believe that when we have implemented this system of looking at ranges for jobs and what people can expect, it will be better. It will be better for everybody, not just the staff who can at least see what the expectation is that they should be earning. I also think it will be easier for managers as well, going forward, to know the ranges that they have to be able to make offers to people.

- Q243 **Paul Farrelly:** You have made clear that this is the start of an ongoing process. I put to the previous panel the question: if you were not part of the 824, how valued would you feel at the BBC? I deliberately did not use the words "on-air talent" because I could not source it to any BBC documents but you provided the phrase to me.

**Lord Hall:** It is commonly referred to as "on-air talent". It is not an official title.

- Q244 **Paul Farrelly:** No, but you provided the phrase. Imagine the effect on the people who are not part of the 824 who may consider themselves 'on-air not talent' or 'not on-air not talent'. It is a point I have made to Lord Hall before. You might consider the language that you use when reflecting on morale among all the Corporation's employees.

**Lord Hall:** I think I said to you last time, Mr Farrelly, that I completely agree with that. It is objectionable to the people who work their socks off putting out our programmes day in, day out, and it is a good correction for all of us. We are lucky enough to have an extraordinarily talented workforce at the BBC. I am very proud of what they do day in, day out.

- Q245 **Paul Farrelly:** The phrase "talent" has been used in the past when the BBC has been taken to task over some of the salaries or payments it gives to people like Chris Evans or Gary Lineker, whether those criticisms are justified or not. It has now extended into news.

I read a piece by Robin Lustig, a very eminent journalist for the BBC, in *The Observer*, which I used to work for just a few weeks ago, where he pointed out that this is not just a gender issue, an equal pay issue; this was for a few people at the top who are very well-known names. This was an issue where pay had gotten out of hand for that small number of people. Do you accept that or are you still relying somehow, just at this particular point when you are grappling with these difficulties, on the idea that the bottom has fallen out of the market for news talent?



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**Lord Hall:** That is what I believe and that is what I was suggesting yesterday, Mr Farrelly. Things have changed when it comes to news. There are still people who move and we have had a couple of people who we have lost to an American broadcaster but, basically, there is not the market that there was maybe a decade ago. We all know what is happening to the press and broadcast organisations. What we are doing is managing the fact that—I want to be absolutely open about this—there are some historic salaries or payments we make to presenters, and one of the reasons for managing down is they reflect the past, not the future. That is an issue for us to manage.

Q246 **Paul Farrelly:** I don't know whether this question is the right one for Fran Unsworth in the way these things are delegated in the BBC, but a lot of people would find it staggering to imagine what sort of thought processes or actual processes the BBC would go through to agree to make an offer or agree to a demand to pay someone who is already very highly paid £70,000 or £80,000 to co-present an extra programme rather than simply saying, "We will get one of our other very talented on-air people to do this as part of their job".

**Fran Unsworth:** I don't know what you are referring to there so it is difficult for me to comment, to be quite honest.

Q247 **Paul Farrelly:** Let me name the name. The alleged Jeremy Vine payment for the Scottish referendum night in 2014. It was not hard to guess what I was referring to.

**Fran Unsworth:** I don't know the details of this, to be honest. It would be unfair of me to comment, but I would say that Jeremy Vine does have a separate contract with news to do political election stuff. I don't know about this.

Q248 **Paul Farrelly:** Those sorts of comments not only damage the reputation of the BBC but also—

**Fran Unsworth:** It would be seen to be unusual for one event but I don't know if it was or not, so I cannot really comment.

**Lord Hall:** Those are all the things that we are actively managing down. I don't know the specifics of this. Let me volunteer that, when it comes to disclosures in our annual report in the summer, we want to be much clearer about what people are paid for doing what. Last year it was part of our worry about disclosure. It was also wanting to protect presenters and others because we know how sensitive this is, but what we will do for the summer is find clearer ways of telling the public, yourselves and our staff, of course, what people are getting paid for the bits of their job.

Q249 **Paul Farrelly:** It is not only important for morale, as you can see, it is important for the reputation of the BBC as custodian of the licence fee.

Can I just make one final point? As a former journalist, this is perhaps the most damning thing I heard Carrie Gracie say. It was about the





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presentation of the reports and the review that you have now published, that the BBC's corporate statements don't stand up to the BBC's news values. They don't bear scrutiny. "We deal in truth" was the quote that I wrote down. That is fairly damning.

**Lord Hall:** I heard that and it is not what I believe the BBC stands for. It is certainly not what I stand for. I want to ensure—and I think I have—that when we publish things about the BBC that they are truthful and they are open and they are honest. I have not been one for corporate speak. I have not been one for corporate defensiveness. I don't like that. The organisation is too precious to have that sort of stuff wrapped around it. We should be being honest about our issues and being honest about our problems. I approach it as I used to approach journalism when I was a journalist, which is being as open, clear and honest as you can about the good things as well as the bad things.

Q250 **Rebecca Pow:** One very quick question because I could not resist it, Lord Hall. I assume you are going to have this new framework right across all areas, all departments, particularly the sports department. One of the most telling representations we had here was from a sports reporter who had been working for the BBC for 30 years. She discovered that her daily rate was £500 for presenting alongside a male presenter who was getting £1,200 for each radio show. When she raised the equal pay issue she was offered £650. What they are worth is solely at the whim of management, who are essentially in sport always men. Can you give us assurances that this is going to be addressed? It sets such a terrible example to women trying to come forward. I have just been talking about women in Parliament, trying to get more people to step forward to do things for equality and all of that. Can you give us assurances that you are going to knock this on the head?

**Lord Hall:** Yes. This is about culture change. This is difficult, it is hard and you have to stick at it long-term but I want a change in the culture. I think we have begun that but we have a lot to do. That is quite clear. I find that case distressing. I also found the person, whoever it was, saying, "We don't do equality in the BBC", absolutely wrong. We do and it is the core of what we stand for.

Q251 **Rebecca Pow:** We will not see the Clare Balding/Gary Lineker enormous divisions in pay again?

**Lord Hall:** We need to ensure that there is a better way of judging what Clare, who is utterly brilliant and wonderful, does versus what Gary does for "Match of the Day".

**Chair:** Thank you very much. There is a division of the House but I think we have concluded the session now as well. The bell is not a fire alarm. It is only for a vote. Thank you very much for your evidence.