

## [Transcript] The News Agents / Richard Sharp resigns: The Boris loan and the BBC

I feel that this matter may well be a distraction from the corporation's good work were I to remain in post until the end of my term.

I have therefore, this morning, resigned as a BBC Chair to the Secretary of State and to the Board.

That was Richard Sharp, the Chairman of the BBC, who today has been forced to resign after a report found that he had breached the rules on public appointments and, get this, failing to declare his connection to a secret £800,000 loan made to the then Prime Minister Boris Johnson, the Prime Minister, who just so happened to be involved in appointing Sharp to the BBC in the first place.

The BBC has had a very uncomfortable time whilst it's trying to proselytise on transparency and impartiality given Richard Sharp's background.

But today, the corporation has issued a formal statement saying that it accepts and understands the decision and says that Richard Sharp is a person of integrity, valued and respected colleague.

Tim Davy, the Director-General, praises his drive and intellect.

Well, a senior manager has sent me an emoji on my phone of a cork coming out of a champagne bottle.

And that is much, much more the view of staff within the BBC who just felt embarrassed about Richard Sharp's presence.

And I guess who could have thought the toxic effects of befriending Boris Johnson would have had such ramifications nearly a year on from his departure?

Well, in brackets, pretty much everyone.

Welcome to the news agents.

It's Lewis.

It's John.

It's Emily.

And we are having a special episode today, as you might imagine, given the importance of this news about Richard Sharp.

And just before we get all of our personal reactions to it and our takes to it, we did think you may not have been following this quite as closely as perhaps we have done.

So new listeners start here very briefly.

The reason that Sharp has gone today is that an investigation after some great Sunday Times reporting, and by the way, we're going to be talking to the journalist who broke this story initially, has basically created all of today.

Some brilliance on the Times reporting earlier in the year, which revealed that Sharp, a longtime Tory donor, had secretly helped an acquaintance, a guy called Sam Blythe, who wanted to offer an £800,000 personal loan guarantee to Boris Johnson.

Why did Boris Johnson need the money?

Well, as ever, it was said at the time, Boris Johnson had money problems.

And this has been a hallmark of his political and professional career.

It's caused no ends of problems for himself.

And now it's caused a problem for Richard Sharp, because he's been forced to resign because this report found that he did not reveal this loan in a way that he could have done and should have done, because it could have created a conflict of interest or at

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least a perceived conflict of interest.

You know, we have talked about long COVID on this podcast, you know, this is long Boris.

This is the tale of the Boris Johnson premiere ship.

It took me back this morning when I heard about the resignation to the Trump years, where you'd see these senior people cozy up to Donald Trump, and they would emerge diminished or destroyed by their contact with him.

And so it is with Boris Johnson, all these people who've come into his orbit, who like moths to a flame were attracted to the power that the Prime Minister had now find themselves trashed as a result of it.

Now, Richard Sharp, who knows, may come back in another guys.

Lucy Fraser, the Secretary of State for Culture, has said, I'm sure that you will be back in another public appointment soon, but he is another casualty of the Boris Johnson Premiership.

He is a casualty, but it's interesting to note in his speech, we might bring you a little bit more of that, that he talks about perceived conflicts or perception of conflict.

There is no sense that he is taking direct responsibility or blame for this.

And it is understood that Richard Sharp's lawyers may have even disputed some of the criticisms made by the team that wrote the report today.

And it might mean that actually there have been some bits of the report that have even been toned down.

I think it's relevant that when you listen to Richard Sharp, you understand that he is not going because he understands everything he is accused of.

He feels that he was slightly thrown under the bus for this one.

And he believes that in making clear to the Cabinet Secretary, Simon Case, what he knew, he had somehow put everything on the table and it was, you know, his hands were clean at that point.

Yeah, it's so interesting what you say, make less, because, I mean, let me just read you a small section of the report.

It finds that these matters gave rise to a potential perceived conflict of interest.

There is a risk of a perception that Mr. Sharp was recommended for appointment because he assisted the former PM in a private financial matter.

Both these nondisclosures caused a breach of the governance code.

And that is what has sunk Richard Sharp.

And it's hard to know what is being disputed there, given that these are statements of fact.

The thing about this, and I think the thing that will, to many people, just not sit comfortably, is what it tells us, to be honest, about the British establishment.

I mean, this whole thing is crazy.

And we've got a situation where we've got a guy who is a long time donor to the ruling party, the Conservative Party.

He's given 450,000 over 20 years.

Yeah, over 20 years.

At that time, when he's appointed to the BBC Chairman, he's already doing a job for the government, for Rishi Sunak, when he was chancellor advising on business and COVID and how best

to recover from that.

And we have this bizarre sight of this guy, basically, although he denies that he was directly involved in arranging the loan, but connecting people in the right way to connect Boris Johnson so he can get £800,000 to help with his personal finances.

A man, Boris Johnson, by the way, who by most people's estimation is wealthy and has plenty of money.

And you know, the thing that I find most extraordinary about this is we now know that this loan happened, but we still don't know who ultimately provided the money.

And that I find completely extraordinary, bearing in mind that Boris Johnson was still the prime minister when he received this money.

And for us not to know that, it is clearly in the public interest.

And Boris Johnson's people have, over the course of the last few weeks, while this story has been in the press, tried to tell us that it isn't in a public interest, it is purely private.

That is extraordinary.

I just want to go back to the original appointment of Richard Sharp to give some context of the atmosphere of the time.

And we were all at the BBC then, of course.

And the best way I can describe it is we just sort of got used to it because the names that were being bandied around at the time as potential chairs were people like Charles Moore. Paul Daker, former editor of The Daily Mail, was being thought of as the head, the new chair of Ofcom, the regulator.

And both of them had a real antipathy towards the BBC, whether it's through, I don't know, their own commercial interests or other zealotry.

You forget that in the context of Charles Moore and Paul Daker, Richard Sharp seemed actually like a breath of fresh air.

He'd worked in public service, he'd worked in finance, obviously he knew Rishi Sunak.

And I think the independence, the journalists within the BBC thought, you know what, we'll take that because he's not actively seeking to destroy the BBC.

It seemed at the time like a massive win.

And so I think you just have to put it in the context of what the alternatives were looking like then.

So given that, I mean, there's two parts of the story, it seems to me, right?

There's the BBC bit and then there's the wider public integrity bit.

On the BBC bit, where do we think this leaves the BBC now?

Well, I think that it's interesting, isn't it?

Because, I mean, Tim Davy had to deal with the whole Gary Lineker thing at a time when Richard Sharp himself was deeply compromised.

And so there probably wasn't a strong chairman saying, we think this or we think that, that had to be listened to.

So the sooner that you get a public appointment and we'll come on to this.

But I mean, surely, yes, it is true that the BBC chairman that I've worked under for 30 plus years when I was at the BBC were broadly Labour supporters.

They're always appointed by the government at the time.

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When there was a Labour government and Tory supporters, when there was a Tory government. But you always had a sense that they had done great jobs in public life.

Chris Patton, who'd been the governor of Hong Kong, who'd been the concerted body chairman, who'd been the environment secretary coming in, you know, was a really experienced and was not going to be pushed around by the government.

He was there to bat for the BBC.

You just had that slight anxiety that the person who'd been appointed was not batting for the BBC, but was batting for the government.

And I think that is what made the Sharp appointment particularly awkward.

One of the unintended consequences of this, of course, for Rishi Sunak, that the fallout, if you like, is that he gets to appoint a chairman now, you know, literally in June or wherever Richard Sharp goes, before the rules are changed, as they almost certainly will be eventually, but he now gets to appoint a chairman for the next five years.

So in the event of Labour winning the next general election, they may still have in place a Conservative champion at the very top of the public broadcaster.

So there are some speculating this morning that actually the Prime Minister could have given his old boss cover, but he chose not to, because either he loses him at the next general election, or else there is somebody who has got, let's say, Conservative values very much at the top of the agenda, whatever happens after the next election.

Just very briefly on that, I just saw a strap on Sky, which are covering it, saying Rishi Sunak says he hasn't yet seen or read the report.

He does realise it's online, right?

I mean, I just click a link.

I, you know, it's...

Silicon Valley Prime Minister.

I'm sorry, I can't hear you.

Can't hear what you're saying.

Sorry.

And just on this point, I think that is so right.

Labour's position will be really interesting on this.

You've seen Labour's position harden towards the BBC over this affair, and I think they are very aware.

They see this as a good opportunity.

Look, the next 12 months, run up to the next general election, they are keenly, keenly aware of the importance of the BBC.

Labour have moved from being very much kind of, we support the BBC, we want to put it on independent footing, whatever, so just saying, we're very concerned about what's been going on.

We're extremely concerned because they know this is the perfect opportunity to exercise a little bit of pressure.

And look, we shouldn't forget, Richard Sharp is just going to get replaced by probably another Conservative donor or certainly another Conservative ally, Conservative peer, I would imagine.

It's not like I suspect there's going to be a substantial change.

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What this whole process has done, though, is shine a light on whether or not, frankly, the BBC Chairman ought to be appointed by the government in the first place.

Well, we're going to take a break now.

When we come back, we're going to hear a bit more from Richard Sharp, and we're also going to hear from Gabriel Poggrant, the Sunday Times journalist whose amazing work has brought all this to light.

This is The Newsagents.

Welcome back.

So we're going to be talking to the man, Gabriel Poggrant, who broke this story a few months ago, very shortly.

But first, let's just hear a little bit more from Richard Sharp himself.

This clip was put out earlier by the BBC after the investigation by the barrister Adam Hepenstall KC landed.

I'm pleased that Mr Hepenstall supports the fact that my involvement in these matters, as he states, was accordingly very limited.

For extensive work, he states, his words, that he's happy to record that he's seen no evidence, and nor could he, to say I played any part whatsoever in facilitation, arrangement, or financing of a loan to the former Prime Minister.

Now during my conversation with the Cabinet Secretary on December the 4th, 2020, I reminded him of the fact that I was in the BBC appointment process.

I believed, as a result of that conversation, that I had been removed from any conflict or perception of conflict.

I understood this recusal to be absolute.

This was my error.

In my subsequent interview with the appointments panel, I wish, with the benefit of hindsight, this potential perceived conflict of interest was something I'd considered to mention.

I would like, once again, to apologise for that oversight, inadvertent that it was, and for the distraction these events have caused the BBC.

We're joined now by basically the reason that Mr Sharp, which is sharp as resigned today, at least in terms of revealing what had gone on.

That reason is Gabriel Poggrant, the Whitehall editor of The Sunday Times, and Gabriel, sometimes it feels at the moment like you're a sort of one-man check on our constitution with the number of stories that you get, sort of all very jealous.

Gabriel, Sharp's defence, and it continues to be even today, is that if there were a breach, this was an inadvertent one, and he's never really accepted the premise that he was deeply involved or involved in any substantial way in the loan facility and so on.

What's your assessment of those claims?

First thing to say is, it's not really for me, and nor am I actually that interested in determining whether he acted in good faith in a kind of deliberate and conspiratorial manner of war in an inadvertent and naive one.

I mean, I think a neutral observer would lie on the opinion that he is less experienced in politics than Boris Johnson, but a extremely experienced financier, political donor. He'd been an adviser to Boris Johnson in City Hall, and he'd advised her as she soon like in the Treasury.

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So it's not a neophyte, but perhaps he didn't know what the rules were.  
I just can't get into his head, and I wouldn't really want to try and do so.  
I mean, in terms of the breaches themselves, I think that it's unambiguous.  
I mean, he says that he acted in good faith, he went to Simon Case.  
I'd certainly think he faces Cabinet Secretary, faces his own questions.  
He always seems very close to the scene of the proverbial crime when it comes to Boris Johnson and scandal, but yes, I'm not sympathetic or unsympathetic to him, and I would never be able to determine whether he would do anything knowingly, albeit at least strange fragility to say he would have otherwise informed this committee.  
I mean, the fact of Boris Johnson needing a loan was not public knowledge.  
I mean, the idea he would have volunteered that, I mean, he's not provided any evidence to suggest that was ever his intention.

Sure.

Gabriel, you just mentioned Simon Case's name, and I'm sure a lot of our listeners will not know who he is.

He is the Cabinet Secretary, the most senior civil servant in the country, the person that is meant to be, I guess, the guardrails around proper process, and you kind of hint to that thing that, you know, he never seems to be far away from the scene of a crime.

There are some pretty tricky questions for Simon Case in all of this.

Well, he took a meeting with Richard Sharp, it was never minuted, it was never disclosed, and he provided advice to Boris Johnson, which we got a copy of, stating you must not any longer seek Richard Sharp's advice on your personal financial matters.

But I mean, you know, this is kind of the world of, um, world of Whitehall where this sort of thing happens all the time, but probably seems farcical to outsiders.

He wrote this advice to Boris Johnson after Richard Sharp had been airmarked as a government's chosen candidate.

So, I mean, you know, the trade had left the station by that point.

So I mean, you know, did Case uphold poverty in public life in this particular van dango?

Probably not.

And Gabriel, finally, in terms of the wider lessons from this, both in terms of appointments to public bodies, standards in public life and so on, what do you think they are?

And secondly, the thing, talks about it on the show already, but I know you've talked about it as well, the thing that still seems extraordinary to me is that we still don't know ultimately who provided Boris Johnson with that cash.

Yes.

So I'd just like to say a couple of things.

The first is let's not be naive or disingenuous.

The BBC chairmanship has long been subject to political interference and I don't want to be kind of gasping with faux outrage saying this is the first time that's happened, albeit perhaps it's such a stark example that there'll be a wider conversation about the way these appointments are administered in due course.

The second point I'd make is I guess as a humble reporter, I'm not really allowed to be opinionated about anything other than my ability to get information and I mean, it seems implausible and ridiculous that we live in a world where backbench MPs are required

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to say that they've been given tickets to the football worth a few hundred quid, but the Prime Minister's actual day-to-day lifestyle can be underwritten by, we'll forget, underwritten funded by another individual or institution and underwritten by somebody else.

And there is presently no system for disclosing that.

I mean, how can that be?

I mean, can you imagine if Joe Biden or Donald Trump had depended on an anonymous person for their day-to-day finances?

I mean, I don't know.

I mean, we're looking at Clarence Thomas and the secrets surrounding his finances lately.

I just, I have to say it's sort of, I can't quite believe that after all this, we still don't actually know who was bankrolling our Prime Minister for a number of months in office.

It is extraordinary and Clarence Thomas, of course, is the Supreme Court Justice who finds himself under fire for an awful lot of his financial dealings and the, you know, the better factor who has been bankrolling him.

One for you to look into, Gabriel.

Yeah, that's, if you get an exclusive on that, Gabriel, I'll be really bummed because you just keep getting story after story.

Thanks so much for being with us.

Cheers, Gabriel.

Thank you.

This is the news agents.

Welcome back.

Well, it was really interesting just listening to Gabriel Pogger in there talking about the role that Simon Case had in all this as well.

And yes, Richard Sharpe thought that he had, if you like, made full transparency by just repeating this to Simon Case.

He hadn't, of course.

We know now from the report that he should have explained his position to the panel so that they could have judged whether it was, in fact, a conflict of interest.

But the question still circle round Simon Case and why he didn't see fit to tell anyone else about this, make it more public.

And I think if you go into his background, you understand a little bit more why this happened because, you know, he was young, considered talented, previously a private secretary to Prince William.

He was promoted by Boris Johnson.

I think he was actually Dominic Cummings' idea.

And almost from the start, he became embroiled in this sort of series of fuckups and schemes, you know, whether it was a wallpaper gate, party gate, whether it was failing to tell Rishi Sunak about Nadim Zahawi's finances.

And I think the problem was, fundamentally, that Boris Johnson saw him not as the head of the civil service, but almost as his own private secretary, like a personal henchman.

His role, in sense, was to make things go away rather than to provide the checks and balances of the civil service.

And that goes right to the heart, I think, of how Boris Johnson tried to govern.

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It wasn't about respect for any of the institutions, certainly not the civil service.

It was about trying to make sure it all worked in his favors.

And please make that problem go away because it's a bit awkward now.

And there were a lot of much more experienced civil servants.

Now maybe they had their nose put out of joint by the fact that someone so junior had been appointed to the top job as cabinet secretary.

But I think it goes beyond that.

I think there was a feeling, exactly as you say, that by appointing someone young and relatively inexperienced, you get your own man in the job.

But I know in other government departments, from speaking to very senior civil servants, that they thought this was just ridiculous, that there was stuff going on that they thought stank.

And I was talking to someone who was a permanent secretary who said that they would regularly get from number 10 names of people for public appointments to public bodies where they were totally unsuitable.

They had no qualifications, but they were Boris felt he owed somebody something.

Now in the US system, there is a degree of transactionalism.

You know that if you give enough money to a party political campaign, then you're going to get an ambassadorship somewhere nice.

But it's transparent at least that that is how it works.

In the civil service and public appointments, it is not meant to be like that.

It is meant to be merit based with transparency and people who are qualified.

The job of being cabinet secretary is a really hard one.

Because John says a top civil servant in the country, it is kind of like a dual role in a sense that on the one hand, you are essentially the prime minister's top fixer.

He is the person that the prime minister goes to and says, I've got this enormous problem between these departments.

Can you sort it out?

I've got this foreign policy problem.

Can you sort it out?

And it can be a very varied job, as well as also having to effectively be the custodian of the civil service, effectively custodian of the British state in many ways.

So it is a tough job and a difficult one to get right.

But John, what you were saying about the civil service view of him is completely right.

I talk civil servants a lot.

I have never encountered such distaste and disdain for a cabinet secretary as there is for case.

There is just a sense that this is a guy who in no sense is not only can't do the job, but in no sense has the guts, frankly, or the stature to stick up for the civil service and for the British state when it matters.

And this has sort of happened time and time again.

I mean, and the question for case is completely straightforward.

You're the prime minister's fixer, but you're not the prime minister's personal financial fixer.



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I mean, that's the stuff of banana republics.

It's completely crazy.

And it sort of happened again and again when you think about, you know, wallpaper gates or what happened when quasi-quarantining, sat Tom Scholar, the permanent secretary at the treasury.

People said, where were Simon Case then?

Everything that happened with over the trust period and so on.

And there will be a moment when case is called before a parliamentary select committee.

And I wouldn't be surprised given everything that's happened today.

If that weren't sooner rather than later.

And those MPs are going to say to him, why on earth did you not feel it appropriate to at some point share with somebody what you knew about what was going on with this personal loan guarantee and the potential connections to SHARP as well?

There was a moment where he was told that 90,000 members of the civil service would be axed and he is seen to have acquiesced to have gone along with that to have said, yep, that makes sense to me.

And I guess that would explain why among civil servants themselves, they think, well, I don't know.

He's not our man.

He's not standing up for us.

There is no loyalty there, same as you said with the sacking of Tom Scholar.

And so actually if he's already, if you like, broken down that wall and the civil service is meant to be, yes, the enabler of government, but not of corrupt practices at the very top of number 10 Downing Street.

And I think those walls started crumbling a bit.

And if this is the beginning of the end of Simon Case, or even the end of the end of Simon Case, it's worth looking at who might step in to fill those shoes as the head of our civil service.

And one of the names, interestingly enough, that is just starting to be mentioned, starting to do the rounds is Antonia Romeo.

She's the permanent secretary who actually played a vital role in bringing forward the allegations of bullying that some younger junior civil servants were making against Dominic Robb and being part of the inquiry that we saw the effects of last week.

Just to add a kind of postscript on the Simon Case situation, Boris Johnson was ultimately brought down.

I mean, yes, wallpaper gate, yes, party gate, yes, everything else, but the former deputy chief whip, Chris Pinscher, and the fact that had the government been warned, had Boris Johnson been warned or not about his, some of his unacceptable behavior, Downing Street denied that they knew when he was appointed that there were stories about him and they didn't know when he got the job.

And it took a former civil servant, Simon MacDonald, who was the former permanent secretary at the foreign office to come out and say, Boris Johnson did know.

We did warn.

We made it absolutely clear there were issues.

And that was the ultimate untruth that led to his undoing.

But where was Simon Case?

Simon Case would have known that there were warnings and that all this stuff had been put in place.

Well, I always thought the thing with MacDonald was, to some extent, you've got all we got the sense with him.

Someone who things had turned out a bit differently.

He could have ended up being cabinet secretary.

He was sort of taking on that role a little bit, that custodian role that I was talking about.

I remember at towards the end of the sort of fantasy eklah period of Boris Johnson, I remember talking to quite a senior civil servant and they were talking, we got talking about Case and they said, can you imagine any of this stuff happening under Gus O'Donnell or under Robin Butler or one of the or any of the Richard Wilson, all the sort of great the predecessors.

So I think there is going to be increasing questions about that role of cabinet secretary and how it's evolving and how it's changing and how whether it needs to snap back slightly.

I just think stepping back though, you were talking at the start of the show, John, about Long Boris, Long Boris Johnson in terms of the personal reputation around sharp.

You can expand that again, right, institutionally.

Because basically, if you just want to take one thing away from today, and what this means is that frankly, the BBC's reputation has been damaged because there is now this narrative, which again, as I say, Labour and others are pushing that it's been far too close to the Conservative Party, that this is a microcosm of that and the civil service.

And Simon Case has been damaged.

So in every direction, once again, you see the Boris Johnson phenomenon infecting and damaging not just people, individual people, but institutions, the institutions that those people make up.

I suppose the other side of that coin is that potentially this is an opportunity for Rishi Sunak, because he can suddenly look like he is more transparent, cleaner about public appointments.

And I'm sure there will be people, as you say, who will be from the House of Lords, who will be Conservative grandees, but they will be seen to be more acceptable than some of the people who were appointed to high positions under Boris Johnson.

And I wonder whether Rishi Sunak is quietly pleased that he didn't have to fire Dominic Raab.

Dominic Raab kind of walked maybe before he was pushed, Richard Sharp has decided to walk before he was pushed.

And in a managerial sense, Rishi Sunak is kind of putting things on an even keel, as we've discussed in other matters as well.

Post Liz Truss and Post Boris Johnson.

I mean, on a managerial level, he's playing a blinder, actually.

Every time he takes those sort of 12 hours, 24 hours out to say, I haven't read the report or, you know, I want to take a bit of time, it's a really sensible thing to do.

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Not just because, actually, we quite like to have somebody at the head of our government who does read a report and who does actually get to grips with the detail.

That's not a totally stupid thing to want to happen, but also because it just takes him out of the limelight.

And that's absolutely where he's happiest on all of these controversies.

Do you think that the BBC, do you think they would take a joint application from you, me and Mateless as joint chairmanship?

We could have a revolving, the news agents take over the chairmanship at the BBC.

What do you reckon?

Oh, let me just check Paddy Power.

Oh, that's 10,000 to one at the moment, John.

Worth a tenner, probably.

Stranger things have happened.

Right, actually, since we recorded that, I can tell you that our odds have shortened quite considerably.

We're now at 500 to one.

That's the good news right behind Whoopi Goldberg, Anthea Turner and Alistair Campbell and Rory Stewart.

I'm not sure what they're up to these days, to be honest, but that is it from all of us this week.

Remember, you can catch up on all of our shows from this week on Global Player and send us story tips and feedback to newsagents at [global.com](http://global.com).

Thanks to our production team on the news agents, Gabriel Radis, Laura Fitzpatrick, Ellie Clifford, Georgia Foxwell, Wil Gibson-Smith, Alex Barnett and Rory Simon.

Our editor is Tom Hughes and our executive producer is Dino Sophos.

It's presented by Emily Maitlis, John Sobel and me, Lewis Goodall.

We will be back on Tuesday after the Bank Holiday weekend, so until then, in the words of the late great Jerry Springer, look after yourselves and each other.