Meeting of the BBC Remuneration Committee

SUMMARY MINUTES

Thursday 14 February, 2019
Room 04 A M5, New Broadcasting House, London

ITEMS OF BUSINESS

1. Minutes of 22 November Remuneration Committee
2. Quarterly management report
4. Options for reducing future pension costs
5. Gender pay gap update
6. 2019/20 Annual Report pay disclosure update
7. Studios company incentive scheme - 19/20 proposals
8. Advisers to the Remuneration Committee
9. 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
- Anne Bulford  Deputy Director-General

With:
- Valerie Hughes-D’Aeth  Director, HR
- Glyn Isherwood  Group Finance and Operations Director
- Phil Harrold  Company Secretary
- Chris Sandford  Director-General’s Office (secretary)
- James Hacker  Senior HRBP, Pensions (item 4)
- Gautam Rangarajan  Director, Strategy (item 6)
- Tim Davie  CEO, Studios (item 7)
- Tom Fussell  COO, Studios (item 7)

APOLOGIES
None
1. Minutes from 22 November Remuneration Committee

1.1 The minutes were approved.

2. Quarterly management report

2.1 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.

2.2 In discussion, the Committee noted that work on the recent one off fair pay check had concluded. The Board had been briefed on overall numbers of pay cases and the appointment of a number of hearing managers had been a positive step in handling these. Greater detail in reporting on People View was to be introduced, in response to recommendations made in the recently published Transparency Reviews.

2.3 The Committee noted the management report.


3.1 The Committee discussed an outline proposal for the Remuneration report in the 2018/19 BBC Annual Report and Accounts. The report was currently in draft but had been revised to take into account the Committee’s decision to adopt a new senior leader pay policy, and also to ensure that the reporting was in line with the new Combined Code for Financial Reporting.

3.2 The Committee noted the outline section for the Annual Report and members would provide any comments or thoughts offline, including on topics to cover in the Chair’s statement. The Committee approved new quarterly reporting proposals and asked that a draft of the wider ‘Our People’ section of the Annual Report be brought for discussion in the spring.

4. Options for reducing future pension costs

4.1 The Committee discussed the current triennial valuation process of the BBC pension scheme and options for potential ways to reduce future service costs of the scheme.

4.2 The Committee noted that further work was to continue to define the best approach and that a final proposal for application to the court would be brought back to the Board in the summer.
5. **Gender pay gap update**

5.1 The Committee were given an update on the current analysis of the BBC’s gender pay gap in the public service, and work that was underway to address this.

5.2 The update was noted and a session with the Chair would be arranged to discuss progress and communications before year-end.

6. **2019/20 Annual Report pay disclosure update policy update and proposals**

6.1 The Committee were briefed on current work to finalise the disclosure list of those paid more than £150k from the licence fee, to be published in the Annual Report and Accounts.

6.2 The Committee noted the briefing and asked that a detailed brief on progress be provided to the Chair before the next meeting.

7. **Studios company incentive scheme - 19/20 proposals**

7.1 The Committee discussed a paper that made proposals for the structure of the Studios company incentive scheme in 2019/20. It also set out, for information, an early view of adjustments that Studios would propose to make to the 2018/19 scheme targets at year-end.

7.2 In discussion, the Committee noted the proposed adjustments, which would be reviewed in full at year-end.

7.3 The Committee approved the proposed scheme design for 2019/20.

8. **Advisers to the Remuneration Committee**

8.1 The Committee accepted a proposal to continue with the current arrangement for provision of independent market and remuneration advice from Willis Towers Watson. It was agreed, following a review of the market, that the current arrangement represented value for money. A session to discuss current market trends and senior pay benchmarking would be arranged for the spring.

9. **AOB**

9.1 There were no items of other business.