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Digital, Culture, Media and Sport Committee

Oral evidence: The work of the BBC, HC 99

Tuesday 29 September 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Philip Davies; Alex Davies-Jones; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 132 - 290

Witnesses

I: Tim Davie CBE, Director General, BBC; Sir David Clementi, Chairman, BBC; Clare Sumner CBE, Director, Policy, BBC; and Glyn Isherwood, Chief Financial Officer, BBC.



Examination of Witnesses

Witnesses: Tim Davie, Sir David Clementi, Clare Sumner and Glyn Isherwood.

Chair: This is the Digital, Culture, Media and Sport Select Committee, and in today's hearing we are going to hear from the BBC in relation to our inquiry into public service broadcasting and the review of the annual report and accounts.

We will be hearing from the new Director General, Tim Davie; Sir David Clementi, the Chairman; Glyn Isherwood, chief operating officer; and Clare Sumner, director of policy at the BBC. Thank you all for joining us this morning.

Before we start our questioning, I just want to ask any of the members whether they have any interests to declare. I would like to declare that I was formerly an employee of the BBC, and I am a deferred member of the BBC pension scheme.

Giles Watling: I would like to declare that I occasionally receive royalties from the BBC and was once a member of the BBC Club.

Q132 **Chair:** Does anyone else want to declare anything? Forever hold your peace. Thank you very much.

I am going to put my first questions to you, Mr Davie, the new Director General. I would like to focus first on your speech to staff, which obviously drew a lot of attention. As the new Director General, you stated that renewing your commitment to impartiality was your No. 1 objective. In what ways do you think the BBC has been failing in terms of being impartial? Why do you think that is, and what are you going to do about it?

Tim Davie: As I set out in the speech, my key concerns were not historical issues in terms of left or right politics, frankly. The pursuit of impartiality is always going to be an imperfect art, and we have often admitted things that we did not get spot on, but my speech was not focused on that. It was actually focused on audiences and audience value.

The research is pretty clear. We have had a number of recent surveys suggesting that, on the left-right axis, it is pretty balanced. Marginally, people think we are slightly more left wing; most people think we are pretty much in the middle. When it comes to a trusted news source, we are well ahead of anyone else. In fact, our trust rating through Covid has gone up. That was not the issue, but I did say there were two things that I was concerned about. I believe that if the BBC is not a trusted source—I use the word “bedrock”—then you can't build on other things. I think, in fact, in this world it is going to become more, rather than less, valuable as a trusted source.

There were two threats to impartiality that I noted. The first was that, in this age, I think the pursuit of impartiality can often be seen as almost



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unachievable with so much noise in social media. This group will be very aware of that. There was some research done with under-35s that said most of them find it quite hard to get the notion of impartiality at all. They ascribe everyone who asks any question of any politician, or anything of myself, with a political motive. I wanted to renew our vows on impartiality as something that was a deliverable, plus we also needed to be very clear with audiences that that is what we are doing.

The other point is that I think there are voices beyond Westminster voices, beyond politically aligned voices, where research shows that institutions— and I know this has been talked about in the political realm as well—that do not uncover diverse voices, voices that frankly sometimes don't feel connected with the metropolitan areas, we need to get to them. They are paying their licence fee and they want to know that their voices are being heard. That was the point I was making.

Q133 Chair: You talked in your speech about changing from the internal to the external. Is that about the point you have just made, effectively about this idea of the metropolitan elite, and wanting to reach, in political terms, red wall constituencies? Is that what you mean in terms of connecting, not just diversity in terms of groupings of BAME, but actual diversity in terms of social background?

Tim Davie: Totally. I have done a lot of work, and we will no doubt come to it in this morning's discussion, around other minority groups, protected minorities. I think one of the key vulnerabilities for institutions—London-based institutions—is if they don't have deep socioeconomic diversity, and no one has done more than the BBC to push ourselves out of London. Again, we can talk about that later in the morning, I am sure.

We are funded by every household across the land, as I said in my speech, and it is critical that we are not associated with one particular point of view or perspective on life. There are dangers—and I do not think the BBC is unique in this—when institutions surround themselves with people internally. Frankly, it is straightforward. The BBC can be made very complex but, at the end of the day, we have a simple brief, which is to make sure every household that is paying the licence fee gets good value from it.

Q134 Chair: I would probably take issue with the idea of serving across the whole country. As a West Midlands MP, we get the poorest return for our licence fee. However, I know colleagues are going to talk about regional broadcasting very shortly.

Tim Davie: The general impression of the BBC in the Midlands is up there at 6.7, in line or ahead of it, and it is not just hours received. I take the point, by the way, that there are things for us to do across the country, which we can talk about. I take the point, but I think our base provision across the country remains pretty solid.

Q135 Chair: Yes, £12.50 for every licence fee is the return that the West



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Midlands get. It is 5.3 million people, roughly the size of Scotland. Currently, what used to be Pebble Mill is now obviously the Mailbox; it has hollowed out. We could be here all day talking about the West Midlands, but my perception is not what you are saying there in terms of your regional delivery.

Moving back to the point you just made about reaching out to different demographics, talking about the idea of being almost too internal and not talking in an echo chamber, if you like—I suppose that is what we are talking about here. Is this just a simpler way of recognising the criticism made by the Secretary of State when he said the BBC is too woke? Is that correct? Are you now effectively saying that the Secretary of State had a point?

Tim Davie: No. The Secretary of State made the point about the dangers around metropolitan focus, and I recognise that issue, I really do. I think there is always a risk that institutions that are based—I have done this in my commercial career. At the end of the day, you have to be utterly focused on your paying audience. We have to use the term “customer” carefully here but, at the end of the day, I have to deliver. As the leader of the BBC, every house in the Midlands, every house in Birmingham, has to feel that £157.50 offers excellent value. I take that challenge. That is what we are about.

Q136 **Chair:** Did you think the BBC’s coverage of Brexit in any way broke trust with certain parts of the UK public, particularly in the north of England, as reflected in the general election of December 2019?

Tim Davie: I suspect if we go back into the deep history of various—

Chair: It is not deep history. It is current right now, as we well know, as we approach the deadline for a trade deal.

Tim Davie: If you want to talk about our current delivery, I think the research is very clear that we are trusted. The way we have covered the latest crisis has been, I think, exceptional in terms of the way we are covering our history.

In terms of Britain and Brexit—coming to your question, Chair, because I know I will frustrate you if I just bring it straight to the current—I think I have been very clear that, overall, I am very proud of the BBC. Its record on impartiality is exceptional, but if you read my speech it is pretty clear that we have a much more polarised country, we have a nation that has strong views across the divide, and sometimes in the pursuit of trying to give different political perspectives—I think we did a good job in that—there is no doubt that people sometimes say, “I would like to hear my point of view more represented by an institution like the BBC.” We take that challenge.

Q137 **Chair:** Just to answer the question, do you think the BBC’s coverage of Brexit in any way broke a bond between the BBC and some parts of the United Kingdom?



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Tim Davie: I don't have evidence to suggest that. I have the overall trust scores in the BBC, which have held up, and overall the institution versus other institutions did well in terms of maintaining our trust. I don't want that to indicate complacency, because there are definitely some people who feel the BBC is too distant and that their views are not represented. I have the data, which I can give you. It is somewhat comforting versus norms for other institutions, and our trust scores have remained strong throughout this period, if you look at them, but I take the point that there are areas of the country that would like to feel their voices are more represented and groups that would like their points of view more represented on the BBC. I have offered that challenge; I am not complacent on that.

Q138 **Chair:** You say that opinionated columnists and campaigners should not be working at the BBC. You were very clear about that in your speech. Are you prepared to terminate the contracts of those who do breach the rules on impartiality, whether on social media or on air?

Tim Davie: I am prepared to take the appropriate disciplinary action all the way to termination, yes.

Q139 **Chair:** Okay, so if I am a well-known sports presenter and I tweet in reply to the Prime Minister, where the Prime Minister states, "You can only meet people who don't live with you outside. Whatever the weather" and the sports presenter says, "Think they're hoping everyone gets pissed so they forget about their leadership...or lack of", is that an appropriate thing to be saying? Is that a disciplinary matter under your brave new world at the BBC?

Tim Davie: To be clear about where we are, and I fear I may frustrate slightly, but if we go back and look at every historical tweet as I come into the job—I am coming to the point, which is what I want to do. I take the point.

We are going to be publishing in the next few weeks—and this is imminent—clear social media guidelines, and they will cover both news and current affairs and beyond news and current affairs. We will have within those guidelines the enforcement policies, which will be very clear. We will be able to take disciplinary action; we will be able to take people off Twitter. I know people want to see hard action on this.

Q140 **Chair:** Did you say you will be able to take people off Twitter?

Tim Davie: Well, if they want to work for the BBC, I can say we would suspend their Twitter account, absolutely.

Q141 **Chair:** Okay. On that point, I noticed an interesting exchange a little while ago, not historical, between Jonathan Agnew, a broadcaster I respect a great deal, and Mr Gary Lineker. Jonathan tweeted Gary and said, "Gary, you are the face of BBC Sport. Please observe BBC editorial guidelines and keep your political views, whatever they are and whatever the subject, to yourself." Mr Lineker returns and says, "Jonathan, I am



the face of my own Twitter account. I'll continue to tweet what I like and if folk disagree with me then so be it. Thank you so much for your concern, which, I imagine, wouldn't be a concern at all if you agreed with me." Who is right in that instance? Is it Jonathan Agnew saying to Gary Lineker, effectively, you need to follow BBC editorial guidelines and, "I would be sacked"—as in one rule for one, one rule for another—or is it Mr Lineker?

Tim Davie: A couple of things. One is we will issue the social media guidelines, which will be clear. The second is I would note that Gary Lineker has actually been very clear in his statements recently saying, "I understand I have responsibilities when working at the BBC." Those responsibilities will be clearly laid out. As I say, I am now the Director General, so I am running the show. In my view, party political statements are not the right thing for people to be making if they are part of an impartial news organisation.

One thing I would say, by the way—

Q142 **Chair:** Excuse me, Mr Davie, you just said impartial news. Do you mean only if they are in news, or outside news?

Tim Davie: No, I mean we will come back with social media guidelines to make it clear where the lines are. Just to be clear, Chair, and just to warm to your theme: if someone is a face of the BBC, entering into partial party politics seems to me not the right place to be, and I have been very clear on that.

There are some complications for us to work through in terms of contractual arrangements, all the various things, but I think the audience is less bothered by contractual status. My role as the Director General is to absolutely make sure that the BBC's impartiality is, first and foremost, protected.

The final thing I would say is that I know everyone, or some people, would like me to fire anyone immediately where there is a foot fault. I am sure that over your career and my career we have sometimes not acted perfectly, so there will be a range of enforcements. Sometimes someone just needs a talking to, other times there are serious matters or there is a real problem.

Q143 **Chair:** Does it depend on how big a star they are, whether or not they get a talking to or they get action?

Tim Davie: No, it doesn't. I do think, for what it is worth, there is a difference between people who appear on the BBC as an irregular contributor versus those people who are clearly faces of the BBC and regular contributors. As editor-in-chief, I want to have an organisation where you can get opinionated people, you can get polemic, but if people are the face of the BBC—I step back from the whole thing. My priority and what I have tried to do, in terms of listening to people, is to say very clearly that the overriding concern here is that the BBC is seen as an



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impartial organisation that absolutely understands and responds to the views of the British licence fee payers. It is damaging to us if we are aligned with any party political interest. It is a very straightforward brief for me. Difficult to deliver, but it is a straightforward brief.

Q144 **Chair:** I can appreciate it is a tightrope. To briefly move on to decriminalisation and evasion, it seems from many quarters that the Government are very minded towards decriminalisation. What plans are you putting in place to cope with that, bearing in mind, of course, that evasion has gone up to 7.2%, 1.3% above target, which is roughly £50 million to your bottom line? First, what plans are you putting in place to cope with that, and what is the long-term efficacy of the licence fee from which you derive something like 70% of your income?

Tim Davie: There is quite a lot there. I will just say something on decriminalisation, and then I might hand to Glyn in terms of the licence fee moneys.

Chair: Just cover decriminalisation at the moment, and colleagues of mine will come in on the finances later.

Tim Davie: With decriminalisation, the first thing is that it is a bit early for us to make assumptions on exactly what the Government will or will not do. I understand that certain press stories on this, that and the other are running, but the truth is that we are yet to see the first consultation, the questions around the second consultation. It is quite early days in terms of us looking at what the learnings are.

The BBC's position is, I think, crystal clear on this, and it is endorsed by the Perry report and numerous bits of analysis. Regardless of any broader debates about the licence fee, as it is currently configured, I think this system is logically hard to beat. If you are a law-abiding, paying customer and licence fee payer, I am trying to get you most value for money. The decriminalisation proposal, frankly, just does not pass the logic test. It is not purely about ideology; it is simply about what is the most effective way in which you get money from the BBC. On decriminalisation, as we know, some of the big statistics that are bandied around are questionable in themselves. Time spent in magistrates court, 0.3%. Number of people going to prison last year, five, and that was for, as I understand it, multiple issues around non-payment of debts.

Q145 **Chair:** With respect, Mr Davie, it is also the biggest means by which young women are criminalised in this country.

Tim Davie: I understand, and we are sensitive to that. No one wants to see anyone go to prison, and no one wants to see criminal records, but the actual numbers are low in relation to the 25 million law-abiding citizens who are paying into the system.

I have the sensitivities, and I worry about the sensitivities. No one wants to see people suffering if they have issues with regard to payment, all those things. The issue is the alternative. The alternative, if you look at



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civil systems, is that the fines are higher and the bailiffs arrive at the door. The system just is not good. No one has proposed a system to us that beats the current system logically.

Our position at the BBC is in the interests of law-abiding licence fee payers and in the interests of efficiently collecting money with the right level of sanction. As I say, no one wants to see anyone go to prison, and the numbers are remarkably low. The current system, for us, is the best. It is not just the BBC saying that; the Government did the Perry report and laid it out very clearly.

Q146 Chair: When the Secretary of State appeared before us, he was quite dismissive of the Perry report, which is obviously a very substantial piece of work. He said, "That was six years ago." That was his approach.

As a visionary at the top of the organisation, do you think the increase in licence fee evasion—obviously up now to 7.2%, well over target—is rooted in societal change in some way? What are your views of what the BBC needs to do not just to reduce evasion, in terms of trying to capture those who are evading, but on the offering and what that is trying to achieve?

Tim Davie: There are two timeframes in that question. There are the short-term issues around Covid and all the payments—I will hand to Glyn in a minute—and there are some factors that clearly impact us. On the actual evasion rate, if you look at it versus other countries around the world, we are in a very strong position. I think our evasion rate is low. It remains low. We are slightly behind target, but there are some things regarding Covid and other things that we can see impacting us.

I do not, however, dismiss fully your challenge, if it is that. As part of my strategy as Director General, for those who have read my speech, it is pretty clear that I introduce jeopardy into the game. We need to work together. We will need support to do this. It is a winnable battle, but we need to make sure that, in the world of internet-enabled hyper competition, the BBC keeps delivering value. That is under pressure and will need support. People need to fight for the BBC, and we need to do our work as well to make sure we are relevant, we differentiate and we are focused. We can talk a bit more about that later when it comes to PSB review.

I do not think we are free from external pressures. I am not saying everything is okay, but I do think the overall evasion rate is reasonable—it is a bit ahead of our target. Glyn, I do not know whether you want to say anything in terms of the latest?

Glyn Isherwood: Our licence fee collection is driven by a number of factors, including evasion, household growth and consumer behavioural changes.



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Last year we had a slight fall-off, but we should put that in the context of the increases over the last six years and the monetary falls. Broadly, we collect 25 million to 26 million licences every year.

Q147 **Chair:** Thank you, Mr Isherwood, we are well aware of the figures. We had a briefing from the National Audit Office on this. The simple matter is that you are £50 million under target, and evasion is increasing as a result. My point to Mr Davie was very simple. Basically, it is a societal change, but we got part of an answer in that respect, so thank you for that.

Mr Davie, directly, is it acceptable in any way that someone who has previously been convicted of non-payment of the licence fee should be appointed BBC Chairman, yes or no?

Tim Davie: I hope I answer your questions directly throughout the morning but, as the Director General, the one thing I do not think I should do, and this will not surprise you, is talk about who is the right candidate.

Q148 **Chair:** I have no one in mind. I am just asking whether you think it should bar an individual from the job if they have been convicted of non-payment of the licence fee. It is a criminal offence.

Tim Davie: With respect, I do not run the appointment process for my boss, and I think that is appropriate. I put my trust in the process, and I am confident in the process. I will let others decide who is the right person to lead the BBC. I am not going to make judgments on what the right criteria are. I just think that is the wrong thing for me to do. I have a job to do in terms of running the BBC. I am going to get on with it. I need to reform it, and I need support from the Chair to do that. I have worked with many great Chairs in my time, and I expect to work with another one based on the process.

Q149 **Chair:** All I would say is that, effectively, what you are saying is, "It's not me, Guv. It's not my responsibility" and so on. I understand that, but surely as an organisation that is absolutely wedded and chained to the licence fee, which is 70% of its revenue, to have a Chairman, whoever that may be, to be convicted of non-payment of the licence fee seems to be completely beyond the pale. It is almost like being convicted of fraud and being in a bank.

Sir David Clementi: You have raised an issue for the Director General, and quite rightly he has his head down running the organisation. The issue about his new boss is not a matter for him, nor is it a matter for me, but I do have some comments on it. I have clearly reflected on it because it would be hard to ignore what has been going on. The announcement that we are looking for a new Chair is a matter for the Government and, finally, it is a matter for the Prime Minister. It is an important matter for the Government and, if I may say so to you, it is an important matter for the DCMS Committee, who will need to satisfy themselves in the pre-appointment hearing, which you will hold, both



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that proper process has been followed and that the candidate has the appropriate qualities. The question you have asked my Director General is much more one for you than for him.

On the question of the process, there is, of course, a public appointments process that will be overseen and needs to be followed, and the Charter is clear. Article 22 of the Charter says clearly, "The appointment may only be made following a fair and open competition", so due process is important. In line with this, I hope the Government will encourage well-qualified candidates to apply so there is a strong and diverse field rather than putting them off by giving the impression that there is already a preferred candidate.

On the question of qualities of the candidate that you asked my DG, he quite rightly is not going to be drawn. But he did say in his first speech that the BBC is about being free from political bias, guided by pursuit of truth, not a particular agenda, and he particularly went on to say, and you quoted this back to him a while ago, "If you want to be an opinionated columnist or a partisan campaigner on social media then that is a valid choice, but you should not be working at the BBC."

The point I want to make is that impartiality starts at the top of the organisation; it does not start halfway down. It starts with the Chair and the board. If the candidate comes from that sort of background, he or she will need to be able to demonstrate to you that they have left their strong political views at the door. Impartiality starts at the top of the organisation.

Q150 Chair: We are writing to the Secretary of State to outline the Committee's concerns over the news stories that emerged this weekend. We decided that at a private meeting earlier today. That will be sent to the Secretary of State. You are correct that processes need to be absolutely open. We look forward to eventually having our hearing on the confirmation of the new chair.

Sir David Clementi: I am pleased to hear it, Chair. You have a part to play in this game, as does the Government, and the BBC does not. The decision on who the new Director General was—as you and I discussed last time—was solely a matter for the board, but the decision on who the next Chairman will be, my replacement, is, as we have just discussed, for the Government and for your Committee.

Q151 Steve Brine: Good morning, everybody. Hello, Tim. Congratulations on the new job.

Tim Davie: Thank you.

Steve Brine: I do not want to make this the Gary Lineker show because that would be tedious, but I am curious. You have struck a very strident tone on the issue of social media. I am going to ask you about younger audiences in a minute. This is linked because, in many ways, social media is how they roll. Putting it out there and being controversial is how you



build an audience, I get that. Maybe Gary is ahead of the field on that.

There were reports of what you said, and you have backed it up this morning in pretty robust terms, but I wonder if you are aware of the exchange on social media with Gary Lineker following your speech, when people were basically suggesting that he should be very concerned about his social media tweets given what you said. To which he just replied, "Nah". Then a BBC spokesman said, "Gary is not involved in any news or political output for the BBC and as such, any expression of his personal political views does not affect the BBC's impartiality." He seems to be mocking you. He seems to be sneering at you and your new drive around social media.

What I want to know is whether you are aware of that. What prompted this reforming zeal from you as one of your first acts, to take on some of your biggest stars in how they present themselves on social media?

Tim Davie: Let's do the last bit first. We are in a tough environment if you care about impartiality, we really are. Everyone has views. The quickest way to get followers, as this Committee will know, is to do something controversial. The pressure on everyone, journalists and people in the public eye, to go for the extreme push of partial views is very real. You can see that across the media landscape. That is clearly something Ofcom needs to think about in terms of navigating the course.

What I wanted to do in my speech, and what I needed to do—I do not want to speak for the staff, but I think this is well supported across the BBC—was to say that we have had a few tweets and a few incidents, just by virtue of people retweeting or what they have said, that in my mind have not furthered the BBC's reputation for impartiality, and that is what I am about.

Then we come to your points on Lineker. Gary always has a flavoursome turn of phrase. The thing is now to judge us as the BBC on what we tweet, how we tweet and our social media profile. Gary has been very clear that he is not concerned by it. We can let the man speak for himself. He said he understands his responsibilities as a person within the BBC. The good news is that I will be making that even clearer as I go through my social media guidelines.

Finally, and this may link to your next point, I do not think this is about banning people on social media. We must be out there. I passionately believe that impartial reporting can be flavoursome. The idea that it is dull is wrong. The pursuit of truth, looking at evidence, you do not have to be a partial voice. It may not get you as many followers immediately, but over time that is what the BBC must do. It will be more distinctive for it.

Q152 **Steve Brine:** You have asked Richard Sambrook to carry out a review of all this, haven't you?

Tim Davie: Indeed.



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Q153 **Steve Brine:** Channel 4 News carried out a similar process last year, I believe, to look at the impartiality of its presenters on social media. I pray for your soul that it goes better than theirs did. What do you expect from Richard's work?

Tim Davie: What we are going to do in the next few weeks is very specifically, with Richard's input—and he has looked particularly at the news operation—issue some clearer social media rules and guidelines. I think the bar will be higher for news and current affairs, but there will also be a bar for BBC talent across the organisation, across genre. Richard's work will inform and underpin that work in the next few weeks.

Q154 **Steve Brine:** So Richard's work will inform, but will his work be published? Will we be able to see exactly what he is saying?

Tim Davie: I have trouble with my internet connection now.

Steve Brine: We can hear you, Tim. We just cannot see you move.

Tim Davie: I am theoretically in a safe place at New Broadcasting House, so it should hold up anyway.

Steve Brine: The internet is no better here in the Palace of Westminster. Just to close on this, we have the new BBC boss laying down the law on social media, and then we have *The Telegraph* reporting that certain stars are going to be exempt from this and Gary sneering a bit at your work. It is not the most decisive first battle on impartiality, is it?

Tim Davie: We have been very clear. Judge us by what is out there on social media and our actions against it over time, that is all I can say. I know a lot of people will be speculating, but we will make it clear through our social media guidelines and be judged by our actions.

Q155 **Steve Brine:** All right. A lot of people will, because a lot of people follow your stars on social media.

You mentioned younger audiences only once in your speech. Has that core priority of attracting younger audiences been downgraded? I noticed James Purnell, obviously formerly of this parish, who leads on this work has been taken off the Executive Committee. What should we make of this?

Tim Davie: I will come to the last point. The Executive Committee, all of them, were focused on younger audiences and it remains a priority for the BBC, but I wanted to set it in a context—it is a good observation—of the broader challenge. When people move to an IP-enabled household and suddenly they have infinite choice, at that point the world gets much more competitive for organisations like the BBC that have benefited from more fixed distribution models. I absolutely think the priority is underserved audiences in the round, of which young audiences are utterly critical. They tend to be, as we all know, more developed in terms of their media choices around on demand, different platforms, gaming, so



there is no doubt that, in the umbrella of underserved audiences, I absolutely see young audiences as a priority.

I would say one thing, though, which is that I do think the BBC is desperately trying to grab young audiences as opposed to doing landmark, brilliant programmes. Some of the programmes that are made in studios, like *Blue Planet* and those big natural history landmarks, have massive youth audiences, but they have a 90-year-old presenter who happens to have unbelievable curiosity, real energy. It is not just about making youth output; it is about making sure that what we choose on the news, how we deliver our natural history offer, our comedy offer, is relevant and based on things that people of all ages can engage with. Youth remains a priority, but within the context of the overall challenge.

Q156 **Steve Brine:** You are producers of great content, aren't you? Our inquiry will obviously inform public service broadcasters. You are providers of great content, and that includes things like podcasts. The Peter Crouch podcast has been phenomenally successful in attracting younger audiences. It is a brilliant listen, if I may say so. What about other stuff? Do you know a podcast called *The Cut*?

Tim Davie: I have not listened to it.

Q157 **Steve Brine:** Well, it has been cut. It is a golf podcast. Golf is one of those sports that has been going great guns since lockdown. It is an outside, naturally socially distanced sport. I declare my interest having previously worked in the business, but I certainly do not anymore. That podcast had over 900,000 downloads in the year it was on air, and it has disappeared. It has gone from the BBC portfolio. That is one of those, yes, niche things, but it attracts those younger audiences that are very much the demographic of the game these days. What is your view on podcasts like that, like Peter Crouch's podcast, which is surely a route to some of those younger audiences that you want?

Tim Davie: Totally. If you look at the success of BBC Sounds, the way we have developed our podcasts, it has been truly exceptional and it is essential to our keeping relevant. I am not a golfer, so that is why *The Cut* has not reached me yet.

I do think there is a question, if I can be honest about it, that it is not just about how many people it reaches; it is also the level of distinctiveness. Is it unmistakably BBC? We have limited resources. One of the things we have not touched on so far is that I think the BBC has, in its attempt to deliver universality, somewhat understandably spread itself too thin. You can keep doing more and more podcasts, more and more web articles. We do not make much, frankly, that is not of outstanding quality and does not have audiences that like it. The issue in my job is to make the choices that say not only is something of public value and is well liked, but is it the best use of our limited resources as we face up to people with £100 million? I don't know the ins and outs of this, but the challenge I put to everyone—and James Purnell remains brilliantly



running the audio arm of the BBC—is could we do slightly less but make sure we have the budget to compete? That means doubling down on things like the Peter Crouch podcast, which is working.

Q158 Steve Brine: You talked about resources. I am amazed we have taken this long—okay, we have had some technical breaks—but what do you know about Zoe Ball that we do not know? The annual report that I have in front of me shows her salary. It stands out like a sore thumb in the list of presenters on radio, including the Radio 1 breakfast show presenter. The annual report shows her salary of £1.36 million for just the breakfast shows, so for 210 editions of the Zoe Ball breakfast show. That despite losing 1 million listeners—from 9.1 million to 8.1 million—since she took over from Chris Evans. Ken Bruce, who follows her, is paid £385,000. He reportedly has 8.27 million listeners. Zoe is paid more than the next three presenters who follow her put together. What do you know about Zoe Ball that we are all missing?

Tim Davie: If you will allow me to say something quickly on the overall topic of talent pay—you would expect me to say this—we have 28,000 people who appear on our screens and airwaves—

Q159 Steve Brine: They are not all paid £1.36 million, are they?

Tim Davie: Of course not. Only one of them is, or two. That is two out of 28,000. That is really my point. There are 76 people on the list, and we are seeing the overall list being managed down, I think in the right way. This is uncomfortable territory, I understand this, but look at the NAO report on the market for talent and what we pay. The truth is that in a couple of spots, in high-end TV entertainment and the main breakfast show of Radio 2, we have always been in the market. Go to Google and have a look at some of the speculated prices that people are paying on other networks. We pay serious money. I understand the point on the listening figures, but the truth is that this is still 0.1 pence per listener hour. I still think Zoe is an exceptional broadcaster. She offers value. Having said all that, however, you will have seen the negotiation we have done with Gary Lineker. We are renegotiating other contracts, and we do want to get good value for you as a licence fee payer.

Q160 Steve Brine: Maybe his £400,000 went to top up Zoe. I just do not get it, Tim. Her salary stands out in the list in your annual report like a flashing light. She has lost 1 million listeners. She must have the best agent in the business. I want to know who that agent is.

Tim Davie: If you look at the historical rate for the Radio 2 breakfast show, and the talent we attract, which is essentially people who are looking at entertainment options across television and radio, and internationally, which puts them in a slightly different category, we always get to a point where we are in the top two or three people being paid by the BBC. Don't get me wrong—I have inherited some of this, and you have seen what we have done with Gary—I want to make sure that we are getting the best value we can in the market and better value



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where we can. I do understand, but I would say in response to some of the commentary on this that if we did get everyone down to £150,000 it would save the BBC £10 million, while the over-75s cost us £700 million.

Regarding the £10 million, we need to keep doing our work. I take the point, but that £10 million accounts for 40% of our viewing and listening. I spent a lot of my last few years working in the international market, fighting for talent. There is an element of hyperinflation, as new services pile in, and people with a TV personality and profile will be difficult to get. I am all for developing young talent. I am all for taking more risk, or opportunity as I call it, with younger talent coming through, or developing talent I should say, but we are going to have a few people—and it is really a very small number of people—where we are in a bit of a market. Zoe, in particular,, is an outstanding broadcaster. We are in renegotiation and we are looking at where we are heading.

Steve Brine: Yes, she is a good broadcaster but she has many other gigs. She does the “Strictly” show, and if you want to bring on other people, maybe you should spread the love around a little more. When we come on to talk about regional broadcasting, which my colleague Julie Elliott will introduce later, there are plenty of people out in the regions who would love to see a tiny slice of that money going to save huge parts of regional broadcasting. I ask you to take that on board. Back to the Chair.

Q161 **Kevin Brennan:** We hear that BBC Sounds is to be investigated by Ofcom for being too successful at attracting new audiences. What is your reaction to that?

Tim Davie: It is appropriate that the regulator can have a look at Sounds. I am confident, having spent a lot of time in the radio industry. More generally, I am not interested in any version of events where the BBC is not an accretive force for the creative industries. The creative industries have been an incredible success story for the country, growing at three times the speed as we went into Covid, and I think it will create jobs coming out of Covid.

I am close to Global, to Bauer. There was a lot of work being done with the BBC when I was director of radio, supporting DAB and adding competition. I have always said the BBC is all about the time spent and its impact in the market, not just about winning share.

Kevin Brennan: They are the ones who are complaining, of course, but I will not press you any further because I know we need to move on.

Tim Davie: I am happy for Ofcom to have a look. I would look at it in the context of Spotify and the rest of the audio market, and I hope we can have a constructive relationship with Bauer and Global as well, because they are great companies.

Q162 **Julie Elliott:** Welcome, Tim, to your first appearance before the Select Committee, and to everyone else, who have not really had a chance to



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comment yet.

I love the Zoe Ball show, and I believe she is paid a lot less than the previous presenter. I just want to say that.

Before I go on to the regional stuff, I want to clarify something you said in response to the Chair's questions. You said, and I am paraphrasing, that the audience might not be concerned about contractual status. That alarms me a little. The law is very concerned about contractual status. I welcome that you are looking at doing social media guidelines, but that will not be retrospective, will it?

Tim Davie: No, it won't. There is only so much I can take. It will not be retrospective, and not for a minute was I suggesting—the right support for freelancers and contractors is another topic; that was not my point. It is simply that when we are sitting on the sofa at the end of a long day and someone is presenting at us, the contractual status of that individual is not an overriding concern.

Julie Elliott: I was fairly sure that is what you meant, but it did not come across like that, so I wanted to clarify it.

Tim Davie: That is what I meant.

Q163 **Julie Elliott:** I want to focus on regional broadcasting. Before I go into my questions, I would like to ask you to chase up a letter that I wrote on this subject on 11 June as chair of the northern group of Labour MPs to the previous Director General. You, as designate Director General, and Helen Thomas were copied in. I have never had a response.

Tim Davie: I will check that.

Q164 **Julie Elliott:** Please chase that, because it is relevant to what I am asking now.

You said in your first address to staff that people must feel their BBC is there for them, that it is an obligation to make all parts of the UK feel that it is their BBC. In the annual report you said, "we know they want local content that speaks to them directly about their day-to-day lives and what matters to their communities... Our local and nations services need to be truly relevant to audiences in each place". They are very good words but, at the moment, in the north you are suggesting that you are cutting back on the very things that successfully deliver that ambition. How is that being truly relevant to an audience in each place?

Tim Davie: I stand by my statement. I think the BBC's local and regional footprint is a critical part of our future and is very important to us. It is an area where I would hope we see growth in investment as we go through to the 2022 settlement and beyond.

Having said that, and I think you probably know where I am going here, I do think that for every area of the BBC it is utterly appropriate and not contradictory to be able to say, "I think this is incredibly important. We need to think about how we invest money in the localities and the



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regions, but that does not mean we cannot look for efficiency in delivering provision.”

I looked at the proposals quite seriously when I came in. The truth is very simple. When it comes to local radio stations, TV news and political programming, we are maintaining our provision to audiences. We are going to do it with slightly fewer people. There is going to be that sensitive debate—do we have two people presenting, or one—and I have been involved in many of these debates over my career, but I am totally focused on audience value. The hit TV show of the hour is the 6.30 news, by the way. It is the strongest programme we have in the UK. We need to keep investing in it and supporting it.

Q165 **Julie Elliott:** The news is a separate thing. What I am talking about is that we have had a big battle over the summer to keep regional *Sunday Politics* programmes, which have come in a slightly different format, but they are the same. The investigative journalism programmes, like *Inside Out*, an award-winning programme both regionally and nationally, are being got rid of. To me, if you have an award-winning programme, I do not understand how you are going to do that better than it is already being done. Not in my area but in other areas, where you have widened regions, you may be talking about something in one part of the country that is 230, 240 miles from the other side of the region. That does not have local relevance to those two communities. I would like you to comment on that. How is that going to be improved?

Tim Davie: I was going to get there. That is the area where we have made more substantive change in what we are offering.

Inside Out has amazing history. What it has done is incredibly important to the BBC, but the idea that we cannot evolve our current affairs—I want to see bigger audiences, by the way. If you look at audience numbers, some of that reporting deserves a wider audience. My view is that there is a very strong case for moving from 11 hubs to six hubs. If you are a young journalist coming through, the idea of going to a slightly bigger hub—though I do get your point—the idea that somebody in Bristol cannot go to Liskeard or Penzance and do that reporting, does not stack up.

Q166 **Julie Elliott:** You have missed my point. I am talking about not the reporting—the reporters can go wherever—but the audience, 240 miles away from Sunderland is probably just north of Watford Gap. The local story around that area, although very important to people who live there, has no relevance to me in Sunderland. That is the point about the wider regions. If you are talking about local and regional relevance, there is a limit to how far regional identities go, and they certainly do not go 240 miles.

Tim Davie: I get the concern, and we have to watch it carefully, but the idea for the Bristol hub is not about bringing current affairs and investigative reporting from Bristol and being more relevant to Bristol



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audiences than St Austell audiences, but it is where they are based as an office.

For what it is worth, I do think there is a case for concentrating our current affairs resources on slightly less hours to get more audience and bigger investigations.

Q167 **Julie Elliott:** Slightly less? You are going down to 60 hours from 110 hours. That is a little bit more than slightly less, I think.

Tim Davie: The issue for me is, what is the most important thing here? The most important thing is to get landmark current affairs journalism and have resources to do programmes. If you look at the average audience—

Q168 **Julie Elliott:** Can I interrupt again? All the investigative journalists are being made redundant, and they are going to be replaced by content producers. Content producers are not investigative journalists, who are all being got rid of. How does that tally?

Tim Davie: We are certainly not getting rid of all investigative reporting resources, and people are not just sitting as producers. One thing I am considering now is whether our investigative reporting fund could be drawn down to give these hubs more impact. Watch this space. I want to make sure the six regional hubs have enough resources.

Bluntly, this is an area of the plan that I want to keep looking at. I do not want to see a step backwards on the number of people getting and seeing current affairs from the BBC. I do not apologise for rebranding *Inside Out*. Generating six powerful hubs, I think we should do that. There are areas like Birmingham, where we say, "Okay, that is going to be a strong Midlands hub." I do think it is a fair question and it is one I am asking, I will put it that way, about making sure those teams have enough financial resources to go after the story. That is something I am reviewing.

Q169 **Julie Elliott:** I very much welcome that. Can I take from what you said that you are looking at having investigative journalism capacity within those hubs? At the moment, the jobs on offer are for content producers.

Tim Davie: I am going to come back to you and confirm the shape of the hubs. I will do that as part of finally—apologies—replying to that letter. We should always reply in good time. I will make sure we do that.

Q170 **Julie Elliott:** The letter does not ask about that, because these plans were not published at that point, but there we go.

Tim Davie: All right. Whatever the right mechanism is, I will get that back to you.

Julie Elliott: You will write to me. Thank you.

Q171 **Chair:** Could you write to the Committee on that question, please?



Tim Davie: Of course.

Q172 **Alex Davies-Jones:** Tim, can you give us a breakdown of exactly where the 900 job cuts are going to fall across the regions?

Tim Davie: I am not sure about the regional split. It is 450 within England and 450 in the central news operation as we move to restructure that unit. As for exact jobs, I am not sure. I do not have the numbers by local radio offices in front of me, but it is 450 in England and 450 in news.

Q173 **Alex Davies-Jones:** It has been reported, and I am aware that 60 jobs will be lost at BBC Cymru in Wales by spring next year as part of the effort to make the £4.5 million saving across Wales. These jobs amount to approximately 6% of the workforce. You have said that you want the work of the BBC to be more focused outside of the south-east. How does that square with regional job cuts?

Tim Davie: This is where I want to move the dialogue on a bit. In my regime, it is all about the audience impact. As you know, I went up to Central Square. We have incredible provision there with the investment we are putting in. We always look at the headcount, but in Wales there is the story of Roath Lock, the story of programmes like *Casualty* and *Doctor Who*, and all those things we have invested in the infrastructure for Wales. It is not just our news headcount or our fixed headcount; it is also how many productions we are putting into Wales and how we are driving that creative economy. Those plans should be seen in the round.

Studios, for what it is worth, as a growing commercial business continues to invest in the regions. We are hiring over 100 people in the natural history unit. I think that is the number, we are working on it now. It is how we build our business, not only beyond the newsroom, but it is appropriate that we look for efficiencies. We can't have it both ways. People are walking around going, "We've got too much duplication in the BBC." Sometimes we have too many people against one task. It is appropriate that I look for efficiencies across the BBC. We are not going to be judged solely by that headcount number. We are going to be judged by impact and audiences. The good news, of course, is that the numbers in Wales are good. I don't take that for granted, by the way. We have a lot of work to do.

I take your point. We are concerned about these things. We look at them as very sensitive work. But the idea that one area is utterly protected and can never have adjustment in headcount is not the right way to look at it. It is all about what provision we give to the Welsh public. To be fair to us, if you look at Central Square, if you look at our developments in Wales, it is not as if we are not committed to the nation. I am really supportive of that. We could go further, and don't get me started on how it could be a creative hub for Wales. I have already started talking about things we could do. It is not just about the fixed BBC headcount. We have to move on from that, otherwise it is going to be difficult. I have said I want the



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BBC to be smaller in fixed headcount. I think we have too many people in certain places.

Q174 **Alex Davies-Jones:** I have been to Central Square and had a tour of the facilities. It is fantastic. I, too, would love to see it become this creative hub for Wales and for the wider region. But, on that, do you think the BBC should be doing more to invigorate regional media at a time when other broadcasters and streamers such as Sky and Netflix have centred their commercial investment in the south-east?

Tim Davie: In a word, yes. I think we have done a lot, but the Chair's challenge on the Midlands is a good one. I have talked to Steven Knight, who is looking at a development in Birmingham. There are all kinds of things we could be doing.

Again, it is difficult, because the BBC has a record second to none. As I go round the world looking at other broadcasters, let's be realistic, the US players are moving to centralisation to get maximum efficiency. They are centralising everything. That is the trend in media because of the inflationary costs of talent, everything is being centralised. I think the BBC needs to move against that because it is a massive advantage. I have said publicly that I like Netflix. I am not trying to beat Netflix. I am trying to do something different. One of the things that we will do differently is be more connected into communities, and that means working with Wales, working with S4C. We should be doing more of that. That is what we are there for.

Q175 **Alex Davies-Jones:** It is good to hear that, but how do you plan on doing it? What do you think the BBC needs to do to engage in partnerships across the UK, the regions and the nations?

Tim Davie: There are number of levers. One of the levers is attracting first-class talent and production talent, working in partnership with local authorities and Government and making the money work together. The second is talent and training. Currently, 2.4% of the workforce at the BBC is apprentices in apprenticeships. Could we do more of that? Could we make sure that someone in Wales who has the potential is being hired and developed? These are things that we need to talk about in the 2022 settlement. I think we can do a lot more locally and regionally. We are strapped on resources at the moment, but I think we could do more. It is about attracting talent, partnership with local leaders, local politicians, mayors and the various local bodies out there, and that is what we need to do. You get growth that way, by the way.

The other thing is we obviously spend a lot of licence fee with small independent companies, and that is an important metric for us because more and more of this market is being centralised to what I would call—sorry for the jargon—vertically integrated businesses. More and more companies are buying production, because they worry about where their supply is coming from, so you end up with a much more fenced off market. The BBC, and this is attractive for us creatively and editorially,



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should be out there with the two people setting up an indie in Wales and working with them. Absolutely we should be doing that. That is what we have to do. We have to keep that supply pipe working for us.

Q176 **Alex Davies-Jones:** I would also like to touch on news broadcasting and regional news. How successful has the BBC's local news partnership scheme been in supporting local news reporting?

Tim Davie: I have been so chuffed with this, because I did not know how it was going to work. The scheme now has 150 local democracy reporters in place. It is costing £8 million a year with the partnership. The numbers are really exceptional, with 1,500 stories per week and 140 companies in the partnership now. The scheme is working very well, supplying 900 outlets. Overall, we are pretty pleased. I don't know whether you have concerns or thoughts. My ears are open. Coming into the job, I had questions about whether it would bite, because I worry sometimes about small initiatives, breaking up the money and all that, but it is working.

Q177 **Alex Davies-Jones:** Good. I want to ask you about something that is a personal bugbear of mine, if the Chair will indulge me.

The coronavirus pandemic has shone a spotlight on a major problem with nationwide news coverage, especially as it relates to the devolved nations. On behalf of the people of Wales, it is extremely frustrating to repeatedly hear news coverage saying things like, "The Health Secretary has announced new guidelines." It is causing great confusion for people across the country, across the nations, and it is vital that broadcasters respect and distinguish between the devolved nations' approach to the coronavirus. You have already committed to making the BBC representative of its viewership, and I welcome that, but I rarely see Matt Hancock being described as the Health Secretary for England, which is ultimately what he is. What specific steps are you taking to ensure that your coverage is fundamentally accurate?

Tim Davie: It is a good point. This pandemic has emphasised the need for and challenges in reporting the nations properly. There have been some moments where we have asked, "How has it been handled?" We have a very strong editorial grip on what we do. We have our editorial standards group. We monitor these things. We look at them. Overall I have to say, slightly defensively, that I think we are doing a good job of constantly flagging different restrictions and rules in different nations. Also, we have the 6.30s. We have the shows and local radio services out there. I do take your point. It is a watching brief. I think we are doing pretty well, but it is a watching brief and I note your personal bugbear.

Q178 **Philip Davies:** Can I come back to impartiality? Mr Davie, you started off well by saying you were going to have a big thing on impartiality and were going to make sure people in areas of the country who felt a bit left out by the BBC felt better represented, all this kind of stuff, and then when the Chair put to you the obvious point that the biggest evidence of this was the metropolitan view of Brexit being forced upon people in the



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north-east and so on, you shied away from admitting there had been any problems at all. It seems to me that you are bringing forward to us a solution to a problem that you don't think exists, which is slightly bizarre. I want to press you on the Brexit thing. We have had four and a half years or so since the referendum. Can you give me one example, just one will do, of a BBC programme that explored the opportunities that Brexit brings?

Tim Davie: I have listened to numerous things on Radio 4 that looked back and forth fully at both sides. I can't remember all the titles of programmes, or the mores or lesses, but there is plenty of analysis across the BBC looking at the pros and cons, the debates, and so on. I just do not recognise what you say. I know people have views on overall perspectives of the BBC, but I am quite happy to send you a list of programming where the debates have had full and flavoursome voices across the political spectrum. I honestly do not think partiality has been a big issue.

I know you will say I am sidestepping the question but I am not. I am saying that the issue of impartiality is largely about people not seeing their views and voices represented outside the metropolitan area. That is a related but separate point.

Q179 **Philip Davies:** Let me give you an example from today: Katya Adler, on *Today*. This is her report. This is what she said, and I have a transcript here for you. "The EU enters the last scheduled round of negotiations hopeful but wary. It says on technical issues there has been a lot of progress but political compromises must now be swiftly found on the main persistent sticking points, Government subsidies, fishing rights and what kind of dispute mechanism the deal should contain. This is the week the EU says the UK must show if it is serious about a deal and if it will soften some of its red lines to get there. Brussels says negotiators could then enter a media blackout tunnel to try to thrash out a final bilateral compromise. The common Brussels guesstimate is that a deal could be struck by the beginning of or mid-November." That is six or seven sentences of Brussels says, as far as I can see. Not one mention of what the UK Government's position is at all. There is no wonder that the BBC is called the "Brussels Broadcasting Corporation".

Tim Davie: If you read seven lines, Philip, to be honest—

Philip Davies: I have read it all.

Tim Davie: If you go through the article—Katya sent me a brilliant analysis; I will send you the blog—that very clearly outlines the Government's position. It outlined the European position. I think we have an outstanding journalist there. She is laying out the European position. There is no endorsement of the European position there.

Q180 **Philip Davies:** So that is her job then. So whose job is it at the BBC to unquestioningly trot out what the Government's position is without any balance whatsoever? Which person's job is that?



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Tim Davie: No, no. She is the European editor. She is giving the European—

Q181 **Philip Davies:** Who is the UK Government editor that just trots out the Government's position without any question or balance?

Tim Davie: She is not the EU Parliament's editor. She is the EU editor, and she is appropriately laying out the EU position. If you read Katya's posts, read the whole thing, please.

Q182 **Philip Davies:** I have read the whole thing. I have read it out to you.

Tim Davie: There is so much debate on the BBC. I could stack it up. My worry, by the way—

Philip Davies: That's fine—

Tim Davie: Hold on. I have a worry about this. I am serious about it. I worry that we focus on the wrong thing for the health of the BBC. I take the challenge. By the way, I have been four weeks in the job so I do have a bit of work to do, Philip. I agree with you. I have said there are plenty of areas where we need to reach out, and it is true of all institutions, to people who feel that the metropolitan media elite do not represent their views. But I am not self-flagellating here because the BBC has a better record of that, if you listen to the 6.30 shows. The idea that we do not connect with people around the country? We have 29 local radio stations.

Finally, to directly answer your question and to be clear, it is no one's job in the BBC to toe the Government's line. Everyone's job is to represent impartially the situation across all the lines. That is our job.

Q183 **Philip Davies:** So what are these metropolitan views that people out in the sticks feel so sidelined about, if Brexit is absolutely not one of them?

Tim Davie: There might be all kinds of areas: rural affairs, economics, social mobility, concerns about housing. All those kinds of issues are reflected differently across the country. You and I know that when you travel a long way outside cities, the UK feels like a very different place. The BBC is in a good position on this—91% of people do 18 hours a week. I know this would fit a narrative but it is not the case.

What I am saying is that there is a danger in terms of how the UK is developing. People are more partial. They want to hear their own view, and I want to balance the BBC. It is important to this institution and to the creative industries. I care about it. It is not about simply vocalising one particular point of view over the other. It is about going out and representing the debate. I am all for hearing where we don't get it right. It is an art, not a science. As editor-in-chief, I take responsibility for that. If you sat with any of our editors, sat with Katya and talked to her properly about trying to get impartial reporting about how the EU works, I think you would agree we have the best in the world. That is not to say we are not listening.



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Q184 **Philip Davies:** Well, I am quite charitable to the BBC. I do not think you deliberately set out to be partial. I genuinely do not think that. I do not think anybody goes to the BBC each morning and thinks, “How can we present a biased case here?” I genuinely do not think that. I think the problem is that what you do is recruit from a very small pool of people, a north London metropolitan group of people, who all think the same. They just think everybody thinks as they do.

Tim Davie: As a proud Croydon boy, I don’t think I have ever been so insulted, but I made it perfectly clear about getting diverse groups of people—forgive the jargon—with different lived experiences. Look at the way Britain is changing. You are very vulnerable if you do not have a wide diversity of views. I agree with you. Even though I would defend our current performance, there is absolutely a challenge to make sure that modern institutions—and we are all part of them—are recruiting from a broad base of talent, diverse talent, and that means people from every region, with different mindsets. I worry sometimes that there is a BBC type or a certain way of thinking. Even if you are trying and doing relatively well at delivering impartiality, you can keep improving by making sure that you recruit in that way. That is what I was at.

Q185 **Philip Davies:** A BBC journalist in a newsroom told me that two or three of them vote Conservative but they would never dare announce that to anybody in the office because they thought they would probably be edged out of their jobs if they did. There was no problem at all if people were proudly boasting in the office about how left wing they are, that was fine. That is the kind of culture at the BBC. That is what staff tell me is the culture at the BBC, and that is what you need to tackle.

Tim Davie: When you say the staff—out of 20,000 people, you will always get a range of views—I look with a wry smile at the number of BBC staff who have gone on to work for your good party. There are plenty of them. There is a load more than a handful. There are plenty out there. The issue is that you leave your politics at the door. People are quite surprised that I have had a deep political past. They couldn’t believe it. I just don’t think it stacks up. I think we are better than the cliché, Philip. Come to the newsroom and have a walk round. We are better than that.

The issue is not that. I sound like I am just pushing back, but your point about recruiting a diverse group of people, people where there is no groupthink, is something I think is a risk going forward, and it is going to get greater as Britain gets more diverse and potentially more divided. The BBC as a force where we can bring these debates together and have a mature, proper debate about the issues is something that excites me. We should be supporting that.

Q186 **Philip Davies:** Sir David, can I ask you a quick question? Tim Davie has a good excuse, as he has only just taken over the job. He says to give him a chance and all the rest of it. The Chairman read out some tweets from Gary Lineker earlier, and the Director General said he was going to



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clamp down on that kind of behaviour. Fair enough. We can see what he does. You have been there for three and a half years. You said at the start that impartiality starts at the top. You were the one who said that in your earlier utterings. So it begs the question: what on earth have you been doing as the Chairman of the BBC to allow people like Gary Lineker to flaunt his left-wing political views across everywhere while you have been Chairman of the BBC? It seems that you have been asleep at the wheel.

Sir David Clementi: Mr Davies, that is clearly incorrect. Our trust scores over the last year or two have gone up. Please read the annual report, which you are supposed to be holding us to account for. On page 21, it shows very clearly that for the news you trust the most, the BBC's score has gone up from 51% to 62%. The next is Sky News at 8%, ITV at 5%, *The Guardian* at 3% and other papers don't even register.

For the next key issue, look again at page 21. If you want accurate news coverage, the BBC has gone up in the last 12 months from 53% to 62%. That is a very significant move. You have to look at the statistics. You cannot rely on talking to individual people in an organisation of 20,000 people. If you look at the actual statistics, we have done well. My experience, by the way, over the last three or four years is that I receive a huge number of complaints, and they are almost always of the same type. They are from people with very strong views and they almost always say, "I don't hear my view often enough and I hear the views of my opponents too often." On the Brexit debate, on the left-right debate, I get a colossal number of letters, and they are always the same, "I don't hear my view often enough", irrespective of what the views are.

I arrived at the BBC after the Brexit referendum but on the Brexit debate, which continued, I used to keep on my desk two letters from two eminent peers. One said, "You are so pro-Remain I can't get over it" and the second said, "You are so assuming that Brexit will happen, you don't take the second referendum seriously." The letters were both from people with very strong views. I think the majority of people recognise, and the statistics show it, that we are the most trusted news source. I repeat: please look at the stats; please look at the annual report. In the last 12 months, our scores have gone up very significantly.

Q187 **Philip Davies:** That is a wonderful answer. Unfortunately, it suffers from the disadvantage of not addressing the question that I asked. The question I asked—

Sir David Clementi: You certainly asked me what I have been up to in the last few years, and I have told you that the scores have gone up, but you want to ignore the evidence. You rely on individual anecdotes from individual people, and you yourself, as we know, are a complainant to Ofcom. You ran a long complaint to Ofcom, which Ofcom found against. I have the quote from Ofcom, what they said about your complaint. They said it had no merit. Look at what they said in 2019 when they wrote about us, "Despite an uncertain political environment—", this is Ofcom,



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our regulator, “—the BBC remains as the UK’s primary source for news and has maintained its reputation for trusted and accurate reporting.” That is what Ofcom said. Who else do we have to satisfy? You clearly want me to satisfy you, and that is extremely difficult.

Q188 Philip Davies: Sir David, I think you’ve got a wasp down your trousers or something. I think you need to calm yourself down a minute. It is no surprise that the metropolitan, Remain, virtue-signalling, left-wing, politically correct Ofcom that is marking the big city, metropolitan, left-wing, virtue-signalling BBC thinks you are doing a fine job. We take that as read. If you could just address the question I actually asked, it would be helpful. It is for me to ask you the question, not for you to ask yourself the question. The question I asked is about Gary Lineker’s tweets, which the Chairman read out at the start, and which were made when you were the Chairman of the BBC. I am putting it to you that you either think those tweets were absolutely fine, or what did you do about it if you did not think they were fine?

Sir David Clementi: You know perfectly well, Mr Davies, that the editor-in-chief who deals with individual talent’s work or individual tweets is the Director General. The role of the board is general oversight, which is why I quoted you the oversight figures. You cannot ask me about individual people who are a matter for the Director General. You know that perfectly well.

Q189 Philip Davies: So you never said to the Director General at the time, “Look at these tweets. Do you not think we should be doing something about this?” That is what I call oversight, Sir David. I do not know what you call oversight. Maybe having a bottle of wine for lunch, or something, might be your oversight, but my oversight is actually saying, “Do you really think that is appropriate?” That is what I call oversight.

Sir David Clementi: Of course, of course. Informally and privately, I talk to the Director General pretty much on a daily basis about most of the hot issues. Nevertheless, I am always very careful that my role is not directly to interfere with individual editorial decisions. That is a matter for the editor-in-chief. My job is general oversight. Again, if you want to ask me, you cannot ask about individuals, you have to look at it overall, and I have told you what the stats are. You are very keen to ignore the statistics, the general statistics.

As to your question, you did ask me about Gary Lineker, but you also very pointedly asked me what I have been up to for the last three years and I have just answered it.

Chair: Thank you, Philip. At the request of the BBC, we are going to take a short adjournment, for two minutes.

Sitting suspended.



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On resuming—

Chair: We are continuing our inquiry into the BBC's annual report on public service broadcasting.

Q190 **Damian Green:** We have talked about a lot of important micro issues. Can I move the session on to slightly more macro issues, funding for a start? One of the things that I imagine you want to do is increase the BBC's commercial income, Tim. How are you going to do that?

Tim Davie: We have made a lot of progress with Studios, and we can be very proud of that. You will have seen the record numbers in the annual report, growing the revenues to £1.4 billion. I am encouraged about the growth potential of the Studios business in a number of areas.

The first area is, of course, the production business sitting on the Studios side of the fence means we can now attract talent and grow the production business globally. Covid is giving us a headache on this, but the opportunities across the world for quality BBC production will continue to grow. Inflation is another problem for public service, of course, but there is good pricing growth in some of the drama, some of the major productions. Area one, simply put, is growing our production business. I did say in my speech that I think there are other areas of the BBC that we can begin to look at to see where we could go with that, other areas where we could deploy the Studios model.

The second area is that the BBC has done well and has been successful commercially with a range of linear channels and selling to third-party business around the world, such as programmes to Netflix. I think we are at a tipping point where the direct-to-consumer business now looks like a more realistic opportunity. We talk a lot, and I get this a lot from Westminster and other places, about, "Why don't you just launch the iPlayer globally?" I could go into it at some length but, as I think you and others know, getting the rights for those programmes internationally is difficult, and also you don't generate a lot of money. Most of these SVOD services do not deliver a lot of cash in the short term.

Based on the success of BritBox in the US, I believe premium news, BBC Audio and areas like that are now at a point where we could grow subscription businesses around the world and join ourselves up to do that. That is another area. So, production, subscription businesses, and I would probably stop there. There are a few other things in my head, but those are the big ones.

Q191 **Damian Green:** Both of them give rise to interesting questions. The first one, area one as you called it, is making programmes for a global audience, and selling them. There is an obvious danger there that it cuts across your licence fee commitment. You are paid compulsorily by every household in this country to make programmes for all of us in all parts of this country. If you are thinking, "Here's a good series; this will sell in



America” or, “This will sell in India or China” or something like that, there is an obvious tension. How would you resolve that tension?

Tim Davie: By setting clear priorities. There is a tension, but that is something I have managed for the last few years. Being open about it, I was a bit worried that, with Studios, we would suddenly drift editorially and projects would disappear, but the truth is that BBC Studios—and I feel very strongly about this—is part of the BBC group and, therefore, it serves our primary objective, which is to make sure we deliver value to the licence fee payer. Under any construct, the vast majority of revenue—and to your point, the joy of the licence fee is utterly the priority. Under my leadership, it is really clear that the prime priority of Studios is to ensure the supply of the right content with the right windowing in the UK. That is an important point, by the way, which is what window—sorry for the jargon—what amount, what bit of the content we have in the UK for six months, 12 months or forever. It is a tension, but there is absolute clarity that Studios first and foremost has to deliver for the public service and make sure that programmes like *Blue Planet* and the other big natural history unit landmarks—which are now 80% funded by overseas partners but critically, and this is the critical point—are editorially led by the BBC public service so there is no danger of them going elsewhere or being shaped for another broadcaster. We may do little tweaks.

The final thing is that everything we do at Studios has to be in line with the BBC’s editorial values and it is not just about spewing forth content that we would not stand by.

Q192 **Damian Green:** You make the points about BritBox and iPlayer, and I have read reports that the jobs of the channel controllers are going. Are BBC One, BBC Two, BBC Three and BBC Four dying assets?

Tim Davie: No. Don’t believe everything you read. I don’t know about job titles but Charlotte Moore, who is our excellent chief content officer, is looking at how the structure would work. There is absolutely no doubt, under any forecast, that this is going to be a hybrid world, almost long term. The major channels and linear channels are going to deliver something. I suspect that, over the long term, linear consumption will be down, so you may see a reduced number of linear channels, but certainly we are miles away from that. Big events and big programmes, the 6.30s, the prime ministerial broadcasts—9 million people watched that—these things are still hugely important. I cannot see any forecast where linear just wanes to a point of irrelevance.

I would say, though, and you are pushing an important question, is that what you cannot do in this world is solely commission for a linear shape; again, sorry for the industry words. Charlotte’s job is to make sure that when we commission drama, and we look at the drama offer across the BBC, it works for the iPlayer as well as it works for BBC One and BBC Two. They are almost equally weighted. You are looking across the front, and there are different things that work in terms of episode length, the



number of episodes and on demand versus linear. What I do not want to do and cannot afford to do—it is similar in news—is have a massive load of resources on iPlayer, a massive load of resources on channels, a massive load of resources in every silo. You have to have a commissioning base that looks at content in the round and at the value for licence fee payers that we were talking about.

Q193 Damian Green: I imagine that, in the past, one of the things for heads of drama has always been to get one of those big, Sunday night, BBC One, whole nation watching, types of drama. It sounds like that kind of thing is not going to happen in the future. If you hit upon one because you have commissioned it, great, but is nobody looking for that anymore?

Tim Davie: We are lucky enough to have a bit of a balance. You are absolutely right. The first thing is if you take whether it be *Normal People* or *Us*—the drama we are showing at the moment that did 3 million, or 3.2 million, for the last episode on BBC One—the iPlayer numbers, in many cases, are going above the linear numbers. Different dramas will have different shapes. *A Suitable Boy* or *Call the Midwife* may have a very strong and proper showing, and we have to keep serving that big audience. I remember throughout my life that 8 o'clock Sunday drama. That may well do the majority of its business through linear, although even those more—I was going to say “traditional”, but that would be damning them because I think some of them are brilliantly done—even with those, we see that the number of people going to iPlayer is very significant now. If you take something like *Normal People* or *I May Destroy You*, which are more cutting-edge dramas, we see vast numbers on iPlayer, often exceeding what is on linear. We have to balance these things. The days of a proper, serious piece of Sunday drama are still there, but they are part of a more sophisticated mix.

Q194 Damian Green: You talked about young audiences earlier. Which audiences do you think are poorly served at the moment?

Tim Davie: The first point is slightly defensive. If you look at the overall averages, there are few audiences that are very poorly served, or poorly served, because the base is 91% of people, 18 hours a week. Part of what I am doing as Director General is setting out future risks, not just talking about current burning issues, and that is obviously a game that is quite difficult to play here. But I do think there are obvious bases that are less well served. The young you have mentioned, the under-35s. We do not deliver. It is all from a very high threshold, so these are not massive problems, but we do slightly under index in certain geographical areas. We slightly under index in C2DE. There are ways in which those low socioeconomic groups always a little bit, but as you get a more competitive market the chances of those audiences falling away is there. They are not at the moment, but that is the risk. I have to dimensionalise the risk because I care about this. Frankly, it is the groups that have always felt they have slightly less value from the BBC. It is all good value, but we have to work on those.



Q195 Damian Green: Turning it round a bit, there has always been criticism of the BBC on impartiality. We have heard some of that, where the right criticise you for being metropolitan liberals and the left criticise you for being establishment stooges. That criticism is always there and is often invalid. It seems to me that there is a more valid long-term criticism, which is that the BBC has become imperial and, as soon as anyone has a good idea, you try to move into that area and, quite often, have the firepower to drive potential commercial rivals out of it. As we get into a more mixed environment where, as you say, the difference between linear channels and the content you produce that just goes online is blurred, that becomes ever more dangerous. Are there areas that you think the BBC should not be in that it is in now?

Tim Davie: No, I do not have anything that I would serve up immediately. We are subject to rigorous fair trading regulation, all those things. For what it is worth, when I took over Studios—I will give you an example—I was very clear about some of our ventures in the past into travel guides, and we disposed of various websites and bits and pieces that we thought were non-core.

Part of my strategy is that £3.7 billion of revenue, or £5 billion with the commercial revenues, is a significant amount of money but versus what we are looking at—it is ironic because we obviously look within the UK and we get somewhat obsessed by the UK market—the scale of the competitors means that we have to really focus.

I have no agenda in terms of pushing our scope in a way that isn't utterly distinctive. What my plea would be is that we have a data-based argument on that, because if you look at the performance of all print media around the world, where the BBC exists or does not exist, some of these changes are being driven by bigger structural factors.

One of the things that has worked particularly well—I talked about it in my speech—is the enlightened blend between the BBC and commercial partners. I am thrilled by the success of Sky in the UK and how that has developed. I think it is a fantastic business, well run, if you look at the way that has grown over time. The BBC should be sitting alongside growing commercial businesses. It should be doing things differently and being differentiated, but I would not want us to be fenced to a point where we cannot properly and appropriately engage audiences. I just think the regulation is there.

I do not think I am after a big scope extension. The biggest thing I have said, finally, is that I do think we are sometimes doing too much. I do not think we should be out of podcasts, but we should probably be thinking about how many we want to do, how we grow the market for podcasts and focus on what is really working, like Peter Crouch.

Q196 Clive Efford: Hi, and welcome to your new role.

Tim Davie: Thank you.



Clive Efford: Just following on from that, the BBC has performed incredibly well through Covid: a 14% increase in visits to iPlayer. I think 91% of adults engage with it in a week, and 84% visited it on the first day of lockdown. I think I have those figures right.

Tim Davie: We got up to 94% during the Covid week.

Q197 **Clive Efford:** I was doing you down. That is remarkable. What is it that is so unique? Competition is increasing exponentially in this field. What is it that is so unique about the BBC that people are so loyal to it?

Tim Davie: Our research says a couple of things. One is trust. We have had a long and extensive debate already this morning on the topic. I accept some of these challenges, so I cannot stand it when the BBC is either complacent or too defensive. The truth is we are trusted by audiences, despite all the issues and the challenges. When people want a trusted source of information, they come to us, and we see that on a regular basis. The second thing, frankly, is that we produce things well. We do a good news bulletin and we have very good presenters, very good staff. They know how to deliver this stuff, and we are trusted.

The other thing—I know the sensitivities around this, and I absolutely clock it—is that our regional and local provision is critical. It is fascinating, isn't it, that the 6.30 news is the biggest news programme in the UK? The 6 and the 10 are doing brilliantly, but it is that 6.30 news. Particularly now with what we are going through and these regional dimensions to the Covid crisis, people want a trusted source, and often that regional news and local news can bring that in as well.

Q198 **Clive Efford:** I know people criticise the BBC licence fee, and with some justification—a regressive form of tax and all the rest of it—but these things are seldom all bad. Is there something about ownership as well, that there is a direct relationship—

Tim Davie: There clearly is a sense that the BBC is a communal endeavour. I should have mentioned it. This is slightly soft of me, so forgive me, but it is kind of important. I do think people in these types of crises want to come together and be connected. We saw huge audiences, by the way, for the VE 75 commemorations. We have seen big audiences for charity night appeals, *The Big Night In*, where I think we are up to—I will guess the figure—about £70 million raised. These things where the BBC is a convenor of the nation are really, really powerful to people, and it means something.

We may well talk about the licence fee, but there is a sense of ownership. I would say one thing, which is that one of my clear challenges to the staff and the BBC, though, is that while I am a robust defender of the BBC in terms of what it delivers in creative industry growth and the values to our cultural life, we need to make sure that every household is getting value. That is quite crunchy. It is not enough for you just to think that the BBC is a good thing. You also need personally, with your family, to be getting exceptional value for the 40p a day, so it is a balance for us.



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Q199 **Clive Efford:** It has been a centre for innovation for generations now, and commercially you have benefited from that: the back catalogues you have sold, things like *Doctor Who* and all the rest of it. Is there a danger that in this new, commercial BBC, where increasingly you are reliant on commercial income, that that creativity and that innovation will be squeezed out and the BBC will no longer be what it was?

Tim Davie: It is not that there isn't jeopardy. I see the jeopardy slightly differently, because there is jeopardy all over the place. The first thing is that, creatively and editorially, one of the things that I said when I got to Studios was, "We are not going to try to beat another company at their own game." The worst thing we could do is try to become a US network. We have to become almost more BBC. The reason why we are loved is because we are different, differentiated, higher quality. The reason we do so brilliantly commercially is because we are very BBC in what we do.

The commercial challenge and the balance is if you do not have enough funding in the public service licence fee, what you cannot do in this world is buy enough. This gets very technical, but there is no doubt that I want to make sure that BBC content is sitting for the licence fee payer wherever we can. In the UK we are often dependent in this market, because the pricing on stuff is going so aggressively up that you are selling a second window to Netflix and all of that.

We talked earlier about commercial tensions. That is the tensest area for us, which is the balance between commercial revenue in the UK and the licence fee delivery. All I would say is that, in my mind, it is very clear what the priority is. It is to deliver you the best value possible for £157.50. That trumps any commercial ambition in the UK. We must deliver that.

Q200 **Clive Efford:** Moving on a bit, was the BBC right to make the BBC StoryWorks creation sponsored by Huawei last year?

Tim Davie: I am not close to it, as I did not manage it. StoryWorks is part of Global News Ltd. As Studios, we sold Huawei some programming. As I understand it, as long as we are not involved technically and there is no technical infrastructure involved—and I know there wasn't in the dealings we have done with Huawei—and we do not have technical risk, I cannot see why we would not work in partnership with them as a Chinese media company.

Q201 **Clive Efford:** Wasn't the criticism that it was a sort of whitewash of Huawei, that they had editorial control and the BBC was just used?

Tim Davie: I have not seen the programme. All I can do is talk in general terms, which is that anything produced by StoryWorks has to meet our editorial guidelines in the fair trading team. I am sure the team has been through it, but if there is a specific concern, we will look at it. StoryWorks has clear editorial oversight. We absolutely should not be making puff pieces for anyone. We should be making content that fits



with our editorial guidelines, so if you have any concerns on that I am all ears.

Q202 **Clive Efford:** Sir David, given there are 900 redundancies coming up in the BBC, is it right to guarantee the new Director General a £50,000 increase by next August?

Sir David Clementi: The position when we went out to look for a new Director General was to benchmark the role. We benchmarked it at £550,000. It is worth noting that that is a fraction of what the opposite number who works for Sky or for ITV is paid, and actually considerably less than the other public service broadcaster, Channel 4. Why the DG of the BBC is paid less than the equivalent at Channel 4 for a much bigger job is one of those things that we could all comment on.

We benchmarked it at £550,000. That required almost all the candidates who applied for the job—including the one who was successful—to take a significant pay cut. We benchmarked at that level. Once Tim had been chosen, I asked him if he thought it was appropriate that he should actually take the £550,000, given that Lord Hall was on £450,000 and we had agreed a pay freeze for a year. Tim voluntarily, because I did not insist on it, said that he was happy for a year to sit on the same level as Lord Hall. I think Tim has been very reasonable in that debate, and I think the level at which the salary is pitched is fair. It represents a very significant discount to the market.

Q203 **Clive Efford:** Has there been any reaction from staff? As 900 people are facing redundancy, has there been any comeback on that?

Sir David Clementi: No. I would say that Tim has gone down, and his appointment has been very well received by staff.

Q204 **Clive Efford:** All right. Tim, what are going to be your priorities going into the mid-term review of the Charter? It is coming up in 2022. Are you looking towards that yet?

Tim Davie: Of course. The process begins in earnest imminently. Without going through it all again, I think I have laid out my priorities clearly, which is audience value. By the way, can I just say I do not want to take a £25,000 pay rise? It is £525,000 not £550,000, just for the record.

Give me the specifics of what you are after on that second one, because I could drone on about that. What are specifically set as priorities? I have laid out very clearly, I think, audience value and then ensuring that everything I do with the senior team is simply trying to get you more value, as a licence fee payer, from your licence fee, and I think that is under threat. I think we have real jeopardy. You look at audiences. When an IP connection comes in the household, there is more competition. So what we will be doing in 2022 is focusing on our priorities.



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The other thing is that everyone needs to reflect on the UK creative industries. We are under real pressure. I have been to many countries around the world and know how powerful the UK creative industries are. It is, wonderfully, an industry where scale is important but, unlike manufacturing and production where scale could be more dominating as a factor, we as a nation can become even better and world beating, but it does require investment.

The great thing about the BBC is the level of accountability, not only demonstrated by this Committee today but also the fact that audiences can look directly and feed back to us on whether they get value from that fee. My view is that the BBC is worth investing in. I think we can also play a role in how we come out of Covid and make sure that we are growing the creative industries as well. That is what I will be doing for 2022. It is about our own priorities, but it is also laying out clearly how we can make sure that the BBC can play a real role in growing the UK creative economy—we and others have talked about levelling up, or whatever the phraseology is—and that is an important part of what 2022 to 2027 is all about in my view.

Q205 Clive Efford: The Covid lockdown started towards the end of the year that this annual report covers, but you have already identified £125 million additional savings that you may have to make as a consequence of that. What do you anticipate the impact of Covid to be going forwards?

Tim Davie: Why don't I turn to Glyn who is in control of all our finances? Well, I am in control, but Glyn knows it all in detail, just for the record. Glyn, do you want to give a quick update on the £125 million? That would be helpful.

Glyn Isherwood: You are right that there has been an impact on the commercial side of the business—Studios and Global News, as well as Studioworks—so we have a fall in income and a consequent fall in profitability, and we will be paying fewer dividends out of those businesses this year to public service.

Net, we have set ourselves a target of £125 million this year in terms of savings. That also includes the cost of deferring the collection of over-75s as well, which cost us £70 million this year. We are making good progress against that this year. We have had to reshape our content budget in the year. We have reduced our marketing spend, and then we have looked across all our staff costs and we have a recruitment freeze at the moment for non-broadcast critical roles. We also have a voluntary redundancy programme in place and we have frozen senior pay for the annual pay increase this year.

We have also had to reduce some of our capital spend. We had a project planned in Northern Ireland to look at the technology and build of that property, which is the Northern Ireland HQ. We have deferred that project for now, so we have made savings across the piece.



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Looking forward, it is such an uncertain commercial position at the moment. We want to get our productions up and running. We have had a lot of success in that so far. Broadly, 60 to 70 of them are now back up in business. There are additional costs that we are incurring to keep people Covid safe on production, so there is a wide-ranging set of issues. Some of it is also looking at the impact on the UK and global advertising markets.

Clearly, we had a bump and quite a downward trend in the first few months of the year and during lockdown. It has picked up a bit subsequently but, broadly, we think that could be 20% down this year. We are hoping that the position will not be as bad next year. As Tim says, we have to look at driving value for money in how we spend all our money at the BBC. That has never been more important than now in having to absorb some of these extra savings, which is a challenge.

Q206 Clive Efford: Are there many projects that have been cancelled or delayed from BBC Studios or revenues from licensing bands? What is the impact of that?

Glyn Isherwood: We have had some big events that have been deferred into next year. Some of the sporting events this year got deferred: the Olympics and Euro 2020. We have had drama productions that we have had to defer getting them started. This is where we really welcome the Government's support in putting in a production insurance scheme for us, because that gives us some level of underpinning and security, like the rest of the indie production business. If we had to step down productions again in the future, we have some financial cover for the cost of Covid, which is really welcome and helpful.

We have looked at a number of projects. We want to get those back up and running, but we have deferred capital projects, particularly around buildings, because like everybody else we are looking at our likely provision of buildings going forward, if we adopt a more blended way of working for much of our organisation.

Q207 Clive Efford: That is a field where there are a lot of freelancers who have been particularly hard hit during lockdown. There is a lot of talent there that, because of the way they have been unable to access any of the assistance that the Government have put in place, have gone off to other professions perhaps. Is there any assessment of whether we have lost talent there, or of how quickly we can get them back?

Glyn Isherwood: During the lockdown period we were incredibly mindful of the impact on, I suppose, the broader community of people who work with the BBC, including freelancers. Although we were not able to access the furlough scheme, we supported some of those who were in really dire straits with a hardship fund to loan amounts of money while they had access to Government funding through the income support scheme.



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We also put in place for our broad body of freelancers a similar scheme to furlough, so where they were not being used but were regular contributors over the last 12 months, and because of our shutdown of some of the productions we did pay and top up some of their engagement fee for the period of time during the lockdown, so I think we have assisted.

You are right that, in terms of the future and going forward, we are concerned around the ability to continue to support the creative industries, and we have done a lot in that area. Inevitably, that will depend on commercial performance, funding of the licence fee and things that we can uniquely do to support the creative sector, but I can imagine many people across many businesses are looking at their career at the moment and making quite difficult choices.

Tim Davie: I am also chair of the Creative Industries Council, so we have been doing quite a lot of work on this. From a BBC point of view, we are at least in line with the industry. I think our package of support is good.

By the way, we did take furlough in Studios but, because our numbers were holding up, we have decided to fund that ourselves rather than call on Government funding, which we think was the right thing to do. It is a really difficult and interesting position we are in, because the two factors that affect our commercial income through Covid are advertising revenue, which obviously for other PSBs is absolutely critical in terms of where we sit. The latest numbers—we will see where it goes—seem to be slightly better than some of the really dire predictions about advertising, so that is reasonable news.

When it comes to productions, there are obviously productions like *Gardeners' World* and other things that we managed to keep going, literally in the shed, through the period. But these major drama productions where there is enormous freelance base—to your question—are beginning to crawl back. I have been involved, everyone, on the insurance scheme. We need those to be back in production.

The truth is that uncertainty levels are high. If we now had to stop *EastEnders* all the way through to some of the major premium drama, I think at that point you are facing a situation—I am into speculation, so it is dangerous—where if freelancers do not have work for such an extended period, as per the wider economy, you begin to look at some quite difficult situations with regards to expertise leaving the industry.

I would say at the moment, with the insurance and the fact that we are now able to deliver a lot of the drama productions in a Covid safe way, and they are coming back to life, my sense is there has not been a massive talent drain. There has been enormous hardship but not a drain. If that goes on for a lot longer or we went into a second situation where we could not produce, you may be looking at a different problem.

Q208 **Clive Efford:** Moving on to the acquisition of UKTV, is there a possibility



that you paid too much for it?

Tim Davie: We bought 50% that we did not own, and we bought it off Discovery. Without going into too much detail, as the head of Studios I am very comfortable with the price we paid and I think we had an appropriate plan agreed with the BBC board. I suspect the shape of return will be slightly different because of the advertising impact this year, but I think it will still look like a very sensible acquisition.

Q209 **Clive Efford:** You had the drop in advertising revenue because of Covid. Has that had a big impact on the performance of UKTV?

Tim Davie: It has had an impact. There were some really scary numbers at the beginning of the year as we went into Covid. People were speculating—I am careful with numbers, because there are other businesses that are trading in this area—on a very, very significant fall in advertising. The latest I hear from other PSBs and the market is that there is still a significant decline but not at the terrifying levels that were first speculated, so we will see where that goes.

Studios had a record year: £181 million EBITDA earnings last year. The truth for us and for many of these businesses is that we are not in the category with airlines and retail where you are looking at not being able to be cash positive or deliver a profit, but you are looking at very significant impacts on your numbers. Two things: first, you see the advertising decline and, secondly, you push more productions into next year.

Studios will not be delivering under any scenario that I can see, unless I am completely missing something, £181 million EBITDA, and that is where you get to some of the issues we have. I still see it as a profitable trading business, and I hope UKTV will have a good, profitable year, because remember it has pay revenue from what we call affiliates, Sky and others, as well as just the advertising base.

Q210 **Damian Hinds:** This is a big subject, Tim, but I would like to ask you briefly about the BBC's distribution strategy in terms of ubiquity, prominence and ownership. First, do you think it is important or essential that the BBC be represented on every major distribution channel? If the answer to that is yes, how do you deal with issues with smart speakers, for example, where you do not control the interface?

Tim Davie: It is pretty critical. Is there any situation where we should not? It all comes back to the way you phrased the question, which is universality. Having sat on the Freeview board and chaired Freesat, I know that distribution—and distribution, critically, of not just our programmes but our services, iPlayer, BBC One and so on—is absolutely critical, so the answer to your question is, yes, we should be on all major platforms.

Having said that, we clearly are in negotiation with some of the big players in terms of what prominence we get, how we are served up and



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how we are represented. We have to keep strong as the BBC in saying that we want two things, frankly, and it is pretty straightforward—this relates to a conversation we may or may not have time for on the PSB review—which is that we need prominence not only for our individual programmes but for our services.

By the way, the data is utterly overwhelming, which is that you get attribution and value. If we care about the BBC and we want to value it, it is not enough just to chuck the programmes out there as individual programmes. You need them to be on BBC Sounds or iPlayer, or at least be managing our platforms. That is what we do successfully in the TV market with many, many platforms.

Finally, it is getting tougher. Before you were doing a few deals—I have done them on Freeview and Freesat with Sky—and clearly now, if you look at iPlayer, there are numerous versions and different smart TV providers. This relates to some of the discussions you will be having on PSB review. Vast amounts of people are trying to “own” your TV interface and, indeed, your speaker. We have to work very hard to make sure that we have distribution in all those places.

Q211 Damian Hinds: Obviously, you have negotiations with third parties, with hardware manufacturers, with platform providers and presumably a few others as well. Just in terms of the regulatory environment, so long as people can find BBC content, what is your justification, your argument, for why prominence should be legislated or, in some way, regulated for?

Tim Davie: There are two points to that, Damian. There is the universal provision question, and then there is why we are so, frankly, hard line on it being part of Sounds or on iPlayer, as opposed to just served up on an interface. The first one is that the BBC is an intervention. I happen to think it is incredibly brilliant for growing markets and the future of the creative industries, but it is a universal intervention in which we are saying to everyone that every household has to pay.

It is also appropriate if we care about some of these things. We have talked in this discussion about news and Covid being an obvious example for the BBC. It is actually appropriate, because it has worked, that we look at appropriate and balanced legislation on prominence for public service broadcasters. It is binary. You are an intervention that happens to be, in my view, a very beneficial one, culturally and economically. That universal brief and funding mechanic necessitates or strongly advocates intervention in terms of prominence.

On the other point, can you imagine some of our US competitors saying, “Oh, you can have our programmes but you cannot have the service”? It would be unthinkable for Disney, Netflix—I love them to bits—and all of those people not to want to be presented as a service. There is a reason for that, which is that, at the end of the day, I have to be in a position, if we care about this institution, to justify its value. To repeat, value is ascribed not only to the individual programme but to the service. I like



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iPlayer. I value iPlayer, so I think it is right. Honestly, if you look around the world, no one offering that kind of service is saying, "Oh, just take the programming with a bit of logo on it." We need our services.

The BBC is a curatorial enterprise not just a serving up of programmes. Radio 4 is wonderful because it is something of the Radio 4 controller, and that is exactly the same with Sounds. I think it is right for us to be quite strong and say, "We are not going to be broken apart" because it will disaggregate the value, and the institution begins to be weakened by that quite significantly.

Q212 Damian Hinds: Are the arguments different, whether you are talking about prominence of BBC news content, or news and current affairs, versus entertainment content? There are arguments for both of them, but they have different public policy and public service objectives that might suggest that you end up with a different formula for prominence that is not based on entire linear channels or the iPlayer but on, for example, reliable news content. If that were to be the case, surely there would be a case for other news providers to be counted. They are not broadcasters, but they are still a public service in a sense, alongside the BBC, Channel 4, ITV and the others. What is the future landscape that the regulator should be regulating for?

Tim Davie: That is a good question.

Damian Hinds: Sorry, I appreciate it was rather long as well. Apologies.

Tim Davie: It is a chunky question. I was nodding along vigorously to the second bit. I am a little more resistant to the first bit.

On the second bit, the BBC should not shy away from growing markets. I am up for competition so, in some ways, if people are offering trusted news services and the editorial oversight is what you think it should be, then great. Do you know what I mean? I have no issue with that. I do not think this has to be wholly defined as linear public service broadcasters in that way. I do not have a hard line on that.

The former point is significant. Universal intervention is not genre based. In fact, one of the reasons we get so many people to engage with our radio services—for instance, Jeremy Vine on current affairs—is that these things are not insignificant. They are a mix of genres. It is not the case that you could take out BBC News and everything would be fine. I think it would be much smaller. The idea that we have multi-genre means there is a degree of serendipity about TV and radio schedules. It is the same with the iPlayer. If I am protecting the BBC and all that it is, I do not think the idea of doing it by genre would in any way help the audience and, culturally, be the right intervention. I think it would be a real problem actually.

Q213 Damian Hinds: You said earlier that it felt like we are miles away, in your words, from linear channels—I cannot read my own writing—becoming eroded to the point of irrelevance. That might be true for



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people of our age. It is not true for people under 25, is it?

Tim Davie: I think it is mixed. If you take youth programming on some of the linear networks, event television, there are a lot of young people watching "Strictly". There is a lot of—

Q214 **Damian Hinds:** The sheer amount of time on YouTube versus any linear channel or even the iPlayer.

Tim Davie: Sure. As a father of three teenagers, I am well aware of the media consumption within the under-25s and I think, both anecdotally and through the data, there will always be a place for those. For what it is worth, lots of young people came to the Covid briefings, for instance. I am not being naive here, and I take your point. There is going to be a cohort where everything is on demand. They are going to get their BBC news through the internet. We have to provide that without growing ourselves by increasing the amount of people everywhere. We have to provide. We have radical reform to do at the BBC in terms of how we supply that.

I agree with you that linear is just one component part now. I stand by my comment, which is that I think you may be right that linear may be largely gone for the under-25s, but the data does not quite suggest that at this point. Also, habits change as we age. I do not think there is a situation in which linear does not decline, so I am not sitting here saying, "Oh, it is all going to be fine" and making a pitch for linear keeping on going in the way it is. It will be more limited hours and it will have less reach, but it will still be there. Live football, live sport, there are going to be moments when linear delivers.

Q215 **Damian Hinds:** How do you make sure that kids—young people—who are watching BBC content on YouTube know that it is your content and are able to differentiate and appreciate the premium on a trusted news source versus any old thing on the internet?

Tim Davie: A very good question on which we are spending a bit of time talking about. There are quite interesting dilemmas, and traditional media businesses around the world are wrestling with this, as you know. There are different levels. The first one is the obvious one around branding and making sure we have certain things from the BBC, bits of video, this, that and the other, and we will do all of that. We do brand. We protect our branding, but the brutal truth is that that only gets you so far. What we need to be doing is making sure that there are routes back to the BBC, so, "If you want more on this feature..." That is where we have to spend a bit of time developing ourselves.

The idea that we exit those platforms is ridiculous. The audiences are enjoying them. We should be out there among it. That is why I am not banning people from social media. It is how we do it, and I think your challenge is well put. We do not have all the answers and that is something I am working on.



Q216 Damian Hinds: That leads me on to my final question. I want to give you a parallel from the travel business about 20 years ago. It is not a perfect analogy but there are more parallels than might appear clear at first, with new intermediation from new media companies with quite exciting propositions and lots of marketing money to throw about. In the end, there are only two ways that you compete effectively with that. Either you replicate it by making sure you have the same range of choice on your own platform, which you can only do by joint venturing with others and maybe inviting other content in as well, or you overcome it by having something unique and valuable through your own channel that is not available through that intermediary. In the travel business, that is things like price guarantees, loyalty points and so on.

There isn't really much differentiation in broadcasting about where you watch a particular programme, other than the time at which it can become available. I know of no other strategy in that situation that is effective or has been effective. I just wondered if you did.

Tim Davie: I recognise the issues. It is in the strategy for us as I defined it. When I took over Studios, I looked at these behemoths, the control we have and the scale. It is true differentiation of content. Your question is extremely well put: in the UK do we have enough scale as a service like iPlayer? Interestingly, around the world, I do not even think we have enough scale as the BBC, which is why I did the joint venture with ITV on BritBox and joint ventures around the world to get that scale.

In the UK I think the strategies are clear, very purpose led, absolutely differentiated. I have been very blunt. It may be that you can take slightly fewer hours of someone's time, but what you do is make them count. We all know that in BBC Radio, where it is strong enough. I do not think the BBC necessarily needs 40 hours a week of someone's time, but if it is an important eight hours or an important 10 hours, so that has been part of my push to say do not try to battle this—to your point—by doing more and more and trying to replicate everything, but try to do slightly less where you have the resources, such as natural history or proper current affairs. It is not all high fibre, by the way. It is also the right entertainment formats where we are getting young talent, and geographically moving out across the UK. All these things we have to double down on.

I do think we have enough scale as the UK. Also, we have a role to play as the leading PSB to make sure, with the support of legislators, that we do enough to protect the prominence of the services. That is appropriate because we are protecting something rather, dare I say, weird and special in the UK that has worked. It does not have to be an anachronism for us. That is my point. You can win this.

Q217 Chair: To a certain extent, it is almost saying that less is more. Do the parameters of what constitutes public service broadcasting need to change or be redefined to allow that burgeoning of a new direction for the BBC?



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Tim Davie: I do not think so. That is one for me to reflect on, Chair. I do not think so. I know not everyone takes this point of view, but I really believe that the BBC has some of the best, finest public service broadcasting, and it is not defined wholly by genre. I think it would be a disaster for the BBC, bluntly, if we are trapped into, "You need to do news and the crunchy bits." One of the things that I see is drawing people into the BBC through truly differentiated services but then bringing them across to current affairs.

I take your point, and the answer is that I do not know. I do not think so. I think it is about delivery, and I think it is about my guiding the organisation to be able to stop things as well. You will see us over the coming weeks say, "Okay, we are just doing too much volume here" and we are going to look at some of those extraneous bits that we do and say, "We shouldn't be doing it", but I do not think it is focused on one genre and I am not sure it is a problem with the rules or guidelines that are written down. I just do not know the answer to the question. I will have to go and look at it, but that does not trouble me at the moment.

Q218 **John Nicolson:** Good afternoon, Tim. I declare an interest, as we were having technical problems at the start, which is that I worked for the BBC for a number of years as a reporter on *Newsnight* and a presenter of *BBC Breakfast* among other programmes.

Can we turn now, please, to staff and working conditions? As the incoming Director General, will you now apologise to women for the extreme hostility they were exposed to for asking the corporation to follow equal pay law?

Tim Davie: Absolutely. The message has been unequivocal that we should be deploying equal pay law, and any resulting issues should be addressed. I cannot go back over every process. I do not know the details of every process historically. I know where we are today, and I know what has to happen under my leadership.

Q219 **John Nicolson:** Yes, but you can say sorry on behalf of the corporation to women who were treated so badly.

Tim Davie: We have already apologised to those women where we have said—

Q220 **John Nicolson:** Are you apologising again, for the record?

Tim Davie: I am saying that I am absolutely clear that, historically, we have absolutely focused on sorting the issues.

Q221 **John Nicolson:** That reminds me of the old saying, "Sorry seems to be the hardest word to say."

Tim Davie: Let me make it easier for you, John. I am sorry if people feel that they were treated badly by the BBC.

Q222 **John Nicolson:** Again, that is one of these non-apology apologies that



public—

Tim Davie: What would you like me to say, John?

Q223 **John Nicolson:** Not, “if they feel badly treated.” You know they feel badly treated, so an apology is, “I am very sorry that we treated them badly”, not, “I am very sorry if they feel that they were treated badly.”

Tim Davie: But I am worried about the general. I apologise to those women who went through a process where, clearly, we could have come to a faster outcome. There is no issue with that.

Q224 **John Nicolson:** Will your approach be different from Tony Hall’s going forward?

Tim Davie: In what regard?

John Nicolson: In settling cases in a more speedy way.

Tim Davie: To be fair, if you look at how we have resolved the cases—we can debate the speed, and I am sure you will do—we have resolved 99% of the pay cases now. We have resolved 1,321 cases. By the way, 38 were equal pay cases. I can talk about it now, John, but we have a very limited number left, so clearly this was a major reset for the BBC, quite appropriately, delivering a proper framework. It is the law; it is non-negotiable. We need to do our work. I think we are largely through it. Tony and the team, and I was part of that team, cracked through an enormous amount of work. I know many people thought we were too slow, but it was important and exacting work to do that.

Q225 **John Nicolson:** There has been some confusion about figures because the freedom of information request quoted by *The Guardian* talked about 692 cases, 608 of which were through an informal pay inquiry and 84 through formal appeals. Having given that figure, the BBC then revised it downwards, saying that it had made a mistake. It was subsequently revised down to 64 and 440, which rather makes one feel there is not somebody in overall charge of this, because surely it is unusual for an organisation like the BBC to have to backpedal and backtrack on such an important issue. Let’s move on, because you say it has largely been resolved.

Tim Davie: Sorry, John. Now you have put that down, I should give the Committee what happened there because I can give some clarity. It was a technical inaccuracy, so I apologise for that, but I checked it out. *The Guardian* number—you may know this, but just for the Committee—relates to the number of pay adjustments. There were 440, as you said perfectly, and I had 65 who received it through a formal appeals process. Some of them were being assessed against a couple of roles, so you ended up with 700 adjustments across that population. So the 690 or 700 number just referred to the number of pay adjustments rather than individuals, and that was where the person responding to the FOI made an error.



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Q226 **John Nicolson:** I put out a call on Twitter and Facebook for people to get in touch with me to tell me what they felt. A whole variety of BBC employees have been in touch with me, some of them household names. All of them have asked me for anonymity. I have established who they all are. Many of them are on the huge BBC pay discrimination WhatsApp group, where they all talk to one another and tell one another what their experience is. Here is what one of them said to me. This is a senior news presenter, and I quote, "Everyone knows that your career is stymied if you make a fuss over pay unless you are one of the high profile people who will go to the paper and embarrass the corporation." Can we get some numbers? How many gender discrimination cases are outstanding, unresolved?

Tim Davie: Twenty in total.

Q227 **John Nicolson:** Twenty. Are you still requiring non-disclosure agreements?

Tim Davie: We are not. The only thing we put in contracts is the non-disclosure of commercially competitive information in line with market, no more than that.

Q228 **John Nicolson:** Not for settlements on pay discrimination cases?

Tim Davie: I would have to look into the latest. I do not know the answer to the question in terms of what we are putting in a clause in a settlement. I do not know whether anyone else on the call does. I have to look at that.

Q229 **John Nicolson:** That is obviously not good if that is the case, because a lot of people find it appalling. Perhaps you will write to the Committee and tell us.

Tim Davie: I will do that, no problem.

Q230 **John Nicolson:** I would also like to know—you probably will not know the answer to this if you do not know the answer to the previous question—whether you have released all of those that you previously made sign non-disclosure agreements?

Tim Davie: Again, I do not think so, but I will confirm to you in writing on that one.

Q231 **John Nicolson:** Again, that would be a very interesting one to get an answer to. A senior reporter with 20-plus years of experience with the BBC has written to me. She said, I will quote her, "They think they can just trample on people like us. It's David versus Goliath. When you deal with the management, they lie and they lie and they lie again. It's a nasty and toxic environment." This is something she wanted me to flag up, because she spent a third of her annual salary on a legal team to fight the BBC. I understand it has been resolved, and resolved in her favour. Have you ever spent more on a case in lawyers' fees than the value of the case itself?



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Tim Davie: I have no idea. I can send that to you. We can respond to these detailed questions.

Q232 **John Nicolson:** How much have you spent on lawyers' fees fighting women in total?

Tim Davie: Glyn, I do not know whether you have it. I don't think we have this number in terms of—

Glyn Isherwood: No. Given the sort of detailed analysis, we would have to come back on these points.

Q233 **John Nicolson:** Because there is a combination, isn't there? There are the in-house BBC lawyers, but then there is also counsel as well. It is extraordinarily expensive. I think it is going to be a huge figure. Tony Hall was not able to answer this, and it got some press attention. Have you ever won in any case that the BBC has fought against a woman in an employment tribunal?

Tim Davie: As I understand it—I might stand to be corrected—only one has gone all the way to tribunal.

Q234 **John Nicolson:** Which, of course, you lost.

Sir David Clementi: Which we lost, yes.

Q235 **John Nicolson:** I have covered some of those, and you have said that you will write to us with some of that detail. I should say I have a big pile in front of me of immensely unhappy women who have written to me, lots and lots of them, and there are two recurring themes. First, that they feel frustrated by the ongoing process; secondly, that they are very, very scared for their names to come out. These are feisty women; these are women who appear on your screens every night. It has been hugely trusting of them to give me their names because they seem really frightened by the management, which seems a very unhealthy environment to me.

Let's move on to racism now. There has been written evidence from the Campaign for Broadcasting Equality given to me. Of course, you will know about David Olusoga's MacTaggart lecture, where he said he was crushed by his experiences at the BBC. I will give you some more quotes. One BME staff wrote to me, saying, "We are fed up by the lack of progress, the racism and constantly having to prove ourselves more than our white colleagues do. They cherry-pick those who are compliant for promotion." Another employee wrote to me and said, "As a brown woman, I have faced and continue to face discrimination my white colleagues never have to deal with. My BME colleagues and I are exhausted fighting the same battles every day." I should say those are people who I think run the BME WhatsApp group, which also seems to be quite active and equally unhappy. Do you think the BBC is an institutionally racist organisation?

Tim Davie: I do not think it is institutionally racist. I have spent a lot of time on this, John. I do not know whether you are aware, but I have



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been leading the work over the last couple of years and also now. It is an issue I feel extremely strongly about. If you look at my speech, it was very clear in what I said, which is that there has been progress in certain areas. By the way, I am spending an enormous amount of time talking to BA and ME staff, getting open forums, listening. The truth is that here is where we stand. We have made some progress, particularly onscreen. I could list all the projects, but I think we have made progress.

Internally, though, the facts are we are now an organisation that is over 15% BA and ME, which is reasonable progress, but I think the biggest problem is leadership in terms of making sure we are seeing BA and ME leaders in the organisation. We are currently at 12%, but that number—if I am being very honest—is slightly kind to us because in terms of the top of the organisation, in terms of some of the key decision-making bodies in the BBC, we have not had enough representation.

Q236 John Nicolson: How many full-time black correspondents do you have on the network?

Tim Davie: I would not have it for every single programme across all the networks. Again, I can get that number. John, I am interested in the overall number, which is 12% of leadership and 15%. I have the correspondent point. Overall, onscreen representation—

Q237 John Nicolson: I rarely see a black face on BBC network news reporting. Some folk have said to me that they think it is perhaps only two if you count Clive Myrie, who is also on a presenter contract, and of course your young LGBT correspondent, who is primarily on LGBT issues. I have been told that they may be the only two black correspondents on network news, which is appalling.

Tim Davie: Right.

Q238 John Nicolson: But you will write to me and tell me how many there are?

Tim Davie: I can confirm the number. I can tell you one thing, no one has been more open than I have that we need to reform it. In fact, here are a couple of things that we have done. Honestly, I take the challenge. By the way, I have been very direct. I think many staff are tired of talk from senior leadership, honestly. They are tired of the talk; they are tired of these discussions; they are tired of everyone talking about it. They want to see action.

What I have done is a couple of things that are different to the past. When I was leading the BA and ME group—and please go and talk to the staff networks, the other people that are involved in this issue and let's talk about what can really make change happen. The first is we have to recruit differently and we have to place people into decision-making roles. It is very difficult if you are coming up as a minority. If you look at the top teams and, to your point, you look at who has made it to network, you do not see a true diverse group of individuals. Therefore,



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every one of the 15 boards in the BBC, the divisional boards, now has a representative from BA and ME. They happen to be, in some cases, special advisers, but we cannot live with a situation in which we do not have a diverse group at the top of the BBC.

I have set very aggressive targets—too aggressive for some, by the way—on the 50/20/12 targets, as you know, the 20 being BA and ME. We are now working on divisional plans. The issue is that these things are going to change not from high speeches but from really granular work. To your point, it is a fair question. At every layer of the organisation, what group of people do we have and what hires do we want to make? That is what we have to get at. We have to get that work done, and we will be judged on it.

Q239 John Nicolson: Are any BME journalists on the list of staff to be cut in current affairs in the current round or the future round of swingeing newsroom cuts that you are having to implement because of the disastrous deal that your predecessor did with the Government over licence fees?

Tim Davie: We have not even agreed, because we are going through a VR process, John. We do not have that finished, so we do not know how we are going to do it. We are looking at reducing roles, and then you have to get VR and go through the various things. We are in the midst of that. I cannot even give you a written answer to that because, at the moment, we are asking for expressions of interest of who wants to leave. We will then—

Q240 John Nicolson: You mentioned 450 news jobs. Because black and minority ethnic staff are underrepresented now, if any of the underrepresented group at all are either volunteered for redundancy, are persuaded to resign or just want to resign, that is going to make your position even worse. Some 4.4% of staff in the nations and regions are BME. For example, to take one figure, 20% in leadership, of course leadership often comes through the newsrooms, doesn't it? It seems incredibly unlikely that you will be able to make that target if you accept or make any folk redundant now.

Tim Davie: I think that joins too many dots, with respect. The interesting thing about VR and corporate change is that I think we should become more efficient in newsrooms. I do not think we need all the staff we have. The great thing about VR and beginning to push, first, is that we are avoiding compulsory redundancy. Also VR tends to skew towards older age groups. I do not want to pre-empt the round here, but you need to create some churn within these key areas. Sorry, terrible word, but people leaving, people going in and out, because what is not sustainable is for us just to keep recruiting more and more people to make these numbers. I have to have some people voluntarily leaving the BBC to create the very gaps that we are talking about here and that you and I want to see filled with BA and ME and more diverse executives. In fact—



Q241 **John Nicolson:** How much money have you spent fighting racial discrimination cases?

Tim Davie: I have no idea. If we look at the overall bullying and harassment numbers, it is about 90 for the overall BBC in a year. Because of the complex and confidential nature of those cases, like any organisation, we do not tend to publicly disclose the criteria for all of them. That is where we are.

Q242 **John Nicolson:** Do you know how many ongoing cases are being fought?

Tim Davie: We had 92 during the year. I am not sure exactly how many are active at the moment.

Q243 **John Nicolson:** Just to summarise, before I ask my final question, you are going to write to us on the cost of lawyers, which I think all of us would like to hear. You are going to write to us about how many black reporters there are on the network. The lawyers' costs you will give us, both for fighting women and also for fighting racism cases.

I have to say that, given your very confident assertions at the start, you largely settled the issues on equal pay and that you thought that women were, broadly speaking, happier now—did you not say that? I do not want to put words in your mouth.

Tim Davie: I am not making an assumption on who is happy or not. That is putting words in my mouth, John.

Q244 **John Nicolson:** I said that I do not want to put words in your mouth, so I will not. I hear what you say. All I will say is what the evidence that has been sent to me shows, and, of course, it is not scientific. It is people who have chosen to write. Obviously, people are more likely to choose to write if they are unhappy than if they are happy, I understand that. There does seem to be a lot of people who do not feel that the change they were promised has come, and they feel bitter and they feel angry.

I suppose they look at the number of women who fought you tooth and nail who just sort of disappeared. I was thinking about some of them today, some of the folk who were promised a lovely new life, although they had poked their head over the parapets. I wonder where Olenka Frenkiel has gone, and Miriam O'Reilly. She was promised that the BBC would make amends to her, and she has disappeared off the screens. Carrie Gracie has just announced that she has left. These wonderful distinguished female journalists, when they fight and they win—and they always win—they seem to end up being edged out or feeling that they have to leave. There never seems to be a happy ending for them.

Tim Davie: There are two points. One is obviously you have gone into the weeds in some of the detail on the 20 cases. There are two things going on here, aren't there? There is the technical, which is how many cases we have. Have we addressed it with the career path framework, equal pay, making sure that we are absolutely delivering that, looking at our gender pay gap data, looking at it by level, absolutely granular?



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The other thing, by the way, is to look at the analysis we have done. I totally agree with your point, by the way, that in restructures, when people are leaving, we do not want to land in a place that is worse or taking us backwards from where we have been. I totally agree with that.

There is another question you are asking, which is valid: what kind of culture do we build as the BBC? Is it inclusive? There should clearly not be any repercussions for people legitimately raising equal pay concerns, speaking up. I cannot be, as the leader of the organisation, more direct than to say that we want to be fully inclusive and absolutely building diversity. That is what we want to do.

John Nicolson: I think people—

Tim Davie: Bluntly, John, I also think we should look at some of the overall staff surveys, engagement levels and all of that because, frankly, you are always going to find some dissatisfaction—and I have managed many of them. I am not dismissing it, because I think there are issues for us to deal with, but you are always going to find one or two that are not going to be happy in the organisation, but I think we have moved to a fair place on pay.

We do have a job to do in terms of the biggest issue, which is to get people promoted up through the organisation. I absolutely take your point on areas like the newsroom, totally spot on.

Q245 **John Nicolson:** The proof of the pudding will be in the eating. When the WhatsApp group only has a very small number of people complaining and mostly they are saying, “You see that Tim bloke? He is not all talk. He has solved the wages issue for women and he has solved the racism issue,” I think you will have won.

I want to ask you one final question on the area of discrimination. This is a guy who comes from staff. In June of this year an article was published on the BBC website by your LGBT correspondent, reporting that every UK political party had condemned the UK Government’s proposed lack of action on trans people. After that was written and published, it was later amended to include a balanced comment, not from the Secretary of State, but from somebody unrelated who appeared to oppose trans rights. This takes me back to the Sports Personality of the Year, where if you remember Tyson Fury, who said that he thought gay people should be shot dead, was allowed to remain on the shortlist. It was something I put to Tony Hall at one particular hearing. I could not imagine that somebody who said, “Let’s shoot dead Muslims”, or Jews or whatever, would be shortlisted for an award like that.

On the question of trans people, this hostile comment was included after the article had been written. I cannot imagine if you were running a story on Black Lives Matter that you would drop in a quote from somebody who was hostile to Black Lives Matter and the movement, or that if you were doing something on equality for women you would drop in a quote from somebody who thought that was intrinsically a bad idea.



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Tim Davie: I do not have the article in front of me, so it is very difficult to make a detailed editorial assessment. By the way, I think it is very interesting, the point you just made about Black Lives Matter, because I was very clear that racism is abhorrent and, absolutely, as the BBC we stand against it, we stand in support of our black colleagues. Those things are absolutely core to us.

This is difficult for us editorially. As editor-in-chief, I have to walk the line. It is interesting. On Black Lives Matter, clearly there is some debate around the political campaigning, the various elements of that, that I think is a legitimate debate. There is no endorsement there, there is no nothing.

On the trans case, I do not know. Without that in front of me, I cannot get to that line, but all I would say—

Chair: Thank you, Tim. I think we have that point. We are going to have to move on now.

Q246 **Julie Elliott:** Tim, I just want to clarify a few points on equal pay. You said there are 20 cases outstanding. Are they internal cases, grievances, and the like?

Tim Davie: We have eight that are pay tribunal claims, so they are outside. Then we have two informal and 10 formal—four at grievance stage and six at appeal stage internally.

Q247 **Julie Elliott:** How long have they been going on, going back to the one that has been going on the longest?

Tim Davie: I do not have that in front of me.

Q248 **Julie Elliott:** Can you send us that information, please?

Tim Davie: Yes, no problem.

Q249 **Julie Elliott:** Brilliant. How many cases have gone to tribunal, not completed tribunal, but tribunals that have been lodged up to this point, not including those ones that are still ongoing?

Tim Davie: Since July 2017, I think we received 29 tribunal claims and one in the US.

Q250 **Julie Elliott:** All of those have now been settled?

Tim Davie: Indeed. Yes, and then you have the eight and the two—I am sorry, you have the eight current claims.

Q251 **Julie Elliott:** Can I just ask for clarity on the cost of legal fees? Can you ensure that when you write to the Committee on the cost of legal fees for defending tribunal cases that you include whether they were settled in court or out of court, and both the internal costings and the external costings of the legal costs, please?



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Tim Davie: I have noted the request. The only reason I am being coy is that I need to check with the lawyers what we are allowed to—

Q252 **Julie Elliott:** I do not think you are allowed to disclose the settlement figures, but I am interested in what the BBC has spent on pursuing these cases against the women in tribunal. That is what I am interested in hearing.

Tim Davie: Understood.

Q253 **Julie Elliott:** Moving forward, and clearly you have only just taken over as Director General, it is some two years and eight months since Carrie Gracie appeared in front of one of the predecessor Committees that I was on, so it has gone on a long time. We have asked a lot of questions about how, moving forward, this is going to be sorted. Moving forward, how are you going to ensure that the BBC has a robust equal pay policy that stops these awful injustices ever happening again?

Tim Davie: It is an absolute given that we need a system, which we now have, where we have a clear career path framework, which is absolutely—

Q254 **Julie Elliott:** Can I just interrupt you there? The career path framework, as I understand it, only goes up to a certain level.

Tim Davie: Yes. I will talk about it, because beyond that we have the senior management ranges, we have the presenters. It is a fair point. We have a system and ranges by which, regardless of gender and any other factors, we have a completely fair system in terms of ensuring that we are paying utterly fairly and equally. Again, it is the law, so it is non-negotiable from—

Q255 **Julie Elliott:** It has been the law all the time, but that was not where you were. Finally, because we have gone on a long time about this, one of the issues that came up in the predecessor Committee is that one of the problems was there was no one in the BBC who had oversight to ensure in a detailed level that equal pay legislation was conformed to. That is where I believe a lot of these problems stem from. Who is the person that has proper oversight across the whole organisation to ensure that all these policies you have mentioned are implemented properly and that proper equal pay will become the norm in the BBC? Who is that person?

Tim Davie: It is the HR function, the specialists, and Wendy Aslett and Rachel Currie run that department, but it comes to me. I take your point, Julie, and there may be an expert sitting in HR that I need to give you the name of, but it comes to me.

Q256 **Julie Elliott:** I draw your attention to evidence received by predecessor Committee. The HR function had an administrative function in terms of all the contracts and everything that was happening, but there was nobody in the organisation, in HR or at director level, who had actual oversight of



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the whole organisation and who would tally what was happening in one area with what was happening in another area. It simply did not exist. We questioned this at length. You can go over the transcripts. Could you write to the Committee and tell us who the person is? Yes, the buck stops with you, I totally accept that, but it is not your job to have technical oversight to make sure it happens.

Tim Davie: Julie, there are two things. One is that I can confirm the resources that we have put against this issue, but the other thing—and having been on the board, I am not free from some of the issues of the past in terms of oversight—is that one of the great things that has happened is the gender pay gap analysis. The BBC, as ever, is at the cutting edge of these things, and it brings a lot of pain but it is the right thing to do.

Q257 **Julie Elliott:** I am not asking you about the gender pay gap, a totally separate issue.

Tim Davie: Julie, bear with me one second. It does two things. You have the headline, but you also have these by band and you have, within band, the gaps, so you can drill down into those numbers. Those numbers are a key number and a key metric for me running the top executive committee of the BBC.

Q258 **Julie Elliott:** Absolutely, but the gender pay gap is a different issue.

Tim Davie: That has changed.

Q259 **Julie Elliott:** The gender pay gap is a different issue from equal pay, a totally different issue. Can you write to the Committee, please, and tell us who the named person is or what the named position is that has proper oversight so that this cannot happen again?

Tim Davie: We can absolutely do that. I am happy to do that. I am very aware of the component parts of the gender pay gap and the difference between equal pay. There is by level, when you look at gender pay gap, the ability to look at different job types and you get the component part. I know gender pay gap is not equal pay in any way. It is a combination of what people are paid, the benchmarks plus their seniority spread through the organisation, and we can give you some detail on that.

Q260 **Kevin Brennan:** Tim, your maiden speech to the BBC as DG was interpreted by quite a lot of people, you may not realise this, as being a signal that you might be surrendering on decriminalisation of the licence fee to the Government. Isn't the lesson from the over-75s debacle that the Director General should at all times stick to the BBC's principles on this?

Tim Davie: I could not see a line of surrender there, Kevin, if I am honest. I do not know. That might be interpreted, shall we say, and my comments to the Committee today have been very clear on my views on decriminalisation. I think it is not in the licence fee payers' interests, and it is illogical.



Q261 **Kevin Brennan:** Have you spoken to Ministers about it since your appointment and, if so, what did they say to you?

Tim Davie: I have had numerous conversations with Ministers since I arrived. Of course, I am not going to divulge individual—you will have to ask DCMS and the Government in terms of where they are in their process. They are going through it. They are yet to publish the first round of consultation. It is not for me to speak for them.

Q262 **Kevin Brennan:** According to *The Times* in the last few days it is a “done deal”. You have not done any deal on this, then, from what you have said. Do you have any intention of doing a deal with the Government, in a similar way that Lord Hall did a deal, over decriminalisation?

Tim Davie: I am waiting. I have not even seen the results of the first consultation, so there is no chance of any deal. I am waiting for the information to come through from the DCMS work.

Q263 **Kevin Brennan:** So, it is not your intention to be taken into a dark room and set about with a rubber hose like Lord Hall was and then to give in to the Government in exchange for some promises over the licence fee for the next few years of funding, or anything of that kind?

Tim Davie: The way you phrase it does not make it an attractive offer. Look, we have been very clear that I will be very open and transparent. There are political realities here, but I want a well-supported, universally funded BBC that people are paying for. While we have this system, and I believe in this system and cannot see a better one, we should do all we can to protect it. I understand your concern. I think we should be doing this settlement with DCMS openly and transparently, and no darkened rooms or rubber hoses.

Q264 **Kevin Brennan:** I think the BBC has said the change will cost £200 million a year if it happens. Is it not your problem that you are trying to bring facts to a culture war? What you have is a Government that is intent on doing this simply because it can turn around and say to people, “We are picking on the BBC who criminalise ordinary members of the public for not paying their licence fee.” That is what they intend to do, it is a culture war, and it has nothing to do with the facts so you are on to a loser from the start. Is that not a proper characterisation of what is going on?

Tim Davie: I think you have to address these questions. I appreciate, because we are in the same position, that the facts do seem to clearly lead to our preferred solution. We have been led by facts in this, we really have, I think, so let us hope those facts and that logical argument wins the day.

Q265 **Kevin Brennan:** In my own view, since they will have to legislate, the House of Lords will be entitled to block it since it was not in the Government’s manifesto under the Salisbury convention, but that is another matter anyway.



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Can I just read you a few quotes? "They are all utter bores, these BBC executives." "It's a great abortionist of creativity." "For effectively always, certainly for a long time, I've been against the licence fee." "The BBC is dead intellectually." Some further quotes from the same person, "The Korean sets up the grocery store which the black then robs: that is the caricature that modern America recognises. Why has this happened then? One explanation, made endlessly in conversation and hardly ever in print, is that there really is something different about blacks, or at least about black men, or at least about young black men." This person went on to add that he could, "detect in black youths an aggression and defiance and indifference to normal moral and social constraints which frighten them" and goes on to say, "If it is true, as it surely is that some races—the Jews are the obvious example—are highly enterprising and talented, it may also be true that some are the opposite". They also said about same-sex marriage, "I wonder if the law will eventually be changed to allow one to marry one's dog."

He does not indicate how the dog is supposed to indicate consent in that quote, but all those are quotes from Sir Charles Moore, who we are told in the papers and I am told by some Conservative friends—this is not just trolling of this Committee and of the BBC and of the country—is a serious choice of the Prime Minister to be the next Chair of the BBC. You indicated earlier that this is the Government's decision and we have some small role in that, although we do not have the right to block that appointment. But what is your reaction to those quotes?

Tim Davie: I just do not think it is my place, because you can read me quotes from anyone out there with all the various flavour to them.

Q266 **Kevin Brennan:** Do you find them personally abhorrent?

Tim Davie: I am not going to get drawn on it. I think it is the wrong thing for me to do, bluntly, based on the fact that there is speculation in the market, speculation in the press. I have been very clear that I think it is absolutely appropriate that as a DG, CEO of the organisation, I let others, the board, yourself, make a Chair. I trust in the process and I think we should just do that. I am not going to get drawn on those quotes.

Q267 **Kevin Brennan:** I wonder, Sir David, if you as Chair of the BBC might be able to indicate, from your point of view, whether those comments, if they are accurate and I believe they are—they are from a reliable source—are the comments of someone who is suitable to lead an organisation like the BBC.

Sir David Clementi: In some respects, I am in a similar position to Tim. It is not my job to pick my successor, but at the head of this meeting I made two comments, and one was about process. I said that I hope the Government would do their bit to encourage well-qualified candidates to apply.

Q268 **Kevin Brennan:** I agree. You did say that earlier, and I accept you said



that on the record, but I am asking whether you, as a human being, find those sorts of comments personally abhorrent.

Sir David Clementi: I am not going to comment on it. It would not be appropriate for me. I have made it clear that if you come from a partial background, whatever you are, you need to leave your strong opinions and political biases at the door.

Q269 **Kevin Brennan:** You said that earlier, so I am not going to ask you to repeat what you said earlier. I am just shocked that you are unable to say that those comments are personally abhorrent to you. They would be personally abhorrent, I would have thought, to any decent human being. Anyway, I am going to leave it at that and ask about one other thing.

Sir David Clementi: But as you know—I need to repeat—

Kevin Brennan: No, you do not need to repeat, with all due respect, Sir David. You have said on the record what your view is about leaving political views at the door, and that is on the record. I have asked you a different question, and I accept that you are not willing to answer it. You do not need to repeat what you said earlier.

In the understandable rush to shore up BBC finances, given the way they are being raided by the Government and are going to be raided again over decriminalisation, is there any danger of the BBC losing its cultural soul?

Tim Davie: That is a very big question in terms of cultural soul.

Kevin Brennan: Shall I drill down to an example I am thinking of?

Tim Davie: I do not think that is the threat. Honestly, I think it is that we do not have enough resources to deliver—

Q270 **Kevin Brennan:** The board of the BBC, over the sale of the Maida Vale studios, which the BBC has run and which has been the site of some of the most iconic recordings in the history of music in this country, recently objected to the fact that it had been given Grade II listed status due to its cultural importance to this country because of the financial implications of it being given that culturally important status. Is that not a prime example of the BBC losing sight of its central cultural importance to this country, which should be more important than simply its finances?

Tim Davie: There are two answers. First, no one cares more about the cultural soul of the BBC than I do. I think the risks, if I am honest, are that the BBC is significantly down in real terms and has lost in 10 years 30% in terms of our investment. The truth is that we are facing massive global players, and if we are interested in growing the creative economy and doing the things I talked about and delivering audience value, that is threatened if we are not investing in the BBC. There is no doubt about that.

Q271 **Kevin Brennan:** So, appealing against the Grade II listed status of Maida Vale studios—



Tim Davie: Then you have gone to a different point, if I may, which is the culture. No one—and I am sure we can spend much time on it—has as deep a connection with Maida Vale 3, that studio. Those studios are one of the great resources for the BBC. If you look at what it would take to make Maida Vale—I am close to this, as I love Maida Vale. I have walked those corridors, I have seen amazing performances in them, but to your point there is a soul in that building that is amazing.

But it is in a residential area. That old-fashioned roller rink where the orchestra play is not fit for purpose. It is borderline. The health and safety issues are okay, but they are very significant. The symphony orchestra does not have proper space. It is way, way behind any modern facility that we need as a proper space, and its level of community engagement is not as high as it could be because it is sitting in Maida Vale in west London. I am quite excited by our proposal to go to the east, or to look at a different area where we could nurture and develop a cultural sector. We have heard about other areas of the UK that need that.

Q272 **Kevin Brennan:** I am not objecting to that proposal, but the truth is that the only reason you are objecting to Grade II listed status is because it will affect the resale value of the property. It is nothing to do with whatever use someone else might put to it. It is because it will cost some money.

Tim Davie: It is £10 million. I absolutely get it, but there must be a way in which we can commemorate, we can take bits out, we can do things. But regardless of any financial constraints, it is £10 million that I could invest in young talent, apprenticeships. I think that trumps it. I do not think we are losing the cultural soul of the BBC, by the way.

Q273 **Kevin Brennan:** I will do you a deal. If we can head off decriminalisation, which will cost you £200 million a year, maybe you can spare the £10 million that you might make out of Maida Vale.

Tim Davie: You told me not to do deals in the room. I cannot do that deal here but, yes, I take your point.

Q274 **Steve Brine:** £10 million is not even a year of Zoe Ball. Anyway, just a quick one for Tim, or maybe Clare. Are you aware of *Eastern Eye*, which is Britain's No. 1 newspaper for Asians? Are you aware of their splash a few weeks ago, "Culture of fear at racist BBC"? It has been a massive story for them and has led to a huge response from employees of yours who have come forward to talk to Bernie Choudhury, their reporter. Are you aware of that story and, if not, can they send you the details and can you look into it, please?

Tim Davie: I have the story in front of me. I have read it. I am in contact with them and, of course, we will look into it.

Q275 **Giles Watling:** I will be very brief because I am aware of the time. In my constituency of Clacton-on-Sea we have many elderly people, and I



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include myself in that. I get many letters in my postbag about the suspension of the free over-75 licence. Do you think that Lord Hall was wrong when he took responsibility for the over-75s licence fee concession?

Tim Davie: No. As part of the board I thought I made it very clear, I have been public about it. It was a really tough decision, very difficult. I think taking £700 million out of the licence fee—talk about losing the cultural soul of the organisation—is just too much. You lose vast swathes of output and you begin to be in a spiral for some of the things that the over-75s who consume a lot of the BBC would no longer get.

Frankly, I think the idea that we picked up all of it was not the right one. It was a tough decision, but you know the decision we made. We were very concerned and remain concerned about pensioners on low incomes, and that was why the BBC chose to take a big hit but set the bar at pension credit. I do not know whether Clare might want to give a quick flavour of what is going on with delivering that, because this has not been easy. It is tough territory, but I think in the way we are executing now, having delayed, things are going okay. I think we are in pretty good shape in terms of the delivery.

Clare Sumner: So far, we have had nearly 2 million people going through the system. Some 1.2 million have paid and 700,000 people have applied for that free TV licence. We are nearly halfway through at this point. All our letters have gone out. We have received 800,000 calls, and we have received only 48 operational complaints.

The most important thing for me to stress today is that everything we are doing is Covid safe and people can apply for either a free TV licence or a pay licence from their homes. What is interesting about this pattern is that people have responded very quickly so far, and we are keeping this under close review because we want to keep hearing people's feedback. I am sure there are things we will keep learning about this group of people. As you know, and I have talked about it to the Committee before, we are very keen to try to make this transition as smooth as possible and, so far, I think there is good progress. As ever, we are not complacent about that.

Q276 **Giles Watling:** I want to keep the lines of communication open. I visited the website to see how you can access the licence fee concessions now, and we have to bear in mind that we are talking about the over-75s here. Not everybody is going to be accessing websites. Are you reaching out effectively enough, do you think?

Clare Sumner: Yes, I do. One of the things we recognised from the beginning is that, you are absolutely right, not everybody in this group will be online, but a lot of people will be able to use the phone. That is why we put on 800 agents and indeed, as I said, there have been 800,000 calls into our call centres. We put that extra provision in because we were concerned about that point.



Q277 Giles Watling: Just very quickly, there has been a decision to delay the change to the licence fee under Covid-19, and as we all know, as a caring organisation, the BBC is well aware of its commitment to the community over issues like loneliness. The licence is very important to elderly people who are going through lockdown, so there was a concession until August 2020. Will you consider suspending the licence fee for over-75s if we go back into another lockdown?

Tim Davie: Obviously, we will keep it under review, but our lead assumption, and I think we are in the right place here, is that we spent a little time, quite rightly, making sure this was, to repeat Clare, utterly Covid safe. You do not need to go out. By the way, I think we need to keep telling people that and reassuring them.

To your point, and I know from experience, and we all know from relatives, that not all of them are online. All those things are important to us. Now we have done that, our lead assumption is that we continue with the scheme and that is what I think we should do. The reason I say that is twofold. One is we are up and running. We have half the people in. We are up and running. If you think about it, you would end up with mass confusion if you were to make any adjustments, which I would not want to do anyway, and you also end up with massive holes in the BBC's finances. To your point, it is a spiral. You cannot have it both ways.

I think our system is well set up to deliver in pretty much any circumstances, although clearly in the world we are all in, you keep looking at it. The other thing, Giles, is we are listening to feedback, so if there are areas where people say we would just like a bit more communication on that, the data is pretty good for us. We have had 800,000 contacts and a very low number of complaints around the process, but no complacency. I think we just have to be very caring about it.

Q278 Giles Watling: That is good to hear. You have gone so far, so you have to keep going. One very final point, and I think this is probably to Glyn: how much does it cost to implement the changes to the age-related concession?

Glyn Isherwood: We made some early estimates at the start of the process of about £38 million, and we have had to make some changes and additions to that since because of the issues of Covid and the extra support we put in place to make sure we deal appropriately with all those individuals. It will be more than that. When we get to the end of the financial year, we will then disclose and report back, so we put in an additional contingency amount over and above the £38 million to deal with those issues.

Q279 Giles Watling: This is bound to affect the ability of the BBC to successfully continue its programme-making.

Glyn Isherwood: Yes.



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Q280 **Alex Davies-Jones:** Tim, how many over-75s are currently paying for their TV licence?

Tim Davie: Clare, do you want to give the exact number?

Clare Sumner: As I said earlier, 1.2 million are currently paying.

Q281 **Alex Davies-Jones:** Do you have any idea how many eligible people have taken up pension credit as a result of the changes to the age-related concession?

Clare Sumner: So, 700,000 people have applied.

Q282 **Alex Davies-Jones:** How much has it cost so far to implement the changes to the age-related concession?

Clare Sumner: I think that was just covered by my colleague, Glyn. I do not have anything to add to that.

Q283 **Alex Davies-Jones:** You may have seen that the charity Age UK has described axing the free TV licences as a kick in the teeth for millions of over-75s who have had a torrid time during this crisis, and I kind of agree. They have raised concerns that pensioners may have to choose between heating their homes and paying for their licence as a result of the upcoming change. What is your response to this?

Clare Sumner: We talked a little bit about this before. We are incredibly sympathetic to people who find themselves perhaps having not claimed pension credit before, in which case we would suggest that people who think they may be eligible for help and support go to the DWP. Then we have always recognised that, for some people in this group, paying the television licence in one go may not be the right thing to do, which is why we have introduced schemes so that people can pay around £3 a week and pay in instalments.

We have been sensitive to that question but, in the end, I think the position is that people are consuming and finding great value in the BBC, particularly at this time. It is very important for companionship. Many people in this age group consume over 30 hours a week, which is incredibly good value, but we are sympathetic. We are talking to people about those instalments and people are signing up to them, so around 29% of that 1.2 million have signed up for instalment schemes, but the majority of people so far have paid for their licences in one go.

Chair: Finally, like at the end of the news, Philip Davies.

Q284 **Philip Davies:** Coming back to pay, I have watched *Match of the Day* for about 40 years. I do not know about you, but I watch it because I want to watch the highlights of the football match. That is what I watch *Match of the Day* for. I wondered why the BBC thought that spending £1.3 million on the presenter—and we have already heard about £1.3 million for Zoe Ball—was a bigger priority for the BBC, despite the fact that I suspect everyone will still watch *Match of the Day* even if nobody was



presenting it, than retaining Andrew Neil.

Tim Davie: First, your question about priorities is valid, by the way. As I think Andrew has made clear, if you want to go to Andrew Neil, what he has been offered is clearly a different shaped offer in terms of his chairmanship and the things he wants to do. I do not think it was solely financial considerations. It was about what he wanted to do with his life. You will have to ask Andrew that.

The other thing is that it is slightly uncomfortable territory, but we are in different markets. By the way, I do not buy the point about analysis. I watch *Match of the Day*, and I am a religious fan of *Match of the Day* and am on an intravenous drip of numerous football commentaries, but I also listen for outstanding analysis, proper curation of that. I honestly think people are tuning in for the debate on whether the handball was a handball, to talk of one recently. All of that is important to the analysis, and that is why our competitors pay their sports pundits multiples often of what we pay, so they obviously see the value.

The other thing about Gary Lineker is that he is one of those outstanding talents who in leading things like Sports Personality of the Year for the BBC. When the BBC puts on the World Cup final versus competition, have a look at how many people want to sit with Gary Lineker and go through that experience. In terms of his value to audiences, and I mentioned it before, these are very rare exceptions. If we put everyone down to £150,000, we would not be saving much money as the BBC, and this is 40% of viewing.

The debate with Andrew, if I am honest, was a very grown-up debate. It is just about what he wants to do with his life. I do not think it was all about, frankly, the ability of the BBC off a £3.7 billion revenue base to find Andrew some more money. I do not think that was the issue. Andrew is an outstanding broadcaster. He made his choice. In his words—I do not want to quote him directly, because I do not have it in front of me but we had a good conversation. I made a good offer. He had a better one. We move on. He has been brilliant.

Q285 **Philip Davies:** We talked about your pay earlier. Are you retaining the car and driver that Lord Hall had when he was Director General?

Tim Davie: I do not have a full-time car and driver, but I have access to one if I need one.

Q286 **Philip Davies:** Is that appropriate when you are sacking so many people?

Tim Davie: All I would say is that it is maybe one for the Chairman in terms of contractually what the Director General does or does not get. The days of a standing army of chauffeurs in the BBC, or even one, are long gone, you will be pleased to hear. But now and again in my job, with what I face, being able to access a car that—by the way, this is not about commuting or anything else. I was on the tube this morning with my



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mask on, like everyone else. I come in on the train, like everyone else. I do not think what I am doing is inappropriate in the slightest. It is very rare use of the occasional lift when I need to talk to someone on the way down to wherever I am going, but it is minor. You have a devotee of public transport in front of you.

Q287 Philip Davies: The average salary of a senior BBC executive is £148,221, totalling £37.5 million each year. Is that about right? Should that be higher, lower?

Tim Davie: Are you talking about the average senior management pay? Overall, the key thing, and this is my focus, is that you have to keep restraint on those pay figures. What do I think? I think it is probably about right in the market. What we need to focus on is spending a lot of time getting those numbers down.

Honestly, I am more focused on getting outstanding individuals who deliver you value for money than I am on simply getting lower-paid managers. I would rather have fewer managers but secure them. That is one of the issues, broadly. I work on a lot of areas around galleries and this, that and the other. We need to be able to attract world-class people into the BBC so that they are looking after a £20,000 organisation and that is different to a political environment.

We are in a media market, and I do not want to see the numbers of senior leaders drift up. I think the pay is probably in about the right place, but we will keep reviewing it. I do not want to pay people more money. I just want the best people. I just want the best people, and I am going to push hard the fact that when you are in the BBC you should not be expecting a commercial rate. You are doing it for the love of the institution and the country. That is absolutely part of what you get when you come to the BBC. You take a discount and you care about the institution and the country. The question is the level of discount. If I take the discount too hard, I do not get the best people, and I want the best people because they are spending your money.

Q288 Philip Davies: I have one last question. We talked earlier about why people outside the metropolitan areas do not think so highly of the BBC. One reason I would suggest is that you are seen as very politically correct, with things like mandatory 20% diverse talent targets applying to all new network commissions from April 2021. Can I just make the observation that that is not going to make people outside the metropolitan bubble feel any more glowing about the BBC? They want things done on merit and merit alone, irrespective of being colour blind, race blind. All these things should be irrelevant. These kinds of politically correct quotas do not do much for the BBC outside the north London bubble.

Tim Davie: My focus primarily is twofold. One is to make sure those people outside any bubble—by the way, the BA and ME communities outside London probably do not feel part of the bubble, Philip, and I do



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not see that as the bubble. I think the bubble itself is diverse. Britain is changing in that regard. I think the real worry for me is if the BBC has groupthink and does not recruit from a wide basis.

You can judge my instincts, but I do not think in the slightest that that is politically correct. It is absolutely getting a diverse range of views and celebrating that, and that leads to the best creative work. I am only interested in whether we have a good offer for you when you sit down at night or turn on the radio, and that is best done by not recruiting the same old people from the same old pool. I want to change that.

Q289 Philip Davies: There is no working class percentage target at the BBC.

Tim Davie: If you look at my speech, Philip, it mentions socioeconomic diversity.

Q290 Philip Davies: That is not mandatory like this. I do not know what the BAME population is in the country, but it is certainly less than 20%, so you are making it a mandatory target to over-represent BAME people. That is a choice that you are making. All I am saying is that, if you want to appeal outside the metropolitan bubble, those kinds of mandatory politically correct targets are not the best way to go about it.

Tim Davie: Final point, the reason I am reacting is that it is not politically correct. I really push back on that. Look at the societal changes. We are working on a timeframe on that. I just want us to be representative of Britain and all that that means. I agree with some of your points, by the way, so this is not just me pushing back on autopilot. I agree with some of your points, but we do need a more diverse workforce.

I take the point on socioeconomic diversity. I think there is a lot of debate about what the right target would be, but I would love to see more working class people and people with different roots. If you look at where I come from, smart intellectual output is not wholly related to academic excellence and background. We need to be broader than that and I agree with that. Those other measures of diversity, the Venn diagram overlaps quite heavily if you start bringing different types of people to the BBC, and this is mission critical for the BBC. It is not politically correct. It is about relevance, and I take your challenge.

Chair: Thank you, Philip, and thank you, Tim Davie, Sir David Clementi, Glyn Isherwood, and Clare Sumner for your evidence today. That concludes our session.