ANDREW MARR:
David Cameron’s re-election with a majority, followed by the appointment of John Whittingdale as Culture Secretary, led the newspaper headline writers to conclude the new government is going to war with the BBC. Is this an exaggeration? Certainly new technology, the rise of catch-up TV, rows, scandals, new competition from the internet means the BBC will have to work harder to justify the licence fee. I’m joined now by the Director General Tony Hall. Lord Hall - good morning to you.

LORD HALL:
Good morning.

ANDREW MARR:
Now a lot of Tory MPs believe that the next few months and possibly the next year are a time when the BBC will be radically, radically shaken and changed. Do you agree with them?

LORD HALL:
I think it’s a crucial time for the BBC and it’s a crucial time to have a debate about the BBC, which involves of course politicians but also involves the public who pay for
us. And my belief in the BBC - and the reason why I came back to the BBC two years ago - is because I believe the BBC’s mission, which is to inform, to educate and to entertain, is as pertinent now as it was a hundred years ago when Lord Reith formed the BBC and will be for the next ten years. No doubt about that.

**ANDREW MARR:**
Sure, I’m going to come onto the mission directly …

**LORD HALL:**
Yeah.

**ANDREW MARR:**
… but before I do, I mean I want to know how concerned you are about the appointment of Mr Whittingdale who has been very, very direct about the licence fee, saying it’s a regressive poll tax and so forth?

**LORD HALL:**
Well he’s very direct about the BBC, he’s very direct about the licence fee, but John Whittingdale’s report when he was Chairman of the DCMS Select Committee, actually said some very interesting positive things about the BBC. I am sure he’ll be very testing for us, but I think the great thing about John Whittingdale is he knows the sector; and actually more than that, he actually loves what the media do and the arts, and I think that’s a positive way in which to start.

**ANDREW MARR:**
So you’re not too worried about that. But there are a series of things which if they all happened together would be quite serious for the BBC. Decriminalisation of the licence fee, so you can pay it or not as you wish, that could cost I think about £200 million.

**LORD HALL:**
About two hundred.

**ANDREW MARR:**
But it could be a lot more than that. We don’t know how people will behave, so it could be much more than that. Then there’s the possibility of a freeze of the licence fee going beyond 2017 and the BBC having to pay the licence fee for OAPs, for instance. If all of those things happened together, a kind of general squeeze, how serious would that be for the BBC?

**LORD HALL:**
Well if all those things happened, then of course that would be serious. But I’m hoping that the debate we can have this time round will be one where the public are involved, where we can lay out the arguments for the BBC, how the BBC will reform itself to meet the new media environment that we’re in. And I’m very confident that when we lay out those arguments, we’ll have some very positive things to say. And my aim is to put out over the summer, late summer, the arguments for the BBC because I go back to the inform, educate and entertain. There are two arguments beyond that I think are really important for people. One is that I think it is … you know what the BBC offers, we offer great things, good things – information but also education, but also entertainment – to everyone, and I think that principle is very important. But the second thing is we’re also at the core of the creative industries. Invest in the BBC, you’re investing in the creative industries, and the creative industries are a part of the economy which is growing and growing fast and I’d like to see them grow even faster.

**ANDREW MARR:**
But there is a contradiction there. If the BBC because of the licence fee feels it has to offer something for absolutely everybody, and on the other hand the justification of public sector broadcasting is kind of market failure – we do things that other people don’t or can’t or won’t do – those two things are constantly in a collision, crash, aren’t they?

**LORD HALL:**
But I don’t think we’re there to be a market failure BBC. That’s not what I believe. And by the way, when we ask our audiences, that’s not what they believe either. The audiences, our audiences when you ask them, actually think that the case for the licence fee as a method of funding the BBC has gone up and has not gone down –
that’s really important – and they believe in a high quality BBC that is producing excellent programmes right across a broad range of genres.

**ANDREW MARR:**

So let’s talk about the licence fee directly. John Whittingdale has said it’s regressive, which it clearly is, and he’s likened it to poll tax and he’s said it will have to change. And in a world where people are kind of turning to Netflix and subscriber TV all the time, clearly it is anachronistic. Those two things: it’s regressive and it’s anachronistic.

**LORD HALL:**

Well his own report, published before the election, said far from the licence fee being anachronistic, it’s actually got 10 years of life left in it at least, and …

**ANDREW MARR:**

*(over)* But beyond that, it’s got to go?

**LORD HALL:**

Well beyond that, Andrew, you know you and I sitting here 10 years ago had no idea what an iPad was, had no idea about Netflix, had no idea about Spotify. I’ll go along with the argument that it’s got 10 years life in it. And then it went on to say look what the licence fee has got to do is what the licence fee has continually done since it was first invented, which is to adapt, to modernise, to change, because – and this is the principle – by everybody paying something, we all get great services for a lot less than if you went down a subscription model or some other route.

**ANDREW MARR:**

What about all those people who say the courts are being clogged up by people who are being prosecuted for not paying their licence fee and that a household tax would be much cleaner and easier to collect and get the BBC out of all this chasing people around with vans?

**LORD HALL:**

Well again, to go back to the select committee report, they actually put forward the idea …
ANDREW MARR:
(over) I’ve read it.

LORD HALL:
… of a household fee. I think …

ANDREW MARR:
Do you like that idea?

LORD HALL:
… it’s a very interesting idea. We were putting forward to the select committee and I put forward the notion that actually we should amend the licence fee in some ways to reflect the fact that actually people are watching and using the BBC services but not live. Look the point is I think there’s a broad agreement that the licence fee should be reformed in some sort of way to make sure everyone’s paying equally for it and I would go along with that.

ANDREW MARR:
And so what does reform mean in that context?

LORD HALL:
Well that’s up for the government to decide and for us to have a debate about what that reform might be, but it could be a household tax. I don’t know whether that works or not. We suggested ways of reforming it, so that whatever way you consume and use BBC services you can pay for it, and I think somewhere in there lies a solution.

ANDREW MARR:
One of the biggest endless complaints about the BBC is the number of middle managers and senior managers on very high salaries. Are you going to do anything about that?

LORD HALL:
I am and I’ve got plans … I said when I first came here, I wanted a simpler BBC. I’ve been working on that for a couple of years because… and I spend a day a week out
around the BBC talking to people. And it’s not only something which people say inside the BBC – because they do – but also outside as well, and I’ve been working out how we can get a simpler, more straightforward, easier BBC. But can I say that is one part of the BBC’s you know being more efficient and effective. You know the BBC has … by the end of next year will have taken out 1.5 billion, 1.5 billion pounds worth of costs – 40 per cent of our cost base – by doing all sorts of things. Now that’s a record of efficiency which I think we should take credit for.

ANDREW MARR:
And are you going to be really radical about middle management and really slim down the management of the BBC?

LORD HALL:
Well I’ll announce that (Marr laughs) and I’ll talk to the staff first. Forgive me. But …

ANDREW MARR:
(over) Alright, but there has to be a cull at some time.

LORD HALL:
... but what I’m after is the BBC as a creative organisation where creativity comes first, where the ideas come first, where our programmes and services come first, and how we can do that in the most effective way possible internally, but also to the people who pay for us demonstrate that we’re giving them good value for money. That’s really important.

ANDREW MARR:
So given that there is going to be an absolutely bloodthirsty slaughter of staff and so forth, what about the payouts issue because that’s another one?

LORD HALL:
No I’ve absolutely not said anything about blood… Those are your words absolutely, absolutely.
ANDREW MARR:

(over) No, no, I’m just drawing you along the path. But there will be people leaving the BBC and the other great issue that MPs talk about the whole time is the payouts. Now the BBC wants a £125,000 cap I think on payouts now, but the government wants to go well below that – to 95,000.

LORD HALL:

Well when I came in, I was not at all happy with the level of payouts that people were getting at the BBC and I put a cap on that of £150,000 in my first couple of months and that must continue. And if the government reform, then we’ll have to think exactly about how we cap our payoffs lower too.

ANDREW MARR:

(over) Was Jeremy … Was Jeremy Clarkson offered his job back?

LORD HALL:

I have no idea what that’s all about. I mean sadly – and I say sadly because I think Jeremy Clarkson is an extraordinary talent – you know I announced that we were parting company some months ago. I am thrilled that Chris Evans has got the job. I said then that one of the things we should do is to reinvent the programme, refresh the programme. By the way, that I think is one of the extraordinary creative strengths of the BBC – that you take programmes like that, you reinvent them, you rebuild them. And when I sent the note to …

ANDREW MARR:

(over) If you’ve got really good people to do it, you mean?

LORD HALL:

Yes. But I sent a note to Chris Evans just saying ‘congratulations, you’re the person I was hoping would do it and you’re doing it’, and I got an email back of all sorts of ideas he had for the programme. Because I think what Jeremy and Chris share in common actually is the fact they’re both presenters, but they’re also producers. You know they know what makes a good programme …

ANDREW MARR:
Yeah.

**LORD HALL:**
… and I think Chris is going to do something special.

**ANDREW MARR:**
*(over)* So just to nail this quite clearly. Jeremy Clarkson clearly thinks he had a meeting with the BBC Executive who offered him his job back, but that’s news to you, is it?

**LORD HALL:**
I have no idea what all that’s about. What I do know is I was absolutely thrilled when I was told over a week ago that Chris had agreed to come back.

**ANDREW MARR:**
Okay. And would it have been appropriate for him to get his job back given what had happened?

**LORD HALL:**
That’s all speculation. I mean, look, I made it absolutely clear when I actually said look we’re going to part company that that was it.

**ANDREW MARR:**
What would you like to see change about Top Gear? You say you want a change in culture, a change in tone. Just give us a sense of the kind of … how radically different the new Top Gear is going to be because the people who love the old one don’t want to see anything changed at all and love the edge and the danger, sense of danger.

**LORD HALL:**
Yeah, yeah. Well I hope that edge will be there and I hope that sort of sense of danger is going to be there, and I hope it really appeals to all the people who liked the old Top Gear but we can also bring in people who maybe were put off by part of how the programme was in the past. I mean I think …
ANDREW MARR:
Would you like to see some women in the presenting team?

LORD HALL:
I’d like to see some women in the presenting team. But look, I also need to leave it to Chris, the team, Kim Shillinglaw to make up their mind about what they think’s going to work best. And might I say they’ve also got to think about a UK audience but also a global audience because this is a global show, a global hit and it’s important to the money that we make from BBC Worldwide.

ANDREW MARR:
But my instinct is the reason this has been our single most successful show is people would turn on week after week and would never quite know what Jeremy was going to say next or do next, and that sense of danger – we don’t know what’s going to happen next – people are very worried that that is going to be lost.

LORD HALL:
I think that Chris Evans is an extraordinary producer as well as presenter. When I’ve been in his gallery watching him put out his Radio 2 programme in the morning - it’s a privilege to go and watch him and occasionally take part in the programme too – I am amazed at the way in which he’s inventing all the time, thinking about what can be better, how can we involve the audience …

ANDREW MARR:
Speed of thought.

LORD HALL:
… and the speed of thought. And you know look I have a profound belief that when you give people who are intensely creative … You know keep them … you’ve got to steer them, you’ve got to guide them, but actually support them in what they want to do, then something very, very special’s going to happen.

ANDREW MARR:
And just occasionally you have to sack them.
LORD HALL:
Just occasionally.

ANDREW MARR:
Tony Hall, thank you very much indeed for that.

LORD HALL:
Thank you.

INTERVIEW ENDS