House of Commons
Culture, Media and Sport Committee

Pre–appointment hearing with the Government’s preferred candidate for Chairman of the BBC Trust

Second Report of Session 2010–11

Volume I: Report, together with formal minutes

Ordered by the House of Commons
to be printed 10 March 2011
The Culture, Media and Sport Committee

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

Current membership

Mr John Whittingdale MP (Conservative, Maldon) (Chair)
Ms Louise Bagshawe MP (Conservative, Corby)
David Cairns MP (Labour, Inverclyde)
Dr Thérèse Coffey MP (Conservative, Suffolk Coastal)
Damian Collins MP (Conservative, Folkestone and Hythe)
Philip Davies MP (Conservative, Shipley)
Paul Farrelly MP (Labour, Newcastle-under-Lyme)
Alan Keen MP (Labour, Feltham and Heston)
Mr Adrian Sanders MP (Liberal Democrat, Torbay)
Jim Sheridan MP (Labour, Paisley and Renfrewshire North)
Mr Tom Watson MP (Labour, West Bromwich East)

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.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/cmscom. A list of Reports of the Committee in the present Parliament is at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee are Emily Commander (Clerk), Andrew Griffiths (Second Clerk), Elizabeth Bradshaw (Inquiry Manager), Ian Hook (Senior Committee Assistant), Keely Bishop/Alison Pratt (Committee Assistants) Steven Price, (Committee Support Assistant) and Laura Humble (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Culture, Media and Sport Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6188; the Committee’s email address is cmscom@parliament.uk
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Summary

On 10 March 2011 the Culture, Media and Sport Committee held a pre-appointment hearing with the Government’s preferred candidate for Chairman of the BBC Trust, Lord Chris Patten. On the basis of the evidence provided to the Committee, we have concluded that he is a suitable candidate for the post.
1 Introduction

1. The July 2007 Green Paper, *The Governance of Britain*, proposed the introduction of pre-appointment hearings for key public officials in which Parliament has a particularly strong interest. It stated that, in each case, it should fall to the relevant select committee to conduct the hearing, which should cover “issues such as the candidate’s suitability for the role, his or her key priorities, and the process used in selection”. Accordingly, the House of Commons Liaison Committee has published guidance for committees to ensure that hearings are conducted appropriately. The outcome of the hearing is non-binding, although the report from a committee holding a pre-appointment hearing should inform Ministers’ decision-making on whether or not to proceed.

2. The post of Chairman of the BBC Trust was not one of the positions originally named in *The Governance of Britain*. Nonetheless, in its report, *Pre-appointment hearings by select committees*, the Liaison Committee highlighted the post as a role for which “personal independence is a key requirement”. Despite this the list of posts subject to pre-appointment hearings which was subsequently issued by the Cabinet Office did not include that of Chairman of the BBC Trust. This Committee’s predecessor maintained its view that the post should be subject to such scrutiny, expressing its view most recently in its final *Work of the Committee* report published in January 2010:

   The Committee continues to be of the view that the position of Chairman of the BBC Trust should also be subject to pre-appointment scrutiny and we again urge the Government to reconsider this matter.

3. In the current Parliament, with the appointment of the new Chairman of the BBC Trust an imminent reality, the Chairman wrote to the Secretary of State to request again that the post of Chairman of the BBC Trust be added to the list of pre-appointment hearings. In January 2011 the Secretary of State wrote to the Chairman to confirm that the Prime Minister had agreed to the Committee’s request.

4. Sir Michael Lyons has been Chairman of the BBC Trust since 1 May 2007. The Secretary of State for Culture, Olympics, Media and Sport (DCMS) is responsible for appointing his successor. The recruitment process was conducted by DCMS, which advertised the post in *The Guardian*, *The Sunday Times* and on the DCMS, Cabinet Office and BBC Trust websites. It also hired Egon Zhender International to do an executive search. The process was set in motion in October 2010 with a closing date for applications of 19 January 2011. Twenty-nine applications were received and assessed by a selection panel composed of government officials, with subsequent interviews on 17, 28, and 31 January.

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2 Liaison Committee, First Report of Session 2007-08, HC 384, para 12
3 Culture, Media and Sport Committee, *The work of the Committee in 2008-09*, First Report of Session 2009-10, HC 426, para 7
4 Information provided by DCMS
5. On 25 February 2011, the Government announced that Lord Chris Patten had been chosen as the preferred candidate for Chairman of the BBC Trust. If his appointment is confirmed, Lord Patten will take over from Sir Michael Lyons later in 2011.
2 The BBC and the Role of Chairman

6. The BBC is a public corporation, established under Royal Charter. The Royal Charter is the constitutional basis for the BBC. It sets out the public purposes of the BBC, guarantees its independence, and outlines the duties of the Trust and the Executive Board. The current Charter runs until 31 December 2016.

7. Under the terms of The Royal Charter, the BBC must promote the following six public purposes:

a) Sustaining citizenship and civil society;
b) Promoting education and learning;
c) Stimulating creativity and cultural excellence;
d) Representing the UK, its nations, regions, and communities;
e) Bringing the UK to the world and the world to the UK; and
f) In promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television.5

8. The BBC comprises two separate bodies, the BBC Trust and the BBC Executive Board. The Trust is the sovereign body of the BBC. It sets the overall strategic direction of the BBC, including its priorities, and oversees the work done by the Executive Board. Under the Charter it also acts as: “the guardian of the licence fee revenue and the public interest in the BBC”.6 The Trust was established in 2006 and replaced the previous system of a Board of Governors.

9. The Executive Board has responsibility for delivering the BBC’s services in accordance with the priorities set by the Trust and for all aspects of operational management, except that of the Trust’s resources.

10. The Trust is composed of a Chairman, Vice-Chairman and 10 ordinary members, four of whom are nominated as members specifically for England, Northern Ireland, Scotland and Wales. Remuneration for the Trustees is set by the Secretary of State for Culture, Olympics, Media and Sport, and is currently as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Remuneration</th>
<th>Days per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>£142,800</td>
<td>3-4</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>£77,005</td>
<td>2.5</td>
</tr>
<tr>
<td>National Trustees (4)</td>
<td>£41,070</td>
<td>2</td>
</tr>
<tr>
<td>Trustees</td>
<td>£35,935</td>
<td>2</td>
</tr>
</tbody>
</table>

*Trustees: who we are*, [www.bbc.co.uk/bbctrust](http://www.bbc.co.uk/bbctrust)

5 BBC Royal Charter, Article 4
6 BBC Trust Standing Orders, December 2010, para 1.2
The Trustees have, however, voluntarily taken an 8.3% pay cut, so the remuneration which they are actually receiving is as follows:

Trust members are currently taking a voluntary reduction of 8.3% off their fees. The reduced rates for these positions are therefore currently £130,948 for the Chairman, £70,614 for the Vice-Chairman, £37,660 for the National Trustees and £32,952 for other Trustees.  

11. The Chairman of the Trust’s duties include:

a) Ensuring that the independence of the BBC is maintained;

b) Representing the interests of licence fee payers and making decisions in their best interests;

c) Holding the Executive Board to account for the delivery of the BBC’s services to licence fee payers;

d) Exercising rigorous stewardship of public money;

e) Having regard to the competitive impact of the BBC’s activities on the wider market;

f) Setting and overseeing compliance with the BBC’s editorial standards;

g) Ensuring the proper handling of complaints about the BBC;

h) Approving multi-year strategies and annual plans for the Corporation as a whole; and

i) Assessing proposals from the Executive Board for new services or activities.

In all these responsibilities, the Chairman is expected to conduct business openly and transparently and in accordance with the highest standards of corporate governance.

12. The appointment is for four years, starting on 1 May 2011 with the potential for a further period of service with re-appointment. The job requires a commitment of up to three to four days per week and carries a salary of £110,000 per annum. This is 16% lower than the salary of £130,948 currently received by Sir Michael Lyons, a percentage which is roughly in line with that sought by the freezing of the licence fee over the next six years.

13. When, on 14 September 2010, Sir Michael Lyons informed the Secretary of State that he did not intend to seek a renewal in the post, he cited the level of commitment it required:

It has been a privilege to lead the BBC Trust and to make a reality of the model established in the 2007 Charter. For all the continuing debate, I am clear that this model is robust, workable and effective. [...] For all the positives associated with this agenda, I have to acknowledge that the role of Chairman has been far more demanding than the nominal three to four
days a week in the job specification. [...] this workload has now reached a point where I am increasingly concerned that it is crowding out other appointments to which I remain committed and other activity that I wish to undertake.9

14. Despite Sir Michael’s view that the role requires a time commitment of more than the three to four days per week he was appointed for, when DCMS advertised the position it was on the same basis as previously. We were, therefore, particularly concerned to ask Lord Patten about the amount of time that he would be able to devote to the role in the context of his existing paid and unpaid commitments.

9 Letter from Sir Michael Lyons to Jeremy Hunt, Secretary of State for Culture, Olympics, Media and Sport, www.dcms.gov.uk
3 The candidate: Lord Chris Patten

Biographical Information

15. Lord Patten was appointed to the House of Lords in 2005. He is currently the British chair of the UK-India Round Table, co-chair of the British Council’s annual conference in Italy and co-chair of the Arrabida Conference in Portugal. He is also the European Advisor to Hutchinson Whampoa and on the advisory Boards of BP and Bridgepoint, as well as on the board of Russell Reynolds. He was appointed Chancellor of Oxford University in 2005. From 1992 to 1997 he was governor of Hong Kong and he was European Commissioner for External Relations from 1999 to 2004. He served as Chairman of the Conservative party in 1990. Previously, he was a Member of Parliament from 1979 until 1992, joining the Cabinet as Secretary of State for the Environment in 1989. He began his career as a civil servant and then as Director of the Conservative Research department from 1974 to 1979.

Our Evidence

16. In oral evidence we asked Lord Patten about the following specific matters:

a) The recruitment process and the role of headhunters;

b) Any relevant expertise that he could bring to bear on the role;

c) His political independence and role in the Conservative Party;

d) Levels of remuneration;

e) His future priorities for the BBC Trust;

f) The relationship between the BBC and the National Audit Office;

g) The October 2010 licence fee agreement and its impact on the BBC; and

h) How he saw the future of the BBC.
Conclusion

17. Lord Patten has a large number of significant responsibilities, particularly his Chancellorship of Oxford University; his membership of the House of Lords; and his advisory roles in relation to BP, Bridgepoint and Hutchinson Whampoa. Especially given the context of Sir Michael Lyons resignation letter, which suggested that the time needed to effectively carry out the role was greater than the time available, we were concerned that Lord Patten would have insufficient time to carry out his role as Chairman of the BBC Trust. He assured us that the role would be his priority but we believe that he should further reduce his other commitments should that become necessary. The Committee will pursue this matter in future sessions.

18. Although Lord Patten does have strong affiliations with the Conservative Party, he was able to reassure us that he was willing and able maintain the independence needed for role of Chairman of the BBC Trust.

19. The Committee is also surprised that Lord Patten’s knowledge of the BBC’s output on television and radio is limited. However, having questioned Lord Patten we consider him a suitable candidate for the post, and we look forward to working with him in the future.
Appendix: Lord Patten’s curriculum vitae

I was born in May 1944 and after Oxford University became a civil servant and Director of the Conservative Research Department from 1974–1979.

I was a Member of Parliament from 1979–1992. I was a Minister in the Northern Ireland Office, the Department of Education, and the Foreign Office (Minister for Overseas Development). I joined the Cabinet as Secretary of State for the Environment in 1989 and became Chancellor of the Duchy of Lancaster and Chairman of the Conservative Party in 1990.

I was Governor of Hong Kong from 1992–1997. Following the Belfast Agreement I chaired the Independent Commission on Policing in Northern Ireland. I was European Commissioner for External Relations from 1999–2004. From 1998–2008 I was Chancellor of Newcastle University and was elected Chancellor of Oxford University for life in 2003.

I became a Companion of Honour in 1998 and a Member of the House of Lords in 2005. I am a Privy Councillor. I was asked by the Prime Minister to take charge of the government arrangements for the state visit of the Pope in 2010. I am one of the Prime Minister’s Business Ambassadors.

I am the British chair of the UK-India Round Table, co-chair of the British Council’s annual conference in Italy and co-chair of the Arrabida Conference in Portugal. Each of these conferences takes one weekend. I am one of six International Advisors to the Japanese Praemium Imperiale for the Arts.

I have written several books and regularly write book reviews and op-eds for a variety of newspapers at home and abroad. I am the European advisor to Hutchison Whampoa, (the largest foreign investor in the United Kingdom) and on the advisory boards of BP and Bridgepoint (a private equity company). I am on the board of Russell Reynolds (an executive search company) and on the stakeholders’ panel of EDF.

I am married with three daughters and six grandchildren. My wife, Lavender, is a family mediator. I am a Catholic.
Formal Minutes

Thursday 10 March 2011

Members present:

Mr John Whittingdale, in the Chair

Ms Louise Bagshawe
David Cairns
Dr Thérèse Coffey
Damian Collins
Philip Davies
Mr Adrian Sanders
Jim Sheridan
Mr Tom Watson

Draft Report (Pre-appointment hearing with the Government’s preferred candidate for Chairman of the BBC Trust), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 19 read and agreed to.

Summary agreed to.

A Paper was appended to the Report as Appendix 1.

Question put, That the Report be the Second Report of the Committee to the House.

The Committee divided.

Ayes, 4

David Cairns
Dr Thérèse Coffey
Damian Collins
Mr Tom Watson

Noes, 1

Philip Davies

Resolved, That the Report be the Second 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.

Ordered, That the transcript of oral evidence taken by the Committee on 10 March be reported to the House.

[Adjourned till Tuesday 15 March at 10.30 am]
Witnesses

Thursday 10 March 2011

Lord Patten of Barnes, a Member of the House of Lords
List of Reports from the Committee during the current Parliament

The reference number of the Government’s response to each Report is printed in brackets after the HC printing number.

Session 2010–11

<table>
<thead>
<tr>
<th>First Report</th>
<th>Channel 4 Annual Report</th>
<th>HC 423</th>
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<tr>
<td>First Special Report</td>
<td>Press standards, privacy and libel: Responses to the Committee’s Second Report of Session 2009-10</td>
<td>HC 351</td>
</tr>
<tr>
<td>Second Special Report</td>
<td>BBC Annual Report 2008-09: BBC Trust’s response to the Committee’s Fifth Report of Session 2009-10</td>
<td>HC 352</td>
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