Meeting of the BBC Remuneration Committee

SUMMARY MINUTES

Thursday 14 November, 2019
Boardroom, Old Broadcasting House, London

ITEMS OF BUSINESS

1. Minutes of 18 July Remuneration Committee
2. Headcount and paybill trends briefing
3. Quarterly management report
4. Incentive schemes
   a) Overview of 2019/20 schemes
   b) Incentive design 2020/21
   c) Plan for Studios production incentive proposal
5. Gender pay gap - third parties
6. Committee Terms of Reference
7. AOB
ATTENDANCE

Members:
• Nicholas Serota Non-executive director (Chair)
• Tanni Grey Thompson Non-executive director
• Steve Morrison Non-executive director

Board members present:
• David Clementi Chairman
• Tony Hall Director-General

With:
• Glyn Isherwood Group Finance and Operations Director
• Bob Shennan Managing Director
• Rachel Currie Group HR Director
• Gillian Taylor Director, Reward
• Phil Harrold Company Secretary
• Chris Sandford Director-General’s Office (secretary)
• Catherine Sewell Senior HRBP, Reward (for item 4b)
• Alastair Woods PwC (for item 4b)
• Jabbar Sardar HR Director, Studios (for item 4c)
• Chris Saul Observer

APOLOGIES
None
1. Minutes from 18 July Remuneration Committee

1.1 The minutes were approved.

2. Headcount and paybill trends briefing

2.1 The Committee were provided with a briefing on recent trends in headcount and costs across the BBC Group. This had been discussed at a previous meeting and gave the Committee a chance to look in detail at the balance of employees across the organisation, including location, job role and divisional analysis.

2.2 In discussion, Directors noted that there had been a number of headcount reduction programmes over recent years and these had delivered well. There had also been significant investment in digital areas as well as into the expansion of the World Service.

2.3 The Committee agreed that the briefing was a useful one to consider annually.

3. Quarterly management report

3.1 The Committee discussed the quarterly management report, which provided updates on recent pay and reward activity, alongside reporting on key annual metrics and caseload at the senior manager remuneration committee.

3.2 Recent months had seen a focus on the annual pay review for senior leaders and all employees. Work also continued with the Equality and Human Rights Commission on their review into pay practices in the BBC. The most recent fair pay check was being concluded and the Committee agreed there was a need to move these processes back into business as usual at the appropriate time.

3.3 The Committee noted an update on pay frameworks in entertainment and how these were governed, alongside the career path framework. The frameworks had been reviewed recently and were overseen by a central group. The NAO had also reviewed the on-air framework and supported it. The Committee noted the management report.

4. Incentive schemes

a) Overview of 2019/20 schemes

4.1 The Committee noted a paper that set out an overview of the incentive schemes in operation across the BBC. Principles had been established to support the schemes, including the requirement that they were self-funded, based on clear metrics and
robust targets, funded entirely from commercial revenue and were open only to a limited number of employees. The Committee noted the update and reaffirmed the core principles.

b) Incentive design 2020/21

4.2 The Committee considered some detailed work on corporate incentive schemes which sought to analyse the current schemes in the commercial subsidiaries and compare these with broader market practice. The Committee considered this work in order to provide input into the principles that would guide the design of future corporate schemes across the Group.

4.3 Based on the views raised in discussion, the overall design of the corporate schemes would be considered and a proposal for future scheme design would be discussed at the next meeting. The Chair of Commercial Holdings Board would be invited to attend the meeting to offer the perspective of that Committee.

c) Plan for Studios production incentive proposal

4.4 The Committee noted an update on plans for BBC Studios to produce a proposal for future production incentive schemes. The work was noted and it was asked that a proposal for future schemes be brought for consideration in February.

5. Gender pay gap – third parties

5.1 The Committee were briefed on the gender pay gap level in some of the BBC's main contractors. This was an area that would be kept under review.

6. Committee Terms of Reference

6.1 The Committee approved a revised terms of reference with minor amendments, as part of an annual review.

7. AOB

7.1 There were no items of other business.