



NOMINATIONS COMMITTEE

MINUTES

27 March 2023
14.00-15.00

By video conference

Agenda

1. Apologies and conflicts of interest
2. Review of the Chairman's conflicts of interest
3. AOB

Attendees

Present

Nicholas Serota	Senior Independent Director (Chair)
Shirley Garrod	Non-executive Director
Elan Closs Stephens	Non-executive Director

With

Chris Sandford	Head of Governance
----------------	--------------------

Not present:

Richard Sharp	Chairman
Tim Davie	Director-General

1. Apologies and Conflicts of Interest

- 1.1 The Committee were meeting without the Chairman and Director-General present. The Senior Independent Director was sitting as Chair for the session. There were no new conflicts of interest raised.

2. Review of the Chairman's conflicts of interest

- 2.1 The Committee were meeting as part of their consideration of the BBC Chairman's adherence to his obligations in respect of conflicts of interest since his appointment to the role in February 2021. The Committee had reviewed documentary evidence and an outline of meetings held by the Chairman during his tenure. They had also reviewed published materials, including his formal declarations of personal interests which had been published in line with BBC practice. Two members of the Committee had met with the Chairman the previous week (20 March) to discuss in detail the agreed topics and issues, as well as particular meetings that had been identified by the Nominations Committee at the meeting on 8 March.
- 2.2 Discussing the interview session, the Committee noted that it had heard from the Chairman about the nature of his relationship with the former Prime Minister, Boris Johnson, as well as other senior political figures. The Chairman had described the nature of his relationship with the former Prime Minister and characterised it as a largely professional one, with only limited social engagement. He accepted that he had taken it as read that the relationship was on the record and widely known, but that it could have been more formally declared. He also stated that he did not regularly meet socially with the individual or his wife.
- 2.3 The Committee noted that discussions around the arrangement of a loan for the former Prime Minister pre-dated the Chairman's appointment to the role and were being looked at by a separate review by the Office of the Commissioner for Public Appointments. The Committee agreed that their conclusions would be provisional, subject to any relevant information that should arise from that review. The Chairman had informed the Committee that he believed the meetings and discussions in respect of the loan arrangements did not amount to a formally disclosable matter. He confirmed that, following recent events, he now believed it was sensible to over declare and consequently would now act accordingly. For the avoidance of doubt, the Chairman had confirmed to the Committee that there had been no discussions about the former PM's personal financial matters with any of the relevant parties since he took on the role. The Committee noted that the decision on the appointment was for the Government (and a matter under consideration by the separate review), however the Committee agreed that it was regrettable that the relationship with the former Prime Minister and the discussions relating to a possible loan by a third party had not been disclosed to the BBC at the start of his tenure as Chairman.

- 2.4 The Committee had reviewed a list of recorded meetings with senior political figures, including the former Prime Minister; three of these had not been noted in BBC records. The Committee also noted that some of the meetings had been social events – a meeting at Chequers in May 2021 and further meetings on 10 September 2021 and 8 May 2022. The Chairman confirmed that no personal financial matters in respect of the former PM were discussed at any of the meetings discussed with the Committee. The three social meetings had all been arranged at short notice. The Chairman gave assurance that all the meetings would have been notified to the Director-General and/or officially recorded by the BBC. BBC business had been discussed at two of these meetings, on 2 May 2021 and 10 September 2021. The Committee were satisfied that meetings where BBC business was discussed had been for the purposes of promoting the BBC interests, including the licence fee deal that was being negotiated at the time. The Chairman said that on reflection he would diarise meetings more carefully.
- 2.5 The Committee had received information on meetings with other senior political figures and noted that the Chairman had met with the leader of the Opposition a number of times, as well as the shadow Culture Secretary and the former SNP leader at Westminster. He had also attended both the Labour and Conservative party conferences. It was agreed that these events and meetings were all in line with the expectations of the role of BBC Chairman. It was noted that the Chairman had a close relationship with the current Prime Minister, having been his first employer, but he considered the relationship to be professional and had only recently met with his family socially for the first time.
- 2.6 The Committee had discussed the process by which the Chairman’s investments and shareholdings were managed. He said that these were held in a blind trust, which had been set up and approved when he started to work in the Treasury at the beginning of the pandemic. The trust had been kept in place when he moved to the BBC role. The Committee received assurance that the trust was operated on a fully arm’s length basis, though the Chairman would be made aware, after the fact, once follow-on investments were made. The Chairman stated that he was only aware of one media-related investment in the trust and this had been notified to the BBC.
- 2.7 The Chairman said he also had some shares, property and investments outside the trust, but these were not political or media-related and not reputationally problematic. The Chairman stated that he would inform the BBC’s Company Secretary if any of these investments were media related or political. The Committee were assured that these other assets were either confined to investment funds in which any involvement was passive and/or that there was no conflict with the BBC.
- 2.8 The Committee then addressed the issue of charitable donations and grants from the Chairman’s Charitable foundation. A list of donations since the Chairman took up his

role was reviewed and none of these presented a conflict of interest. The Committee also noted that any political, or politically-linked donations had ceased prior to the Chairman taking on the role. He had also stepped down from the Board of the Centre for Policy Studies and had no further involvement with the group. The Committee noted that donations had been made to causes across the political spectrum. The Chairman had confirmed that he was not a member of a political party and had not been for around ten years. The Committee considered it was right that such donations should be discussed and recorded in an appropriate manner, particularly if a donation could be seen to be sensitive.

- 2.9 The Committee had asked the Chairman if there were any other relationships or issues to declare. He stated that he had attended the Proms with the now current Prime Minister, who had paid for his own tickets, and he had also taken the DCMS Permanent Secretary for dinner, paying for this himself. Both of these events were to be expected in the role and known to the BBC, so did not raise any issues. The Committee also noted that the Chairman donated his salary to charity. The Chairman noted he had declared a prior relationship with candidates during two recent recruitment processes, though these had not been formally recorded. It was agreed there was a need to be highly scrupulous about these issues and to place them on record where possible, as well as to minute them appropriately and proactively.
- 2.10 Having considered and accepted the evidence provided by the Chairman, the Committee reviewed the Board's Code of Practice to assess adherence with the requirements as related to declarations of interest. It was agreed that a declaration of interest around the prior relationship with the former Prime Minister and the discussions about a possible loan by a third party should have been made at the time and that this gave rise to a potential perception of a conflict. This was not in line with clause 2.4 of the Code, which stated that "on taking office, a director shall make a declaration of all interests which might be seen to affect his or her ability to perform the duties as a member of the BBC Board. Each director shall inform the BBC whenever there are changes to their personal interests, and review their register at least annually".
- 2.11 It was agreed that this assessment should be regarded as provisional, subject to any relevant information that should arise from the ongoing review by the Office of the Public Appointments Commissioner. The Committee were content, based on the evidence, that all other aspects of the Code had been followed satisfactorily by the Chairman during his time in the role.
- 2.12 Concluding the discussion, the Committee agreed that some provisional recommendations should be made to the Board in respect of future practice:
- there should be greater attention paid to the disclosure of relevant personal and professional interests at the start of meetings of the Board and its Committees,

with an expectation that there would be a high level of disclosure by Board members;

- the Board's Code of Practice and Guidance should be assessed to make sure they were clear enough that personal and political as well as professional or pecuniary relationships should be considered for disclosure, including on appointment to roles; and
- there should be a clearer process by which meetings between Board members and senior political figures – including social events – were diarised and notified to the BBC and to officials and subsequently minuted.

2.13 The Committee would review their provisional conclusions following the publication of the report by the Office of the Public Appointments Commissioner into the Chairman's appointment process.

3. AOB

3.1 There were no items of other business.