



House of Commons

Digital, Culture, Media and  
Sport Committee

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**BBC Annual Report  
and Accounts 2017–18:  
Equal Pay at the BBC:  
BBC Response to the  
Committee’s Sixth Report  
of Session 2017–19**

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**Seventh Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 15 January 2019*

## The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

### Current membership

[Damian Collins MP](#) (*Conservative, Folkestone and Hythe*) (Chair)

[Clive Efford MP](#) (*Labour, Eltham*)

[Julie Elliott MP](#) (*Labour, Sunderland Central*)

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[Simon Hart MP](#) (*Conservative, Carmarthen West and South Pembrokeshire*)

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[Ian C. Lucas MP](#) (*Labour, Wrexham*)

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[Rebecca Pow MP](#) (*Conservative, Taunton Deane*)

[Jo Stevens MP](#) (*Labour, Cardiff Central*)

[Giles Watling MP](#) (*Conservative, Clacton*)

The following Members were also members of the Committee during the inquiry

[Christian Matheson MP](#) (*Labour, City of Chester*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/dcmscom](http://www.parliament.uk/dcmscom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Chloe Challender (Clerk), Mems Ayinla (Second Clerk), Mubeen Bhutta (Second Clerk), Josephine Willows (Senior Committee Specialist), Lois Jeary (Committee Specialist), Andy Boyd (Senior Committee Assistant), Keely Bishop (Committee Assistant), Sarah Potter (Attached Hansard Scholar), Anne Peacock (Senior Media and Communications Officer) and Lucy Dargahi (Media Officer).

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# Contents

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<b>The BBC’s response to the Committee’s Sixth Report</b>	<b>3</b>
The Committee’s Report	3
The BBC’s response	3
Equal pay	3
Gender transparency in pay bands	4
Grievances	4
Personal service companies	5
BBC Studios Salaries	5
Next steps	5
<b>Appendix: BBC Response</b>	<b>6</b>
BBC response to the Committee’s detailed recommendations	6
THE BBC’S APPROACH TO EQUAL PAY	7
BOARD REPORTING ON PAY	7
PAY TRANSPARENCY	8
PAY TERMINOLOGY AND TRAINING FOR MANAGERS	9
PAY FOR ON-AIR STAFF AND THOSE PAID £150K+	11
PUBLICATION OF BBC STUDIOS SALARIES	12
INFORMAL AND FORMAL GRIEVANCE PROCESSES	13
ENGAGEMENT WITH STAFF ON PAY-RELATED MATTERS	17
PERSONAL SERVICE COMPANIES	18
LICENCE FEE CONCESSION FOR OVER 75 YEAR OLDS	19
BBC PARLIAMENT	19
SIR CLIFF RICHARD AND THE EDITORIAL GUIDELINES	20
THE BBC’S GLOBAL COMPETITIVENESS	22
<b>Formal minutes</b>	<b>23</b>
<b>Witnesses</b>	<b>24</b>
<b>Published written evidence</b>	<b>25</b>
<b>List of Reports from the Committee during the current Parliament</b>	<b>26</b>



# The BBC's response to the Committee's Sixth Report

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## The Committee's Report

1. On 23 October 2018 the DCMS Committee published its Sixth Report of Session 2017–19, *Equal Pay at the BBC* (HC 993). The Report was the culmination of an inquiry that began in January 2018. It followed the resignation of the former BBC China Editor, Carrie Gracie, on pay equality grounds, and calls from the BBC Women group that “the BBC has failed to pay men and women equally for equal work, in breach of the Equality Act 2010, over many years.”<sup>1</sup>
2. The inquiry and Report also considered the BBC's use of ‘personal service companies’, and a number of issues emerging from the BBC's Annual Report 2017–18 and other recent announcements, including the licence fee concession for over 75-year olds, and the future of BBC Parliament.

## The BBC's response

3. For the first time, we requested that the BBC provide a response to our Report, including individual answers to each of our recommendations. The BBC's response was received on 18 December 2018 and is appended to this Report.
4. We appreciate the BBC responding to our Report as we requested. The response contains information that will assist us in continuing to assess the BBC's performance, especially on pay and contractual issues.

## Equal pay

5. We do not intend to respond in detail to all aspects of the BBC response. However, we wish to comment on several key issues which, in our view, fall short of the response we expected.
6. Fundamentally, the response fails to acknowledge the structural problem that exists regarding equal pay within the Corporation. In our Report, we stated that the BBC should publicly acknowledge that it has a pay discrimination problem, and set out a series of steps to resolve it. In its response, the Corporation stated that it “does not agree with the Committee's suggestion that it operates a discriminatory pay practice.”<sup>2</sup>
7. **We are very disappointed that the BBC has failed to acknowledge that a pay discrimination problem exists within the Corporation. We are aware of ongoing concerns among female staff at the BBC. We believe that, had we not decided to undertake our inquiry, internal BBC action may not have been initiated in the same way. It should not take a select committee inquiry for action to be precipitated. We will continue to monitor the situation regarding pay discrimination, including talking to BBC employees and presenters, and will take further evidence from senior management over the course of the next six months.**

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1 BBC Women (PAY0003), para 1

2 BBC response, p.1

8. We recommended that the BBC commit to specific targets to ensure that the pay of its high earners has no discriminatory element to it, and specifically that it set these targets by December 2018 so that next year’s BBC Annual Report can set out measurable progress. However, in its response, the BBC merely mentions existing targets to eliminate the gender pay gap by 2020, as well as targets for on-air representation. **We were disappointed that the BBC has failed to set specific targets for tackling discrimination. We were also frustrated to note the Corporation’s continued references to the ‘gender pay gap’ and ‘fair pay’ as opposed to unequal pay (a completely different matter and an unlawful practice, as described in our Report). *In the BBC’s 2018–19 Annual Report, we expect to see clear evidence of progress on pay discrimination, including measurable indicators, and a commitment to use of the correct terminology—which, for issues of pay discrimination should be ‘unequal pay’ not ‘gender pay gap’ or ‘fair pay’.***

### **Gender transparency in pay bands**

9. In our Report, we recommended that the BBC introduce greater transparency in pay bands. We said that, in particular, staff at all levels should be able to see the numbers of men and women in each quartile so that women can compare their salaries to those of their male colleagues doing equal work, unless those numbers are so small that they would lead to the individual staff member being obviously identifiable.<sup>3</sup>

10. The BBC response makes only a single reference to gender in relation to pay transparency, saying: “We will consider the substance of your recommendations, in conjunction with the Will Hutton transparency review, on whether there are enhancements to be made on gender breakdown.”<sup>4</sup> **We found the BBC’s response on transparency within pay bands to be weak; implementing a gender breakdown of the numbers of men and women in each quartile would empower staff on equal pay, in absence of full transparency. We urge the BBC to make quick progress in its further consideration of the recommendation, and will seek an update upon publication of the Corporation’s Annual Report.**

### **Grievances**

11. We also recommended that the BBC should set a deadline by which all grievances would be dealt with.<sup>5</sup> In its response, the Corporation refused to set such a deadline, stating that resolution “can take some time, especially in complex cases going back several years”.<sup>6</sup>

12. **We were pleased to hear that “the vast majority” of individuals awaiting outcomes from informal cases last September have now had that outcome provided. However, this is no substitute for setting out a plan to resolve all outstanding cases, a commitment that the BBC singularly failed to make in its response to our recommendation. *Once again, we intend to monitor progress on further resolution of cases, and will take evidence from the BBC within six months.***

3 Digital, Culture, Media and Sport Committee, ‘BBC Annual Report and Accounts 2017–18: Equal Pay at the BBC’. Sixth Report of Session 2017–19, HC 993, paragraph 34.

4 BBC response, p.2

5 Digital, Culture, Media and Sport Committee, ‘BBC Annual Report and Accounts 2017–18: Equal Pay at the BBC’. Sixth Report of Session 2017–19, HC 993, para 22

6 BBC response, p.5

## Personal service companies

### *BBC Studios Salaries*

13. In our Report, we highlighted that BBC Studios, as a commercial arm of the BBC, is not currently covered by transparency rules. This means that staff employed by BBC Studios do not appear on the high earners list, effectively creating a loophole that means the BBC need not disclose the salaries of its top-earning talent. We recommended that the BBC publishes the salaries of BBC Studios staff in its 2018/19 Annual Report, as well as those of high-earning presenters of other programmes made for the BBC by independent production companies.

14. The BBC’s response stated that:

BBC Studios should be treated on a level playing field with independent production companies [...] The BBC does not have information about payments made to talent by independent production companies, who are commercial companies. [...] If the BBC were to be the only broadcaster in the UK placing this requirement on independent production companies working for us, it would act as a major disincentive for companies to work in partnership with us.<sup>7</sup>

15. **The BBC’s response conflates the position of BBC Studios with other production companies in the independent sector and, in any event, we do not accept the argument that publishing data from independent production companies would put the BBC at a competitive disadvantage. The BBC, as a publicly funded body, has a responsibility to lead on issues of pay and transparency. In any case, applying a transparent policy would help, not hinder, the BBC. The BBC’s reputational strength is such that we do not believe that independent production companies would stop working with the Corporation for this reason. The BBC chooses to call its independent production arm “BBC Studios” because of the strength of the BBC’s reputation, and we find the suggestion extraordinary—from the perspective of licence fee payers—that the BBC does not have information from BBC Studios as to the level of remuneration it pays to ‘talent’. We recommend that the Corporation re-think this decision ahead of its forthcoming Annual Report. We intend to raise this with the BBC when we take evidence on the report over the next six months.**

### Next steps

16. As we have set out above, we intend to monitor and take further evidence on a number of aspects of the BBC’s response. In line with usual practice, we intend to take evidence on the BBC’s Annual Report once it is published in the early summer. We anticipate examining the response to the consultation on TV licences for people over the age of 75 at the same point.

17. However, equal pay at the BBC remains a key priority for the Committee, and we will maintain a close watching brief. We reiterate the conclusion of our inquiry: that our evidence suggests women within the BBC are working in comparable jobs to men but earning far less. This is unacceptable: the BBC is failing to live up to its duty to

7 BBC response, p.4

**advance equality of opportunity. We reserve the right to take additional evidence at an earlier point than the summer depending on the BBC’s progress, which we will be monitoring closely.**

## Appendix: BBC Response

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The BBC recognises its duty to be a leader in equality and we believe that our ongoing work provides a strong base from which we can progress. This document provides detailed responses to all of the Committee’s recommendations.

The BBC’s response to the Select Committee’s report is provided in the context that, under its Charter, ‘the BBC must be independent in all matters concerning the fulfilment of its Mission and the promotion of the Public Purposes, particularly as regards editorial and creative decisions, the times and manner in which its output and services are supplied, and in the management of its affairs’; and should ‘duly consider the expectations of Parliament (including those of the Public Accounts Committee) which have been formally communicated to the BBC’. The BBC Executive is accountable to the BBC’s Board, who make sure decisions are made in the best interests of the licence fee payer and ensures the Corporation fulfils its mission and public purposes as set out in the Charter. Under the BBC’s Charter Ofcom has responsibility for regulating the BBC.

### **BBC response to the Committee’s detailed recommendations**

In providing this detailed response we have, in some cases, grouped recommendations by theme or area, to both avoid repetition and provide clarity.

### THE BBC'S APPROACH TO EQUAL PAY

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee has suggested that the BBC must take urgent action to remove any legacy of discriminatory pay practices from the organisation and set out a comprehensive series of steps, with dates by which those steps will be met, to resolve pay issues.</li> <li>The Committee further suggested that the BBC must ensure that robust and transparent structures are put in place to prevent a recurrence of such issues.</li> </ul>	<ul style="list-style-type: none"> <li>We have publicly acknowledged that, in the past, our systems were not adequate to ensure that we had fully mitigated the risk of individual equal pay or fair pay issues arising.</li> <li>As we have said to the Committee in evidence, we accept that there are some individual issues of equal pay arising from the past, as well as fair pay issues.</li> <li>We have put in place new systems and processes to ensure that these risks are mitigated going forward, through robust transparent pay structures. For example, the work undertaken and already implemented as part of our Terms and Conditions review. This is discussed in more detail under pay transparency, below.</li> <li>And we have put in place a rigorous process to identify and address any historic instances, as well as to address individual queries about pay.</li> <li>That said, the BBC does not agree with the Committee's suggestion that it operates a discriminatory pay practice.</li> <li>As mentioned above, we recognise that there were specific cases that needed investigation and rectification, and we are in the process of achieving this as quickly as possible, with appropriate rigour.</li> </ul>

### BOARD REPORTING ON PAY

Committee	BBC Response
<ul style="list-style-type: none"> <li>The Committee proposed that the BBC Board should require the Director General to report progress to them as discriminatory pay would be a serious risk issue that the Board should be overseeing.</li> </ul>	<ul style="list-style-type: none"> <li>The Board receives monthly updates from the Director General (DG) and Deputy Director General (DDG) on progress in resolving outstanding pay issues. The Board papers each month include detailed breakdowns of the number of informal and formal pay queries and month on month progress in resolving these.</li> </ul>

**PAY TRANSPARENCY**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee made a number of suggestions on how the BBC could improve pay transparency and ensure clear pay structures, for example:               <ul style="list-style-type: none"> <li>– reviewing the system by which it makes pay decisions and the role of managerial discretion in that system;</li> <li>– ensuring that sufficient oversight takes place, and that decisions are based on transparent, objective criteria rather than on the basis of individual personalities;</li> <li>– that managers making pay decisions understand the equal pay legal framework within which they must operate.</li> </ul> </li> <li>• The Committee recognised that it is not feasible to publish every individual salary at every level but urged the BBC to introduce greater transparency.</li> <li>• In particular, staff at all levels should be able to see the numbers of men and women in each quartile so that women can compare their salaries to those of their male colleagues doing equal work, unless those numbers are so small that they would lead to the individual staff member being obviously identifiable.</li> <li>• The Committee felt that making more information available to everyone working at the BBC would help satisfy staff concerns about equal pay.</li> </ul>	<ul style="list-style-type: none"> <li>• Following the implementation of the BBC’s Career Path Framework, agreed with our joint trade unions, the BBC now has one of the most transparent pay structures of any major company or public body in the UK.</li> <li>• Each BBC job now has an associated market informed pay range and all job descriptions and job pay ranges are available for all employees to see so they can consider different career progression paths.</li> <li>• During the Terms and Conditions review we gave employees the ability, where there were 20 or more incumbents in the same job, to see the spread of pay across the job pay range i.e. the numbers in the lower quarter, middle half and top quarter of the job pay range and how the outcome of the review would impact their pay.</li> <li>• The BBC Career Path Framework for bands A - F is fully published, which shows the job pay range for each job. This means that staff can see, for all 600 job titles, the pay range. There are some areas of the BBC that were not part of the recent Terms &amp; Conditions roll-out who we will be mapping into the Career Path Framework as soon as we can during the next year (though full international roll out might well take longer).</li> <li>• We will consider the substance of your recommendations, in conjunction with the Will Hutton transparency review, on whether there are enhancements to be made on gender breakdown.</li> </ul>

### **PAY TERMINOLOGY AND TRAINING FOR MANAGERS**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee made suggestions around the terminology used to discuss pay issues, and was concerned that the use of phrases such as ‘fair pay’, ‘oversights’ and pay ‘revisions’ might be seen as an attempt to avoid the issues at hand.</li> <li>• The Committee was concerned that the BBC must ensure compliance with its equal pay legal duties and ensure that all managers who make decisions on pay understand those legal duties, and that training should be provided by BBC HR to ensure that they do.</li> </ul>	<ul style="list-style-type: none"> <li>• Following the annual pay disclosures in July 2017, a number of staff, predominantly on-air employees, raised concerns about their pay. The BBC was already undergoing a period of significant pay reform, following a period of relative pay restraint, including introducing a completely new Career Path Framework and pay ranges that are market informed and appropriate to the BBC. In addition to the annual pay disclosures, the BBC’s increased transparency includes the communication of the new pay ranges to all staff.</li> <li>• The BBC has sought to establish an open culture in which employees have been encouraged to come forward with comments or suggestions about pay at the BBC. To provide a mechanism through which pay queries could be managed and resolved centrally, we created the “Informal Process” and set up the “Equalities Inbox”, an email account managed by a dedicated team of HR professionals. These were widely publicised through internal communications to all staff.</li> <li>• Understandably, in this context, many employees took the opportunity to ask questions about their own pay. The BBC operates a rigorous process in evaluating all these queries, including considering whether there are issues of equal pay or fair pay. Any comparators named by individuals are fully considered and this is extended to broader cohorts, where appropriate, in order to ensure a fair and rigorous process.</li> <li>• In the small number of instances where this does raise a potential equal pay issue this is acknowledged to the individual.</li> </ul>

Committee	BBC response
(continued from previous table)	<ul style="list-style-type: none"> <li>• Nevertheless, the overwhelming majority of the 1,204 pay issues (as at 7 December) that have been raised with the BBC (male or female) are simply an enquiry about their pay, given the new structures and our active encouragement to staff to raise any queries they may have. To date, the outcomes have been fed back in over 85% of all cases without the individual raising any further concerns.</li> <li>• When people may have been in the same role for a long period and therefore have not had their remuneration checked for some time, terms such as ‘fair pay’ and ‘pay revisions’ would be the correct description. There are also instances where historic administrative errors have come to light.</li> <li>• The BBC offers managers a variety of training courses to educate them on the importance of equal pay and fair pay, of the pay structures at the BBC and of how to manage and develop their teams, including how to manage pay and pay conversations.</li> <li>• The BBC fully acknowledges the need to keep this training up to date and ensure compliance with legislation and best practice.</li> </ul>

**PAY FOR ON-AIR STAFF AND THOSE PAID £150K+**

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee proposed that the BBC commit to specific targets to ensure that the pay of its high earners has no discriminatory element to it.</li> <li>The Committee set a specific expectation that the BBC set these targets by December 2018 so that next year's annual report can set out measurable progress towards these targets.</li> </ul>	<ul style="list-style-type: none"> <li>The BBC is finalising the Career Path Framework that will apply to the vast majority of on air talent. The BBC intends to publish this following the close of consultation and independent assurance work being undertaken by Naomi Ellenbogen QC, which is still underway.</li> <li>The BBC has set targets to eliminate the gender pay gap by 2020 as well as targets for on air representation. Tony Hall, BBC Director-General stated in January 2018: "We're addressing unfairness in individuals' pay and want to close the gender pay gap and have women in half of our on-air roles by 2020".</li> <li>The pay between men and women among the highest paid has already narrowed, with the number of women paid over £200,000 increasing from 7 to 14, and the number of men paid over £500,000 reducing from 5 to 3. This is demonstrable progress but the BBC is committed to going further.</li> <li>In addition, we are projecting that by the end of 2018/19, there will be a c.60:40 male to female split in our highest-profile presenters, a shift from c.75:25 two years ago. By 2019/20 we expect the gender balance of our most up-to-date snapshots in News and Radio will be close to 50:50.</li> <li>The BBC will continue to report progress against these measures in the Annual Report and Accounts.</li> </ul>

**PUBLICATION OF BBC STUDIOS SALARIES**

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee considered that publishing the salaries of BBC Studios staff in their 2018/19 Annual Report, and also those of high-earning presenters of other programmes made for the BBC by independent production companies would be helpful for transparency reasons.</li> </ul>	<ul style="list-style-type: none"> <li>The Government agreed that BBC Studios should be treated on a level playing field with independent production companies. In order for the BBC to compete in an increasingly global market for talent we continue to believe this is essential.</li> <li>The BBC does not have information about payments made to talent by independent production companies, who are commercial companies. When we commission a programme from an independent production company, we negotiate a price for the programme – individual contractual arrangements with talent are a matter for them. If the BBC were to be the only broadcaster in the UK placing this requirement on independent production companies working for us, it would act as a major disincentive for companies to work in partnership with us, and this would inevitably lead to a fall in the range of high quality content available to the Licence Fee Payer.</li> <li>Christopher Saul has undertaken an independent review of transparency in the BBC Commercial subsidiaries, which will be published in early 2019 and has considered these issues. We will consider how best to implement his recommendations.</li> <li></li> </ul>

### **INFORMAL AND FORMAL GRIEVANCE PROCESSES**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee had received representations that the grievance process—both formal and informal—could be improved, with particular concern about some complaints being subject to long delays and bureaucratic confusion.</li> <li>• The Committee understood the good reasons for resolving grievances informally where possible, but emphasised the need for rigour. Informal grievances must be an internally assured process involving individual managers, HR and, where appropriate, legal advice.</li> <li>• The Committee expressed its surprise that 70 informal cases were currently unresolved, with what the BBC had called “the work” done, but with no result.</li> <li>• The Committee felt that BBC staff need to have confidence that the informal process produces similar results to those that could be achieved through formal grievance and that cases are dealt with efficiently and thoroughly.</li> <li>• The Committee recognised the need for the BBC to restore confidence in its grievance processes and that the corporation must commit to upholding the independence of the process, by placing independent managers in charge of grievances. The Committee suggested appointing full-time hearing managers.</li> </ul>	<ul style="list-style-type: none"> <li>• The BBC aims to resolve grievances informally in the first instance. As mentioned above, the outcomes have been fed back in over 85% of all issues raised since July 2017 without the individual raising any further concerns.</li> <li>• We take resolving all grievance cases seriously and there are weekly progress updates given to the DDG as well as monthly reporting to the BBC Board.</li> <li>• We understand that the committee is concerned that certain issues are taking a significant time to resolve.</li> <li>• We hope the committee will understand that resolution of informal and formal grievances can take some time, especially in complex cases going back several years. It is therefore not possible to set an arbitrary deadline for resolving all outstanding queries and grievances.</li> <li>• However, we can confirm that the vast majority of the informal cases that were awaiting communication of outcome on 11th September have now had that outcome provided to the individual. A small number remain outstanding for specific reasons such as staff sickness.</li> <li>• As we have noted previously, the “Informal Process” for dealing with pay cases is in fact a structured and rigorous process with multiple levels of review considering both named comparators and cohorts. It is referred to as ‘informal’ to distinguish it from the formal grievance process.</li> <li>• Referring to it as ‘informal’ also reflects that it is intended to be very open and approachable for our employees. We have encouraged them to raise any queries they may have without feeling the need to raise them in a particularly formal or detailed way, and we look for ways to resolve them.</li> </ul>

Committee	BBC response
<p>(continued from previous table)</p> <ul style="list-style-type: none"> <li>• The Committee asked that the BBC should state publicly how many grievance cases are still awaiting resolution, and how many of these are claims regarding a lack of equal pay.</li> <li>• There was a proposal that BBC should also commit to have completed the grievance process for all existing cases, including making any financial settlements that may be owed, within the next six months.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• The BBC has devoted a very significant amount of resource to the Informal Process. It is managed by a dedicated Central Pay Case Management Team comprised of 10 experienced HR professionals who act as case managers, overseen by a senior HR professional who leads the team and with the assistance of two support staff.</li> <li>• We have set and communicated to employees that we will aim to deliver an outcome within 30 days of receiving their query although in practice given the complexity and volume of cases this has not always been possible.</li> <li>• The process is always underpinned by some core principles: <ul style="list-style-type: none"> <li>– There is no barrier to submitting a request for a review. Every query submitted to the Informal Process will be considered and it is not necessary for the employee to name specific comparators or include a detailed submission (though of course they may do so if they wish). The employee simply needs to request a review of their pay to trigger the process.</li> <li>– Employees have been encouraged to raise any queries they have and the BBC is clear that there should be no stigma associated with raising a query.</li> <li>– Analysis is conducted on a person by person basis, considering appropriate cohorts and all named comparators identified either by the employee in their initial query or on further discussion with the Case Manager.</li> </ul> </li> </ul>

Committee	BBC response
(continued from previous table)	<ul style="list-style-type: none"> <li>- The process is dynamic in that outcomes may be revisited if new facts arise.</li> <li>• If an individual is not happy with the outcome of the Informal Process, or if they have indicated that they do not wish for their query to be considered informally, they may choose to have their query considered as a formal grievance.</li> <li>• The formal grievance process follows the BBC's standard internal grievance process with some important alterations. In particular, in order to ensure confidence, the BBC has ensured that there is an independent element in the formal grievance process. It is heard by a manager from outside the individual's division along with an independent external expert from Croner, who has the casting vote. <ul style="list-style-type: none"> <li>- Croner are regarded as experts in the employment law and HR field, and they have been appointed on the basis that they are expressly required to be independent and understood as such by employees. The key purposes of retaining Croner were to (1) introduce a strong independent voice to the formal process (2) speed the process up where possible, and (3) bring expert knowledge of the Equality Act and ACAS codes of practice. They were selected because they are known as employment law and HR experts, and helpfully they have resources across the UK, not just in London.</li> </ul> </li> </ul>

Committee	BBC response
(continued from previous table)	<ul style="list-style-type: none"> <li>- Croner operate completely independently from the BBC. That is written into their Terms of Reference, which we agreed with our recognised trade unions.</li> <li>- The joint unions played an important role in finalising the terms of reference for Croner. The BBC receives periodic feedback from Croner on their work. We met the joint unions on 14 December and will set up a further joint review meeting with Croner in the new year.</li> <li>- In line with recommendation of the committee, the BBC has appointed a number of dedicated hearing managers, which are experienced BBC or ex-BBC managers.</li> <li>• The BBC seeks to maintain a continual dialogue with employees and will look to resolve queries or concerns without need for a formal grievance and/or appeal where possible.</li> <li>• If individuals are still not satisfied with the outcome of their formal grievance they can appeal. The appeal will be heard jointly by a different senior BBC manager and different independent expert from Croner. Again, the Croner representative will have the casting vote.</li> </ul>

Committee	BBC response
(continued from previous table)	<ul style="list-style-type: none"> <li>• Since the Informal Process was first implemented, we have continually looked at ways of refining and improving it and, where necessary, we make adjustments. For example, at an early stage, we created the Equalities Inbox to provide a centralised and accessible means for employees to raise queries. Further, we set up the dedicated Pay Case Management Team to manage those queries, ensure consistency of approach and sharing of expertise.</li> <li>• We note the Committee’s comments about publishing the number of grievance cases and will consider that in the context of the transparency review mentioned above.</li> </ul>

### **ENGAGEMENT WITH STAFF ON PAY-RELATED MATTERS**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee felt it was important that the BBC had an environment where staff feel supported and empowered to come forward with equal pay complaints.</li> <li>• The Committee was concerned that individuals affected by these reviews need to be consulted from the outset and throughout. In particular, that reviews should be independent, with staff and recognised Trades Unions shaping their scope, terms of reference and methodology.</li> </ul>	<ul style="list-style-type: none"> <li>• Employees have been encouraged to raise any queries they have around pay and the BBC is clear there is no stigma associated with raising a query.</li> <li>• The BBC engages regularly with staff and the joint unions on issues including pay and equality. This is reflected in the NUJ’s response to the Committee’s report, which says “<i>The NUJ and joint unions have been working hard with the BBC to tackle these problems and have made meaningful progress</i>”.</li> <li>• Staff and the joint unions were also consulted as part of the two transparency reviews – around 2,800 staff members took part.</li> <li>• We have also this year held five reviews into the culture and progression opportunities for people at the BBC. Thousands of staff engaged with the reviews.</li> </ul>

Committee	BBC response
(continued from previous table)	<ul style="list-style-type: none"> <li>We confirm it is our intention to conduct a further equal pay audit, and anticipate doing so in the next 24 months. We will consider carefully our approach including how best to involve representatives from our recognised trade unions in the process.</li> </ul>

### **PERSONAL SERVICE COMPANIES**

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee was concerned that the BBC should work with the presenters affected to find a satisfactory solution. In particular presenters should be engaged as an employee (with appropriate rights, responsibilities and protections) unless they are doing so genuinely as someone in business on their own account providing services to numbers of clients including the BBC.</li> <li>The Committee suggested that in some cases there may be a justification for the BBC to offer compensation to certain individuals.</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>The BBC is in ongoing dialogue with HMRC to resolve outstanding issues and clarify employment status to minimise the uncertainty felt by those affected.</li> <li>We are also exploring with HMRC the options for resolution in cases where individuals believe the BBC bears some liability for Employers' National Insurance Contributions.</li> <li>In the meantime, we have set up a confidential helpline and hardship fund and are working with those affected at an individual level and via the BBC's recognised unions. We have also worked collaboratively with the unions, individuals and their representatives/agents to establish new sets of contract terms.</li> <li>There are regular ongoing meetings with representational groups of those affected.</li> <li>The NAO published their report into the use of PSCs by the BBC in November. Their findings on the historic use of PSCs were in line with the evidence we have previously supplied to the Committee. We note the NAO's findings in respect of those issues we are currently seeking to resolve through our engagement with HMRC, as we explained to the Committee in our oral evidence.</li> </ul>

Committee	BBC response
<p>(continued from previous table)</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• In addition we are working with the rest of the media industry and with HMRC to develop a set of updated guidance that works for those engaged in the media.</li> </ul>

### **LICENCE FEE CONCESSION FOR OVER 75 YEAR OLDS**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee was concerned that as of September, there had been little progress on consultation with the public and asked the BBC to commit to including detailed plans of its proposed actions in next year's annual report.</li> </ul>	<ul style="list-style-type: none"> <li>• As the Committee will be aware, we launched a three month public consultation on November 21st and are committed to publishing the results in due course.</li> <li>• The Committee will also have seen that Frontier Economics have now published their two pieces of work, one exploring the landscape around intergenerational fairness and free over- 75s TV licences, and the full report looking at the longer term funding options.</li> </ul>

### **BBC PARLIAMENT**

Committee	BBC response
<ul style="list-style-type: none"> <li>• The Committee requested that the BBC lay out a new strategy for the BBC Parliament channel including careful thought about how this can continue to be delivered as a broadcast channel. As part of this: <ul style="list-style-type: none"> <li>– The Committee proposed this should be done via collaboration between the BBC and both Houses, including their domestic committees, aiming to report back to both Houses with a new vision of the service. This should be done swiftly and certainly by the end of this calendar year.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We have already clarified our plans for BBC Parliament in our supplementary evidence to the Committee.</li> <li>• As we said to the Committee in our oral evidence, there is no prospect of BBC Parliament ceasing to be a linear channel in the near future. However, as with any BBC channel we cannot predict what future decisions may be made in terms of distribution, but of course as we made clear this would be in the context of changing audience behaviour.</li> <li>•</li> </ul>

Committee	BBC response
<p>(continued from previous table)</p> <ul style="list-style-type: none"> <li>The group should supply more granular information on the viewing figures for the channel, and projected savings scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>BBC Parliament has an excellent working relationship with Parliament through the Parliamentary Broadcasting Department which has itself been making significant changes in recent years in developing its capabilities for audio-visual content. This is opening up new opportunities for how the BBC and Parliament can work together, for example in making best use of our respective technologies in providing AV content and to enhance the understanding of Parliament for the public.</li> <li>We do not believe it would be appropriate to convene a ‘formal’ working group as suggested by the Committee, as this could compromise the BBC’s independence. But we want to assure the Committee that we share an objective of enhancing parliamentary coverage in a way that helps all audiences increase their understanding.</li> </ul>

### ***SIR CLIFF RICHARD AND THE EDITORIAL GUIDELINES***

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee asked whether the BBC received a reply to the letter to the Attorney General and, if so, are you able to let us have a copy?</li> </ul>	<ul style="list-style-type: none"> <li>We are still awaiting a response from the Government. We will happily share it with the Committee once we receive it.</li> </ul>
<ul style="list-style-type: none"> <li>The Committee noted that during questioning in Salford, the panel said they had not conducted an internal review as to whether the reporting on the police action at Sir Cliff’s home had followed the BBC’s Editorial Guidelines. The BBC’s views on the court judgement notwithstanding, the Committee asked whether the BBC consider Guidelines had been breached at all, and if so in which respects?</li> </ul>	<ul style="list-style-type: none"> <li>Although the BBC has apologised to Sir Cliff and accepted that we overdid the reporting, as we have explained in the letter sent to the Attorney General, the BBC considers that the judge erred in law in finding that broadcasters and journalists, when reporting on matters in the public interest, normally have no right to publish the name of a person who is the subject of a criminal investigation.</li> </ul>

Committee	BBC response
<p>(continued from previous table)</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• The naming of suspects in a criminal investigation is primarily a legal issue but the BBC’s Editorial Guidelines make it clear, in para 7.1 (see below) that any intrusion in to privacy must be justified. There must be a public interest in the disclosure of the information to justify its public disclosure. The judgement mirrors the legal requirement.</li> <li>• <i>7.1 The BBC respects privacy and does not infringe it without good reason, wherever in the world it is operating. The Human Rights Act 1998 gives protection to the privacy of individuals, and private information about them, but balances that with a broadcaster’s right to freedom of expression. In regulation, the Ofcom Broadcasting Code states “Any infringement of privacy in programmes, or in connection with obtaining material included in programmes, must be warranted.” (Rule 8.1, Ofcom Broadcasting Code) (See Section 18 The Law: 18.5) Meeting these ethical, regulatory and legal obligations in our output requires consideration of the balance between privacy and our right to broadcast information in the public interest. We must be able to demonstrate why an infringement of privacy is justified.</i></li> </ul>
<ul style="list-style-type: none"> <li>• The Committee asked for the date of publication of a new version of the Guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>• As the Director General said during the 11th September evidence session, we are currently reviewing the BBC Editorial Guidelines, which were last revised in 2010, and “we are trying to make sure that they cover all the things that we have learnt since Sir Michael Lyons gave his intro to those guidelines some time ago”.</li> <li>• The consultation on the BBC Editorial Guidelines closed on 12th November. The responses received are now being considered before a final revised version of the Guidelines is agreed by the BBC Board and published in the first half of 2019.</li> </ul>

**THE BBC'S GLOBAL COMPETITIVENESS**

Committee	BBC response
<ul style="list-style-type: none"> <li>The Committee was concerned by the growing profiles of global media companies, and that in order to compete the BBC must focus on what it does best, deliver unique British content and must push forward with introducing improvements for iPlayer, enhancing its offerings, user experience, and personalisation levels.</li> </ul>	<ul style="list-style-type: none"> <li>In a recent speech to the Royal Television Society, Tony Hall confirmed we are transforming iPlayer from a catch-up service to a destination, for long form, short form and live. That will involve changes to the product, more experimentation with box-sets, and much greater personalisation. In the new year, we will be consulting on our proposals to continue iPlayer's transformation to meet audience expectations.</li> </ul>
<ul style="list-style-type: none"> <li>The Committee suggested that in order to ensure the continued survival of PSBs, the Government must commit to introducing legislation that secures the prominence of public sector broadcasters on streaming sticks and set-top boxes.</li> </ul>	<ul style="list-style-type: none"> <li>We welcome the Committee's support for legislation to ensure that PSB prominence is safeguarded for the future.</li> </ul>

# Formal minutes

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**Tuesday 15 January 2019**

Damian Collins, in the Chair

Clive Efford	Ian C Lucas
Julie Elliott	Brendan O'Hara
Paul Farrelly	Jo Stevens
Simon Hart	

Draft Report (*BBC Annual Report and Accounts 2017-18: Equal Pay at the BBC: BBC Response to the Committee's Sixth Report of Session 2017-19*), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 17 read and agreed to.

Appendix agreed to.

*Resolved*, That the Report be the Seventh Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

[Adjourned till Tuesday 22 January 2019 at 10.00 a.m.]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### BBC pay inquiry

#### Wednesday 31 January 2018

**Carrie Gracie**, Journalist, and **Michelle Stanistreet**, National Union of Journalists; **Tony Hall**, Director General, **Sir David Clementi**, Chairman, **Fran Unsworth**, Director of BBC News and Current Affairs, and **Anne Bulford**, Deputy Director General, BBC

[Q1–251](#)

#### Tuesday 20 March 2018

**Liz Kershaw**, **Kirsty Lang**, **Paul Lewis**, and **Stuart Linnell MBE**, BBC journalists; **Jolyon Maugham QC**, tax lawyer

[Q252–341](#)

### BBC Annual Report and Accounts 2017–18 inquiry

#### Tuesday 11 September 2018

**Tony Hall**, Director General, BBC, and **Anne Bulford OBE**, Deputy Director General, BBC

[Q1–101](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

PAY and BAR numbers are generated by the evidence processing system and so may not be complete.

### BBC Pay

- 1 BBC employees ([PAY0010](#))
- 2 BBC further supplementary - BBC's response to Committee's questions ([PAY0014](#))
- 3 BBC further supplementary - note on the BBC's position in relation to PSCs ([PAY0012](#))
- 4 BBC presenters ([PAY0011](#))
- 5 BBC supplementary evidence ([PAY0008](#))
- 6 BBC Women ([PAY0003](#))
- 7 Cass Business School ([PAY0005](#))
- 8 Kershaw, Liz ([PAY0009](#))
- 9 Letter from the Chair to Lord Hall, Director-General, BBC, 27 April 2018 ([PAY0013](#))
- 10 National Union of Journalists ([PAY0002](#))
- 11 Professor Jill Rubery, Director, Work and Equalities Institute, Alliance Manchester Business School ([PAY0007](#))
- 12 White, Mr Andy ([PAY0004](#))

### BBC Annual Report and Accounts 2017–18

- 1 BBC Supplementary written evidence ([BAR0001](#))
- 2 BBC Supplementary written evidence ([BAR0002](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

First Report	Appointment of the Chair of Ofcom	HC 508
Second Report	The potential impact of Brexit on the creative industries, tourism and the digital single market	HC 365 (HC 1141)
Third Report	Appointment of the Chair of the Charity Commission	HC 509 (HC 908)
Fourth Report	Combatting doping in sport	HC 366 (HC 1050)
Fifth Report	Disinformation and 'fake news': Interim Report	HC 363 (HC 1630)
Sixth Report	BBC Annual Report and Accounts 2017–18: Equal pay at the BBC	HC 993
First Special Report	Appointment of the Chair of the Charity Commission: Government Response to the Committee's Third Report of Session 2017–19	HC 908
Second Special Report	Combatting doping in sport: Government Response to the Committee's Fourth Report of Session 2017–19	HC 1050
Third Special Report	Failure of a witness to answer an Order of the Committee: conduct of Mr Dominic Cummings	HC 1115
Fourth Special Report	The potential impact of Brexit on the creative industries, tourism and the digital single market: Government Response to the Committee's Second Report of Session 2017–19	HC 1141
Fifth Special Report	Disinformation and 'fake news': Government Response to the Committee's Fifth Report of Session 2017–19	HC 1630