

Digital, Culture, Media and Sport Committee

Oral evidence: Pre-appointment hearing for Chair of Ofcom, HC 48

[Thursday 31 March 2022](#)

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Watch the meeting

Members present: Julian Knight (Chair); Kevin Brennan; Clive Efford; Julie Elliott; Damian Green; Simon Jupp; John Nicolson; Jane Stevenson; Giles Watling.

Questions 1 - 80

Witness

I: Lord Grade of Yarmouth, Government's preferred candidate for Chair of Ofcom.



Examination of witness

Witness: Lord Grade.

Q1 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and this morning we have the pre-appointment hearing of the Government's preferred candidate for the chairmanship of Ofcom, Lord Grade of Yarmouth. Good morning, Lord Grade.

Lord Grade of Yarmouth: Good morning.

Chair: There are no interests to declare, I believe, at this stage. John Nicolson, I am corrected.

John Nicolson: I have an interest to declare. Lord Grade was my boss when I was a youth television presenter. I have interviewed Lord Grade as a youth television presenter and Lord Grade's sister was my agent for a number of years.

Chair: There we go. I presume in youth TV that was only a few years ago as well, John, was it?

John Nicolson: Ten years ago. I have changed my hair, which is what causes the confusion.

Q2 **Chair:** Yes, I do the same. Lord Grade, when did you decide to apply for the job and why?

Lord Grade of Yarmouth: The date was the end of November—about 26 November, if memory serves—when I decided to apply. It had not occurred to me to apply until I started to think hard about the Online Safety Bill, which seemed to me to be a seriously important piece of business. I started to read into it a bit and when the process was restarted the two things came together and I thought that there was a chance to make a difference here. I care a lot about online safety, among other things, obviously. The two things came together and I thought why not, I will have a go.

Q3 **Chair:** Also, there was a chance to get the job, because we would have had to have been living on a different planet not to pick up that the Government's previous preferred candidate was Paul Dacre, so his absence from the process was also a part of your decision to go for it—it was now open and it was a proper competition.

Lord Grade of Yarmouth: Paul and I have had our battles over the years when he was editor of the *Daily Mail* and I was running Channel 4. I know him quite well from those days as an adversary. The fact that there was a vacancy that coincided with my growing interest in the Online Safety Bill, the two things came together and I felt that it would be a very fair and open competition. I had been through the process before with the Labour Government when I decided to apply for the chairmanship of



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the BBC. You go into these things with no certainty of outcome, but if you believe in what you want to do, you have to have a crack at it.

Q4 **Chair:** Were you asked to apply?

Lord Grade of Yarmouth: No.

Q5 **Chair:** Was there any discussion at that point, pre-26 November, about the process? Obviously many people in your position with your particular reputation may have been put off by the fact that there had been all this noise at what the preferred candidate was. You did not check to ask, "Is this genuinely now an open competition" or anything like that?

Lord Grade of Yarmouth: No, not at all. I cannot recall when I had my first contact with the headhunter. My only contact was with Saxton Bampfylde, the headhunters.

Q6 **Chair:** You obviously have a huge background in broadcasting and everyone is aware of that, but broadcast is, I will not say a small part, but only one part of Ofcom's regulatory architecture and its job of work. What makes you think that you are up to the other areas as well? You mentioned the Online Safety Bill but obviously there is even more than that; there is telecommunications and other areas included.

Lord Grade of Yarmouth: I do not think that any candidate for this job would have the range of experience and expert knowledge that would cover the entire remit of Ofcom. As a chairman, you bring your own experience, which I will talk about in a moment. You bring your own experience, but the job is essentially to make sure that you have the right people in the organisation with the specialist skills in the different committees and different departments of the organisation who do know what they are talking about.

I have been regulated very heavily as the chairman of Camelot, very heavily regulated as a broadcaster. I know what it feels like to be regulated. I was even asked by the Government to set up a regulator, which was non-statutory, which is the charity Fundraising Regulator, which I set up from a blank sheet of paper.

I have had business experience at the highest level of FTSE 100 companies. I have worked in the public sector; I have experience of both sides. I have been, as I have explained, on both sides of regulation. I have done a range of jobs. I was chairman for seven hard years, with a very successful outcome, of Ocado, the online grocery business. I would not have thought that I was a natural casting with my experience, but nevertheless we had a great time and I helped the company through to its IPO and its big deal with Morrisons, which was transformational and kept the business moving forward to one of the great innovative businesses of the UK. I am very proud of that. I am adaptable, I think is the point.

Q7 **Chair:** Yes, I get that. What do you think is different about you than



previous chairs in that respect? They have all been to a degree adaptable, but what do you think that you particularly bring that maybe previous chairs may not?

Lord Grade of Yarmouth: I hope I bring people skills. I hope I bring a very keen concern for very clear governance, which is important everywhere, but it is as important in Ofcom as it is anywhere. I am very consensual. I am a consensual chairman. I always say that the power of the chair derives entirely from your ability to carry the hearts and minds of your colleagues on the board. One voice is not very powerful, so I am extremely consensual in that regard.

Q8 **Chair:** What is your perception in terms of working with the chief executive, with Dame Melanie Dawes? What is your perspective in terms of how you will fit in with her, and what sort of communication have you had to this point with her?

Lord Grade of Yarmouth: I have obviously had contact with her. I had a formal half an hour with her, which was offered to all the candidates, which is not really how you get on. It is crucial that the chief executive and the chairman are at one. That does not mean to say that you do not challenge the chief executive—that is part of the job—but it is very important for any organisation that the whole organisation and the world outside, the stakeholders, see that the chairman and the chief executive are in sync. If you have differences you resolve those differences, but that is the most important relationship in the whole organisation.

Chair: You leave it in the dressing room, so to speak, those differences?

Lord Grade of Yarmouth: Without the hairdryers, yes.

Q9 **Clive Efford:** I am interested to hear about your adaptability. Have you ever thought of applying it to Charlton Athletic?

Lord Grade of Yarmouth: Or Charlton Nil, as we call it.

Clive Efford: You have expressed some strong views on a number of matters on which Ofcom should remain impartial. How do you think you will reconcile yourself to remaining impartial, given those strong views that you have expressed in the past?

Lord Grade of Yarmouth: Ofcom's enviable reputation as a regulator is based on its processes. Its adjudications, its decisions, are based on evidence and research. Therefore, you leave your opinions at the door when you arrive at Ofcom. You have to leave your opinions at the door. After a lifetime in broadcasting at the highest levels, I have views, as anybody does, but you leave those behind when you get to Ofcom.

Q10 **Clive Efford:** You have expressed views about the licence fee, the BBC's coverage of partygate, and Channel 4. They are quite big issues. Do you think that you can just set them aside and that they will not influence you at all?



Lord Grade of Yarmouth: Certainly. If we pick those one by one, let me say straight away that my criticism of the BBC licence fee was about the fact that in the last settlement, at the time of the last settlement, its news bulletins were full, quite rightly, of stories about increased use of food banks, about hardship across the country, people having to choose whether to heat or to eat, to use the soundbite, and there they were, another part of the BBC, asking for more money for the licence fee. As a former chairman of the BBC and a friend of the BBC—a critical friend sometimes—I thought that that was wrong and I wanted to say so.

As far as Channel 4 is concerned, that is my opinion. I fought privatisation twice as chief executive of Channel 4, once with Mrs Thatcher and once with John Major. I would say that the world has changed. There were only four channels in those days—BSB and Sky were bust, they were broke—so it was a very different world.

I was asked to give evidence to a Lords Select Committee, the equivalent Committee in the Lords, and I was asked to give evidence about Channel 4. I thought that it was important in the debate about the future of Channel 4—which is nothing to do with Ofcom; it is a matter for Parliament and the Government—to point out the argument about scale in the present media world that we inhabit. It is very difficult to survive if you are very small and if you are not allowed to own content, which is the way that the traditional broadcasters have fought the decline that is happening because of the expansion of the market. I felt that it was important to raise the issue of scale. In the end those comments are all irrelevant because Ofcom has no say in the future of Channel 4. That is a matter for Parliament.

I will just say one last thing. Sorry, do tell me if I am going on too much. I described the licence fee as regressive. I did not think that that was an opinion; I thought that that was a statement of fact.

Q11 **Clive Efford:** The Government have made a number of comments about the woke agenda. What is your opinion of the woke agenda?

Lord Grade of Yarmouth: I do not think my opinion is particularly relevant. At this stage of the process of my potential appointment to Ofcom, my opinions are best kept to myself. We will have to deal with complaints in this area, I am sure, that will come to the board. As always with Ofcom, we will deal with it on the basis of the evidence, checking what has been broadcast or said or portrayed against our programme codes and so on. We will have to take each case on its merits. My views on the woke agenda are not particularly relevant.

Q12 **Clive Efford:** I will just point out that up until recently you were taking the Conservative Whip in the House of Lords and these are Conservative Ministers who are making comments about the woke agenda, applying what at times would be a great deal of pressure on people in the media. Do you feel that you are the right person to resist that sort of pressure?



Lord Grade of Yarmouth: I have spent a lifetime resisting undue political pressure as a broadcaster, not least at the BBC, but at Channel 4 and ITV. It is something that I am used to doing. Ofcom's reputation—which I hope the Committee might agree may not be perfect but its standing is pretty high, given the brief that it has—rests on it being seen as independent and able to resist undue political pressure wherever it comes from, from whichever Government, whichever party. I understand that fundamentally and I have had to do that as chairman of the BBC. I am certainly capable of resisting undue political pressure.

- Q13 **John Nicolson:** Welcome, Lord Grade. Can I continue with my colleague Clive's cross-examination there about woke? Woke is important because it is a word that is used consistently by Ministers who are fighting a culture war on this issue. You have used the word "woke" a lot. Perhaps you could tell us how you would define the word "woke".

Lord Grade of Yarmouth: I do not think that I would like to define it.

John Nicolson: Give it a go.

Lord Grade of Yarmouth: It is a wonderful debate that is going on in the country, a very lively debate. It covers a range of topics and philosophies and attitudes. If I have a criticism of the debate, it is its strident tone. I think that it is a most healthy debate and a lot of the areas that are coming to light now that people are debating and having views about are terribly important and a big step change in our accepted assumptions about the way life goes in this country. I worry about the tone. That is all I worry about.

- Q14 **John Nicolson:** Your tone has been quite strident on this.

Lord Grade of Yarmouth: Has it?

John Nicolson: Yes, it has. Ofcom workers, your future colleagues, you described some of them as "woke warrior apparat—"

Lord Grade of Yarmouth: Apparatchiks.

- Q15 **John Nicolson:** Thank you very much for the end of that word—I always struggle over that one. In fact, I will give you the full quote, if you like, from Planet Normal. These are your words, "Some idiot wrote in and complained that someone had 'blackened up' in a show from 1970. I just couldn't believe it. I thought I needed to make a statement to stop any woke warrior in Ofcom from pushing that agenda which seemed absolutely ludicrous". That was hardly trying to calm the debate, was it, Lord Grade?

Lord Grade of Yarmouth: I have strong opinions sometimes. That was in relation to this wonderful channel on Freeview, Talking Pictures I think it is called, which is run by a family from a living room in Pinner or Watford or Harrow somewhere.

John Nicolson: This quote was on Planet Normal. This quote came from



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Planet Normal.

Lord Grade of Yarmouth: Yes, but I did write publicly to complain that a complaint had been raised about a scratchy, grainy, 1970s print with sprocket holes running through on this nostalgic channel and I was worried that—

Q16 **John Nicolson:** To be honest, I am surprised you bothered, but I was interested that although you did not hold any particular role at the time you thought that you had the power to stop it. You said, “I thought I needed to make a statement to stop these woke warriors in Ofcom”. How do you think that the woke warriors in Ofcom are going to feel about your appearance, since you seem to have such a preconceived notion about them and their agenda?

Lord Grade of Yarmouth: No, this is a specific case about a rather wonderful mom and pop operation running programmes that go back to the 1950s and 1960s. If you are interested, you could watch “The Great Arsenal Stadium Mystery”, which is one of my favourite 1950s movies. You see some wonderful nostalgia; it caters for nostalgia. The idea that a complaint about something that was shot in 1960-something or 1970-something and was so patently obvious to the audience was a piece of history, not least because of the grainy print—I was trying to help the organisation that runs that channel and hoping that Ofcom would not find against it.

John Nicolson: Which it did not. The way that you have expressed it now seems much more reasonable than—

Lord Grade of Yarmouth: I was trying to make an impact at the time.

Q17 **John Nicolson:** Although, as you point out, this is very much a minority channel, so it seems strange that you went to such an effort. You are also a fan of Laurence Fox’s, are you not?

Lord Grade of Yarmouth: I admire his courage. I knew his family. His grandfather and my father were partners in business going back a long way. I admire his courage in speaking out and contributing to the debate. I do not necessarily agree with what he says, but I admire his courage in speaking out.

Q18 **John Nicolson:** Because you said, “I rarely cheer when I watch television but I did cheer when I heard Laurence Fox on ‘Question Time’”. I thought, ‘At last a voice for us’’. I find it depressing that you think that Laurence Fox is a voice for us. I certainly do not think that he is a voice for me. I do not think that he is a voice for lots of people. You went on to say, “I respect people’s points of view but I just don’t respect the tone in which they pursue their points’’. Again, you mention the “woke brigade”, a recurring theme in so many of your comments.

Lord Grade of Yarmouth: I think—sorry, I did not mean to interrupt.



John Nicolson: No, that was a pregnant pause to await your response.

Lord Grade of Yarmouth: I think that that was yesterday. The future of Ofcom is about leaving—one single person's opinion in Ofcom, whether it is my opinion or a member of the executive board or a member of the board, their single opinions will contribute to the debate but one voice is not powerful within Ofcom, nor should it ever be, certainly not the chairman's voice.

Q19 **John Nicolson:** You said that diversity of opinion is important. You sit before us, the latest in a long line of Conservative peers who have been put forward by the Government for plum public roles, who come from not dissimilar backgrounds, who are white and middle-aged. Obviously you will be appointed because this Committee is completely powerless to stop your appointment. I am touched that you say that there is no certainty of outcome about your appointment. You referred to it as your "potential appointment", but you know that we cannot stop your appointment, so you get the job regardless, so this is all fundamentally a bit of a waste of time. None the less, to play along with it for a while, how do you think that your certain appointment advances the cause of diversity?

Lord Grade of Yarmouth: It is a question of whether or not I believe in diversity and whether I want to keep that—

John Nicolson: Represent it.

Lord Grade of Yarmouth: I can't help who I am, but the question is whether I personally subscribe to the diversity agenda. One of the first things that I have done in the limited time available to me to drill into Ofcom is to look at the diversity policies and results, the outcomes. It is clear to me that there is a problem at the main board level. There is a distinct lack of diversity at the main board level. While the appointments are not in the gift of Ofcom—the appointments to that board—I will be pressing very hard when vacancies occur to ensure that there is a seriously diverse list of candidates from which to choose. In the organisation itself at a staff level, diversity trends are going absolutely in the right direction. It has made good strides. We are very light on disability, I think, too light on disability, which we must do something about, but the problem is at the main board level.

Q20 **John Nicolson:** Do you not think that as a figurehead the chair should represent that diversity? We had an almost identical conversation with the nominee for the Charity Commission, who again was white, privately educated, middle class, who wanted more diversity, and said that once in post, as a white, middle-aged man, he would be trying to encourage more diversity. We keep hearing this from witnesses who are getting these plum jobs.

Lord Grade of Yarmouth: When I went to Hollywood in the 1980s, I worked for a very enlightened company running a big production TV company in Hollywood. I was president of the company. At my first



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management meeting, I was absolutely gobsmacked that the HR director—I cannot remember what her title was. One of the major items on that group's agenda was an audit of how we were doing in diversity hiring: "We are 5% up in Hispanics, we are 3% down here". This was completely a foreign language to me, having come from the world of British monopoly television in those days.

I brought that when I came back to the BBC as controller of BBC One, director of programmes. I brought that back and I worked very hard throughout my career to ensure greater and greater diversity. At London Weekend Television, when I was director of programmes there, we did the first all-black sitcom. We brought a lot of young talent through, both on-camera, but even more importantly off-camera in the craft—

- Q21 **John Nicolson:** Although, of course, as this Committee has discovered, the BBC endured and allowed a huge gender pay gap and also a huge BAME pay gap, which this Committee has done a great deal to encourage the Government and the BBC to address. You have a very impressive broadcasting CV, but by my calculation the last time that you had an executive role in television was 14 years ago.

Lord Grade of Yarmouth: Forgive me, which company are you referring to?

John Nicolson: I have your CV. It is such a long and impressive CV. Correct me if I am wrong, but was the last TV job not 14 years ago?

Lord Grade of Yarmouth: I cannot remember when I left ITV but I was executive chairman of ITV, I was not non-executive chairman.

- Q22 **John Nicolson:** What challenges do you think that that would pose for you, the fact that you have been away from TV for such a long time? You said, correctly, that TV changes a great deal.

Lord Grade of Yarmouth: Content moves with time, but the biggest change is the technological and the distribution mechanisms. Exhibition and distribution is what has changed, the way people consume screen content. I am talking about produced content, I am not talking about content that we create ourselves as people using the platforms and so on. That does not change. Tastes change. The boundaries of taste move with generations and decades but the principles are exactly the same.

- Q23 **John Nicolson:** You told us that the catalyst for you applying for this job was your growing interest in the Online Safety Bill, and we have done a report on the Online Safety Bill. The role of the social media companies has been an important factor in that and their unwillingness to confront a whole range of factors, including abuse online. Do you use Twitter yourself?

Lord Grade of Yarmouth: No, I do not.

John Nicolson: Facebook?



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Lord Grade of Yarmouth: No. I use WhatsApp to keep in touch with the family.

John Nicolson: That is different. Instagram?

Lord Grade of Yarmouth: No.

John Nicolson: No dance videos on TikTok?

Lord Grade of Yarmouth: No.

Q24 **John Nicolson:** Given your lack of engagement with such an important part of contemporary life, social media, that is going to prove problematic for you, I would have thought, because a lot of the language that people are going to be using, not least around the Online Safety Bill, concerns social media, something that you have no experience of whatsoever.

Lord Grade of Yarmouth: I would not say I have no experience.

John Nicolson: You do not use it.

Lord Grade of Yarmouth: I have three kids. I have a 23-year-old student son who is never off his screen.

John Nicolson: That is quite different from you using it yourself.

Lord Grade of Yarmouth: Yes, but I do understand the dynamics. The important thing as chairman of Ofcom and leading the board is we cannot be experts in every single aspect of the turf that Ofcom has to control. What we have to do—and this is a primary consideration for me—is to ensure that we have access to the best brains that we can hire and the best advisers and the best expertise that we can to make sure that we are a match for what is going on in that sector.

Q25 **John Nicolson:** Finally, as we have ascertained, this Committee has no power of veto, but if this Committee were to say that it does not think that you should get the job, would you decline to take it up or would you plough on regardless, or would you use the tried and tested formula, “I would read carefully what the Committee’s reasons were before I made up my mind on whether to pursue my application”?

Lord Grade of Yarmouth: It would depend what the grounds were.

John Nicolson: Oh.

Lord Grade of Yarmouth: Of course it would, that is axiomatic. It would depend what the Department’s response was to what the Committee had to say. That would be a discussion to be had when you have reached your conclusions.

Q26 **John Nicolson:** Presumably, regardless of your impressive CV, a lot of people’s reaction is, “Thank God he is not Paul Dacre”.

Lord Grade of Yarmouth: There is no way to answer that.



John Nicolson: It is what we are all thinking.

Q27 **Jane Stevenson:** Good morning, Lord Grade. I would like to turn to how you are going to take up your role. Can you say a little about what the immediate challenges are that you think that you will face and what will your key objectives be for your first 100 days?

Lord Grade of Yarmouth: First of all to drill down into the drains and see if anything needs fixing. That is the first obvious thing to do. The overall objective is to sustain and if possible enhance the respect that Ofcom is held in and ensure its continued robust independence from undue political influence. On a practical level, the most important thing is to make sure that we are ready to hit the ground running when the Online Safety Bill has completed its passage and gone into legislation at the end of what is going to be a heavily scrutinised and amended Bill, or attempted amended Bill, through both Houses. There is huge interest and huge concern that we get this right and the world is watching what we are doing here. Ofcom had better be ready for it and we had better have the right skills in place.

The online platforms, goodness knows what they pay their algorithm authors, if that is the right word. Goodness knows, and they are very, very, very smart people. We need to be sure that we know what they are up to, that we can find out through the powers eventually given to us in the Act and that we have the power to find out exactly what they are doing and how seriously they are taking protection of their users.

Q28 **Jane Stevenson:** Do you think that this is going to need absolutely fundamental structural change? Are there any policies and structures that you can see now that you anticipate will not be fit for purpose?

Lord Grade of Yarmouth: The letter from the chief executive to this Committee outlining Ofcom's attitude to the Bill, comments on the Bill and analysis of the Bill, was very, very helpful. The key thing one wants to see as a regulator at the end of the parliamentary process is that there is an absolutely clear distinction between what Government's role is and what Ofcom's role is in regulating the sector. There has to be clarity. We cannot regulate the sector unless we are clear what our responsibilities are and what our powers are. That is the only way that the regulated will know what is expected of them. We will be looking very hard, hoping that Parliament will make these distinctions and prescriptions very, very clear in the legislation.

Q29 **Jane Stevenson:** What area do you think will be the biggest challenge for you to regulate successfully in the Online Safety Bill?

Lord Grade of Yarmouth: It is hard to say until the Bill has gone through its passage. It is hard to say. So far in the draft I would say that we would be very happy about the sanctions that are available. We would be very happy about that, but as I say, the issue of clarity between the Departments—or whatever Department is responsible—and Ofcom's responsibilities needs to be very, very clear.



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- Q30 **Jane Stevenson:** Your tenure would last until 2025. In 2025, what would you like to look back and say your biggest success was? What do you want to have achieved by then?

Lord Grade of Yarmouth: I will sleep at night at the end of three years if there is a general recognition that, while the job, and I am going to be slightly emotive here, of “cleaning up” the excesses of what is an otherwise incredibly valuable resource, the internet, there is a bit of it that is a serious worry and there is serious harm, but the overwhelming value of the internet—the balance sheet—is very, very favourable. It is a massive boon to communication and to businesses. As we saw through the pandemic, what would we have done without Zoom and Teams and all the rest of it?

I would hope that at the end of three years, people can see that we are giving good effect to what Parliament has laid down for us to do and that the tech companies are taking us very seriously and are beginning to understand—it will not happen overnight—that lip service to responsibility is no longer acceptable.

- Q31 **Jane Stevenson:** It sounds like you will embrace every power that you can to make sure they are held—

Lord Grade of Yarmouth: Certainly. That research report, which I have not read in full, which Ofcom published this week about public attitudes and so on, that tells you right there what the problem is. We hope that we can, through the Act, start to redress that. If at the end of three years, people accept that we have made good progress—it will not change overnight. This is a long-term haul, a long haul, to put this right.

- Q32 **Jane Stevenson:** Thank you. Finally, I am sure that your future colleagues will be watching this session, including the “woke warrior apparatchiks” that we have heard about. What would your message be to them?

Lord Grade of Yarmouth: I am there and the board is there to support them and to maintain the independence of the regulator. Just because I happened to take the Tory Whip does not mean that I am a political place person in this organisation. I understand that fundamental to the respect that Ofcom needs to hold with the public, the consumers and with their commercial clients, as it were, is on the basis that the decisions that we make will always be evidence and research-based and will never be based on undue political influence.

- Q33 **Jane Stevenson:** Do you think that you will be warmly welcomed by the woke sector of your colleagues?

Lord Grade of Yarmouth: I hope so.

- Q34 **Chair:** Following up on some of Jane’s questioning there, Lord Grade, Facebook/Meta has been lawyering up, effectively. There have been a lot of adverts in the national press looking for ways in which it can cope with



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the new regulatory architecture that has been designed for it. Are you prepared for the fight with companies like Meta?

Lord Grade of Yarmouth: We have to be.

Chair: They have always been quite in your face.

Lord Grade of Yarmouth: I have had a brief conversation with the chief executive about recruitment as we tool up, because the Government have very sensibly given Ofcom some money to enable us to hit the ground running when the Bill is enacted, so we are recruiting now. We are busy recruiting and the recruitment is going extremely well, including one or two high flyers from the tech companies, the poachers becoming Ofcom gamekeepers now, which is very encouraging. I have not been able to drill down in detail on that yet. A major priority is to ensure that we are going to be a match for these companies. One of the provisions in the Bill is that we have the power to demand information, which will help us. At the moment nobody has that power, but we will be able to get behind the algorithms and the systems that they use.

Q35 **Chair:** With respect, will Ofcom be able to understand that information when it is handed to it?

Lord Grade of Yarmouth: Oh yes. We have to. We have to recruit people who will be able to understand that.

Q36 **Giles Watling:** Of the 32 applicants who put in for this role, 22% identified as female, 6% as BAME and 13% declared disability. We have had ongoing concerns about these issues, but were you surprised that the Department selected you for this role?

Lord Grade of Yarmouth: I went through a process. I was not on the other side of the process. I made my pitch and hoped that it would pass muster. I cannot speak for how I compared with other candidates. I do not know who the other candidates were; I have no idea.

Q37 **Giles Watling:** But do you not have some opinion on whether it is more of the same again, same again?

Lord Grade of Yarmouth: It is not for me to say.

Giles Watling: Not for you to say?

Lord Grade of Yarmouth: Not for me to say.

Q38 **Giles Watling:** Fair enough. Are you content with the current balance of skills, experience and background on Ofcom's board?

Lord Grade of Yarmouth: I do not know yet. I worry about diversity, as I have said to the Committee earlier. I do worry about the diversity. There is an issue. Although we do not have the power of appointment to the main board, I will be pushing very hard when vacancies occur to ensure that there is a diverse list of candidates.



Q39 **Giles Watling:** Diversity would be at the forefront of your thinking?

Lord Grade of Yarmouth: Very much so, yes. It always has been.

Q40 **Giles Watling:** During the last couple of years the gender pay gap at Ofcom increased. What will you do, apart from just keeping it at the forefront of your mind? Can you give me any examples of what you might do?

Lord Grade of Yarmouth: One wants to see the trend going in the right direction. One wants to see that gap closing. Snapshot statistics are absolutely crucial, but it is what lies behind those statistics in terms of what level: do we have a diversity of very senior executives? That is also important. The basic statistics do not lie. That is important, but I need to get into the succession planning and recruitment. I need to get into all that to ensure that the progress that the organisation has been making is accelerated, there is no question about that. That is a responsibility for the board.

Giles Watling: We all look forward to seeing how that unfolds. Thank you.

Q41 **Damian Green:** I feel I should declare an interest as chair of the all-party parliamentary group for Longevity. It fits in entirely with our agenda to have a 79-year-old as a preferred candidate for a major role and also, I should say, a personal inspiration to young, ambitious 60-somethings. Talking of wokeness, one should never forget that age is a protected characteristic as well.

Lord Grade of Yarmouth: Good, I am pleased to hear it.

Q42 **Damian Green:** You can claim that in defence, if you like. You have talked a lot about the online harms Bill. One of the other areas that often does not get much prominence in Ofcom's work is the roll-out of broadband, of gigabit broadband. The Government have given Ofcom specific responsibility in the last couple of years to encourage that. Broadly, how do you think that that roll-out is going?

Lord Grade of Yarmouth: The response that I have had, which I have not tested—I have asked that question in my very cursory introductory meetings and conversations at Ofcom—is that, on that bit of the broadband roll-out for which Ofcom is responsible, we look like hitting 80% in the mid-2020s. That is the view at the moment, which is quite good, I think.

The other bit, the hard 20% of the roll-out, which the Government are funding and sponsoring, I have no idea how that is going. But the bit that we are responsible for, on the evidence of what I am told, is that we should get to 80% by the mid-2020s. I will want to test that and the board will want to test that assumption and understand what lies behind that and to make sure that we do hit that.

Q43 **Damian Green:** That in itself is quite interesting because the



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Government's target is 85% by the mid-2020s.

Lord Grade of Yarmouth: Sorry, forgive me, 85% in total?

Damian Green: Yes, by 2025, of households.

Lord Grade of Yarmouth: In total, 80% plus 20%?

Chair: No, it is 85%.

Lord Grade of Yarmouth: It is 85% including—

Chair: It has moved a long way.

Q44 **Damian Green:** Yes, sorry, 85% of the total. This Committee has produced reports saying they are not going to hit that, and the Government keeps coming back and saying that they are. I am interested that Ofcom thinks that you are not; you are only going to hit 80%.

Lord Grade of Yarmouth: No, we are saying 80% of the bit for which we are responsible, which is to say the commercial sector, the commercial operators, the commercial telecoms companies.

Q45 **Damian Green:** Do you think that the Government are going to hit their target?

Lord Grade of Yarmouth: I cannot speak for the other 20%. I can only speak for what Ofcom is responsible for.

Q46 **Damian Green:** I do not know how deeply you have gone into this, but there are two complaints. First is that there is this picture of a massive roll-out going on and things going into the ground, fibre sprouting everywhere—as the Prime Minister always says—yet I and other colleagues around here, particularly those of us who represent seats that are partly rural, get nothing but complaints about villages where you have no broadband at all and you cannot run businesses. Particularly during the pandemic this became very serious. Do you recognise that?

Lord Grade of Yarmouth: Yes, 100%, but is this not what the public policy is presently, which is to accept that pretty much the whole country should have equal access to good fibre or fast—I do not know what the number—

Damian Green: Gigabit is the phrase they use.

Lord Grade of Yarmouth: One hundred or 120 or whatever it is. That is a policy that is inescapable. It is axiomatic that if you run a small business in a rural village, you should not be at a disadvantage because your competitors live somewhere where there is good broadband. It is unacceptable.

Q47 **Damian Green:** Exactly so. I am not trying to pick holes in the policy; it is about the execution. One of the things, it appears to me, is that the Government have this perfectly laudable ambition and the Government



believe they are meeting that ambition, but this is not my experience of the real world outside Westminster.

Lord Grade of Yarmouth: I can only repeat that I have asked the question and that is the answer that I was given. I have no reason to doubt it. Unquestionably this is very, very high on the agenda. Also, there is the consumer interest. The work done over the years on behalf of consumers—if you remember, when we first had mobile telephones and the difficulty of switching providers, it was all a nightmare—Ofcom has demonstrated over the years that the consumer interest in switching and fairness with the phone providers, phone services, has improved out of recognition.

We have to get to that in broadband as well. I am not convinced—no, “convinced” is the wrong word. I do not know, but it is a question that I shall ask, how much we understand about consumer concerns about their broadband services and the fairness to consumers of the contracts that they have, switchability and those sorts of things. We all have complaints about our broadband.

Q48 **Damian Green:** That is very interesting, because I am sure a lot of people would welcome the attitude that you have just taken to the tech giants and how Ofcom is lawyering up to take on Meta. A lot of people would feel the same about Openreach. Certainly a lot of people in the industry itself feel that there is this quasi-monopoly that has allegedly been taken away from its parent, but it is still by far the biggest game in town and can distort markets and so on. Is that something you might look at?

Lord Grade of Yarmouth: Absolutely. One of the driving remits of Ofcom is consumer welfare. Subsidiary to that or connected to that is to ensure a fair competitive market. One of the things that I will definitely want to look at—it may be that this work is already going on and it has not reached my 350 pages of brief yet—is understanding precisely consumer concerns about how they are treated by their broadband providers. This is absolutely crucial. How that relates to Openreach and so on, I do not know yet and I need to get into that.

I am most concerned about reach in its generic sense of decent broadband, acceptable and competitive broadband for everybody throughout the nations and regions, and the consumer interest in having a fair deal in the way that telecoms contracts have improved over the years. I can remember trying to switch from Vodafone to somebody else. It took months and years. These days it is a couple of hours in the shop, it is brilliant. That is down to Ofcom, I think.

Q49 **Julie Elliott:** Good morning, Lord Grade. On that issue that my colleague has just asked questions on, a previous iteration of this Committee—probably going back five or six years—did a very thorough report on the area of broadband. The issues that were raised in our conclusions have still not been addressed and it might be worth looking at that, if I can



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suggest some more reading for you.

Lord Grade of Yarmouth: Thank you.

Julie Elliott: I am very interested in what you have been saying about online harms and all that area, which is of great concern to this Committee. We have done a lot of work on fake news and disinformation. In fact, Kevin Bakhurst, who is group director of broadcasting and online content at Ofcom, gave evidence in this Committee only a few weeks ago. He said that part of Ofcom's role is ensuring that "audiences in the UK can receive news that is trusted, accurate, properly regulated and impartial", which of course we all agree with. He then went on to ask whether Ofcom has the expertise to do this and he said that he was not sure.

You mentioned that Ofcom is recruiting, which is fine. I am very pleased that you are seeing that as a weakness that needs strengthening, but can you get the calibre of people that you need? I do not know what moneys you have been given by the Government, but this is an area in the private sector where these tech companies pay enormous salaries. Do you feel confident that you are going to be able to recruit people of the calibre to do that job properly?

Lord Grade of Yarmouth: We may not be able to poach people with financial incentives who are earning millions of dollars in Silicon Valley or Seattle or wherever they are. We may not be able to do that, but for an organisation like ours we will need to identify up-and-comers who have the right experience who we can train up but who have good basic knowledge. Hopefully we will be a nursery for huge talent in this area. That is the way that we can compete.

If I could just make a distinction, regulating impartial news on licensed broadcasters who create the news is one thing. It is complex in the event of an alleged default, but it is quite a simple matter. There is a limited amount of output. When you come to regulating fake news, alleged fake news on the internet, I do not know how many billions of posts a year go up. You cannot regulate it on the basis of item by item by item. It is completely impractical. What you have to do, which I think the Bill does extremely well, is to give Ofcom the powers to ensure that the internet platforms have processes and are dealing with fake news in a way that is satisfactory. We cannot police every post that goes up. Nobody could.

Q50 **Julie Elliott:** Certainly all of the evidence that we have taken on this Committee over years has shown that at the moment it is a free for all.

Lord Grade of Yarmouth: It is.

Julie Elliott: So what role should Ofcom have in regulating social media companies such as Twitter and Facebook to remove fake news?

Lord Grade of Yarmouth: That is very clearly laid out in the draft Bill. If I may consult my notes, there are various definitions. There is "illegal



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harm”, there is “legal but harmful to adults”—these are the definitions in the Bill—and there is “legal but harmful to children”. Under those headings we will have the responsibility—

Q51 **Julie Elliott:** If I can interrupt, Lord Grade, that is about the wider content—

Lord Grade of Yarmouth: Yes, but fake news is harmful.

Q52 **Julie Elliott:** Yes, but in particular the “legal but harmful” argument, particularly around under-18s, the evidence that we have taken in this Committee has particularly been around pornography.

Lord Grade of Yarmouth: That is a separate category.

Q53 **Julie Elliott:** Yes, but that is where that bit has gone. Fake news is a very different thing. We have taken evidence over the years on this Committee about the influence that that has had on our democratic process, not just in this country but around the world. How do you think Ofcom’s role can get to grips to this? That is the responsibility that you are being given by the Government.

Lord Grade of Yarmouth: Yes, and our responsibility will be, assuming the Bill does not change as it goes through, to have the powers. We will have codes of practice, service codes that they will have to meet. They will have to provide us with the information of how they are meeting the requirements of the Act. We will have considerable powers to ensure that the platforms, the service providers, the internet companies and the tech companies are behaving and have procedures in place to deal with things like fake news and the other categories of harm.

Q54 **Julie Elliott:** If we look a little bit further, what do you think Ofcom’s role will be in any future negotiation between social media and the traditional broadcasters that Ofcom regulates?

Lord Grade of Yarmouth: That is a commercial point about copyright.

Q55 **Julie Elliott:** Do you think that Ofcom has a role in that?

Lord Grade of Yarmouth: I think we will have a view on that. If you look at the Australian experience, it is very interesting to see that it has enacted legislation that insists that there is a fair return for copyright owners, intellectual property owners, from the internet companies. That is something that is under review at the moment with Government, and Ofcom is looking at it as well. It is a competition issue, it is a commercial issue, but I know that it is under active consideration. It is a very important point because at the heart of the British creative industries, which is one of the greatest success stories of the last 20 years in this country in any sector of business, it is—

Julie Elliott: Which this Committee often champions.

Lord Grade of Yarmouth: Indeed, and I have championed all my life. The continuing investment in content—which is what is at the heart, apart



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from the skills base, which is fabulous in this country—depends on protection of copyrights and your ability to get a return on your investment. There is a serious leakage of value with—

Julie Elliott: You have said it is about competition.

Lord Grade of Yarmouth: Sorry, in respect of?

Q56 **Julie Elliott:** The question that I asked was about what you think your role will be in future negotiations. You have mentioned competition and copyright. This comes under various different regulators. How do you see your role interacting with other regulators in this country evolving in relation to the big tech companies such as Facebook?

Lord Grade of Yarmouth: I have not read any of the minutes of the meetings yet, but among the alphabet soup of acronyms that I am learning there is the DRCF, which is the digital regulation co-operation forum, which is Ofcom, CMA, FCA and the ICO. That is a very meaningful and important step forward. There are overlapping interests between regulators in terms of whether it is competition, data protection and so on. This forum is a great step forward. It is unusual in this country. We like silos, don't we? In government we like silos and in organisations we like silos. This is a very big step forward and it is a very serious forum where mutual interests—not competing but overlapping interests—of the various regulators on a systemic and ongoing basis can be discussed and sorted.

Q57 **Julie Elliott:** Finally, do you detect any sense or any sign that companies themselves recognise that the world is changing and this free for all that is going on is not going to be allowed to continue, or do you think that they can think they can carry on?

Lord Grade of Yarmouth: The laws of nature suggest that they will resist regulation. They are not used to it. They are used to having their own way. It is a wild west in many respects. There are huge benefits. Let's not underestimate the benefits that they provide, but these companies that are so enormous and so powerful and so pervasive—much of it benign and productive, but there is huge risk in some of it—the time has come for effective regulation. Britain is in the forefront of this and I am sure that the world will be watching to see how well we monitor this and to what extent we can get the tech companies to listen and take us seriously.

Q58 **Julie Elliott:** If appointed after today, which I am sure you will be, given our colleague's previous words, I look forward to see how this is going, because it is an area that I am very interested in and I know that this Committee is particularly interested in.

Lord Grade of Yarmouth: It is what got me to apply.

Q59 **Simon Jupp:** Good morning, Lord Grade. You have said a lot about the BBC in the past and that £159 is "too much money" for the BBC licence



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fee and: "It's like the monarchy—it exists to survive". Why do we need BBC Two and BBC Four? Earlier you described yourself as a critical friend of the BBC. With friends like these, who needs enemies, to use a famous quote? Do you think the BBC will still exist in 10 years' time funded by the licence fee?

Lord Grade of Yarmouth: In the end that is a matter for Parliament. I have views.

Simon Jupp: What are your views?

Lord Grade of Yarmouth: My view is that we are on the eve of a very, very big debate. I spent a year and a half on an internal panel of people from different disciplines in the media sector, discussing the future of public service broadcasting. What I want to see from public service broadcasting over the next decade or more is that we don't do anything that undermines our ability to continue to invest in talent and content, and skills that produce that content, and the BBC is a major contributor to that.

The fact is that there is a charter review in 2027. I agree with the Secretary of State, who I think is on record as saying that we would rather have that debate earlier than do it at the last minute and have a horrible transition to whatever future the BBC holds. I think that debate is a very important national debate. What I want to see come out of it is that the British production industry and sector, both the skills and the talent on screen and creative talent—writing, producing, directing, lighting and all that stuff—that we have the highest regard for that and that we are able to continue with our long tradition of independent, impartial news.

Q60 **Simon Jupp:** You have previously said that scrapping the BBC licence fee would spell the end of the BBC. Do you still believe that?

Lord Grade of Yarmouth: To give that a bit more context—this is not my view—you could fund the BBC in any way you want. What you cannot pretend is that by putting the BBC into competition for revenue you are going to get the same result that you get now. There is a direct relationship between your source of funds and what appears on the screen. For example, if you put the BBC into subscription—if that is what Parliament wants to do, that should happen—it will change the nature. It will mean that the BBC will be concentrating on programmes that are going to drive subscription rather than taking high risks.

An example is Phoebe Waller-Bridge, an unknown talent. The BBC took a chance and invested in her and it has created one of the greatest new talents of the decade. That would not happen in a subscription model, so you have to decide what you want from the BBC. What does the nation want from the BBC and the public service broadcasting sector? What do we want from them? What should be invested and how is it paid for?

Q61 **Simon Jupp:** From your previous comments, we can conclude that you



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are not a big fan of the licence fee itself. You called it regressive, for example, and given—

Lord Grade of Yarmouth: No, I am not against the licence fee. I have never been against the licence fee. For the context around my recent comments about the licence fee, I just thought it was tactless that the BBC was asking for more money at a time when it was reporting such hardship in the country and these are the people who are going to pay, who rely on television for entertainment, who are going to have to pay more money.

Q62 **Simon Jupp:** Aside from subscription, which you just mentioned as another alternative for funding, have you considered other alternatives, for example, the idea of using a council tax precept?

Lord Grade of Yarmouth: It is not for me to say. What we want is a debate about how we go forward. The fact is the world has changed dramatically and the BBC has done incredibly well to try to keep up with what is happening in the rest of the world. Can it go on asking for more and more money? I don't know. It is not a question for Ofcom; I am now speaking in a personal capacity. You have asked me of course for some personal opinions. Ofcom's role in the future of the BBC I don't think is anything, to be honest. It is a matter of public policy for the Government of the day and Parliament. Obviously we have a regulatory responsibility in respect of the BBC, but we also have a responsibility for monitoring the health of public service broadcasting.

Q63 **Simon Jupp:** I was just coming to that very neat caveat there. One of the concerns about scrapping the licence fee is the impact on public service broadcasting, particularly if we look at, for example, local journalism. Unfortunately, whenever the BBC looks to cut services it looks to local services first, the services close to those who pay for them. How much do you value local journalism? I ask you this question because when you were at ITV, you oversaw huge cuts to ITV regions and the audiences have never recovered from those cuts.

Lord Grade of Yarmouth: There are two issues there. In terms of my record at ITV, it was a commercial organisation and the banking crisis precipitated—this is engraved on my heart. We were forecasting the revenue for April at +5%. I can remember where I was sitting when the sales director came in and told me that the forecast for April was -23%. That was the crisis we faced and I had to save the company. This was a matter of saving the company and the cuts that we had to make were regrettable, but I had to save the company. It was a highly operationally geared business, and losing 23% of your revenue overnight is as serious as it could possibly get.

Q64 **Simon Jupp:** Do you regret, though, those cuts to local programmes in ITV that meant many regions disappeared? Since then, a lot of them have been reinstated in some way, shape or form, but still the audiences have not returned in some cases.



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Lord Grade of Yarmouth: Yes, of course I regret it, but when I was chairman of the BBC I remember sitting the director-general, Mark Thompson, down one day and saying, "The future of the BBC's role will be much clearer if we move out of London. The more we move out of London, the better. The more we invest out of London, the better", hence Salford and the move out of London. I said, "ITV is consolidating in London". Do we have a moment, can I—

Simon Jupp: Yes, of course.

Lord Grade of Yarmouth: I am sorry about this. A brilliant act of broadcasting public policy was in 1955 when the Government decided to introduce commercial television, ITV. The BBC was a national broadcaster, London W1. That is where it was centred. We had nothing else. As an issue of public policy, it was decided that they would create competition for the BBC. It would be called ITV, but it would be a regional system to complement the BBC's London base. The way I saw it with Mark Thompson is that those positions were reversed now. Apart from Scottish Television and S4C, ITV was consolidating in London and the future of the BBC lay in getting out of London as much as possible. I still believe that is the right policy.

However, it is not for Ofcom to make those decisions. That is for the Government, Parliament and the BBC. I am offering personal opinions from a lifetime of experience in this sector.

Q65 **Simon Jupp:** Clearly, newsrooms across the country, in every region, in every nation, have dwindled in recent years because of a whole host of different matters to do with regulation, but also to do with the economy. Do you think that if you are appointed as chair of Ofcom you will be seen as a friend to local journalists or not?

Lord Grade of Yarmouth: It is just not our role. It is ultra vires. It is a matter of public policy that it is not a matter for Ofcom.

Q66 **Simon Jupp:** Will you champion local journalism? Do you think that—

Lord Grade of Yarmouth: It is not for me to champion anything. As chairman of an independent regulator with a specific statutory remit, it is not for me to champion anything.

Q67 **Kevin Brennan:** Thank you and welcome. You mentioned the advisory board you sat on for 15 months. What sort of conclusions did it come to?

Lord Grade of Yarmouth: I am not at liberty to say. It wasn't my panel. It was an internal inquiry and there were no conclusions. It was a think-tank and the discussion papers and the minutes of those meetings sit in the DCMS.

Kevin Brennan: Yes, I know. I tried to get hold of them. I thought you might slip up and tell me. I am also sufficiently superannuated to be a fan of Talking Pictures TV, which we were discussing earlier on.



Lord Grade of Yarmouth: You look too young, if I may say, to enjoy Talking Pictures.

Q68 **Kevin Brennan:** It is Irish genes and Welsh genes. On Channel 82 on Freeview, the complaint in which you wanted to intervene—which my colleague mentioned earlier—I think related to the use of blackface in a programme from the 1970s. Would you similarly complain if a channel—I do not think it would—like Talking Pictures were to present what used to be primetime television in my youth, “The Black and White Minstrel Show”? If they were to do reruns of that programme, would you, as chair of Ofcom, similarly object and call them the “woke brigade” if somebody thought that that was inappropriate?

Lord Grade of Yarmouth: Good question. I actually cancelled the “The Black and White Minstrel Show”. I also cancelled the—

Kevin Brennan: Why, were you a woke warrior?

Lord Grade of Yarmouth: No, I was controller of BBC One in 1980—something or other.

Chair: 1986.

Lord Grade of Yarmouth: Thank you, Chair. I actually cancelled “The Black and White Minstrel Show” and I cancelled beauty competitions on the BBC and all kinds of things that I felt were anachronistic. If somebody wanted to rerun “The Black and White Minstrel Show”, they are free to do it. We don’t intervene ahead of time. If somebody wants to complain, we will look at the complaint. My opinion is irrelevant. The question is—

Kevin Brennan: I think it is quite relevant as you are—

Lord Grade of Yarmouth: I am not the sole arbiter.

Kevin Brennan: —the Government’s choice for the chair of Ofcom.

Lord Grade of Yarmouth: There is a hugely diverse content board.

Q69 **Kevin Brennan:** How would you feel if you flipped over to Talking Pictures TV and saw “The Black and White Minstrel Show” on the screen, as the person who had cancelled it?

Lord Grade of Yarmouth: I would expect a lot of complaints that we would have to deal with.

Q70 **Kevin Brennan:** This job you are taking pays £142,000 a year for three days a week. Pro rata, that is more than the Prime Minister gets. Do you need the money?

Lord Grade of Yarmouth: I am never motivated by money, but I like to be paid the rate for the job. I have not asked for an increase. I have not negotiated. I have accepted whatever it is that is decided, I think by the Department, the levels of pay are. I doubt it is three days a week, I have



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to say. They told me the BBC job was—I cannot remember—two days a week or something or seven days a month.

- Q71 **Kevin Brennan:** I read somewhere you had lost your shirt on “Man of La Mancha”, the show that you put on a couple of years ago, and that that might be financially problematical. Is that unfair and untrue?

Lord Grade of Yarmouth: If you are a producer in the west end, you win some and you lose some.

- Q72 **Kevin Brennan:** There were also some press reports last year that you were interested in putting in a bid for Channel 4, if and when it was privatised. Is that true?

Lord Grade of Yarmouth: I was very angry about that. The journalist who wrote that story rang me and his line was, “Michael, do you have any inkling as to what the Government’s thinking is on Channel 4?” I said, “I really have no idea where their mind is at the moment”.

Kevin Brennan: Even though you had been on the panel for the last year and fighting them about it.

Lord Grade of Yarmouth: Yes, but that wasn’t policy. That was a philosophical—

Kevin Brennan: But Channel 4 was part of the discussion. I know the licence fee wasn’t.

Lord Grade of Yarmouth: I am sure it was, yes, and he said, “Okay, thanks very much”. Then he wrote the story saying I was part of the company that was bidding for Channel 4. I had just given evidence to a Lords Select Committee on the future of Channel 4 and I was very cross. I made it clear in writing to the Chairman of the Committee after that story appeared that there was absolutely no truth in it whatsoever. The idea that I would go before a Select Committee of Parliament and talk about Channel 4 without disclosing such an interest was absolutely appalling. I never have been involved.

Kevin Brennan: Understood.

Lord Grade of Yarmouth: I am not involved and I never will be involved.

- Q73 **Kevin Brennan:** I know that you are dropping a number of interests to take up this post. You might like to tell the Committee what those interests are, for clarity, but also are any of your current associates in any interest you are involved with likely to be people who would be bidders for a future privatised Channel 4 or any of the connected parties that you are aware of?

Lord Grade of Yarmouth: Not that I know of, no. Can I just explain how the mistake arose?



Kevin Brennan: Of course.

Lord Grade of Yarmouth: I was chairman of an AIM-listed live event marketing company called R4E. A big shareholder was a company called Miroma Group. We shared a chief executive. We had the same chief executive, but separate companies. We changed our name from R4E to Miroma SET, so the confusion arose. The Miroma Group was the one that was alleged to be looking at Channel 4. I was nothing to do with that company. I wasn't on the board and have never been on the board. I knew the chief executive, but it was nothing to do with the company. That is how the confusion arose. It is very, very important that people understand. I am very happy to have this opportunity to put that on the record.

Q74 **Kevin Brennan:** I am glad you have had the opportunity to do so. Would you also like to put on the record what the interests are that you have to drop in order to be able to take on this role at Ofcom?

Lord Grade of Yarmouth: I have a couple of interests in companies that create content and obviously that is a complete conflict. I would—

Kevin Brennan: Which companies are those?

Lord Grade of Yarmouth: A company called the Talent Bank and StoryFirst. I will sit down with whoever—legal counsel or the secretary, whoever it is that is designated at Ofcom. I will make a full disclosure of all my interests, my family's interests and so on, and anything that even looks like a conflict will be dropped. I will go through that on a systematic, forensic basis. I will not allow anything to raise any doubts about my conflicts.

Q75 **Kevin Brennan:** I was interested in what you were saying to Simon Jupp about your record at ITV and also your views, which you have put before the Committee this morning, about the privatisation of Channel 4. Might one perhaps unkind analysis of your position be that at ITV, because of the commercial pressures that came from running a company with shareholders, you had to make massive cuts? You had to cut—which you said in front of the Committee today that you regretted—regional news and do lasting damage to the regional news network across the country in order to satisfy shareholders as the profits potentially plummeted. They did go down, didn't they, at that time that you had to take these sorts of steps? Is that your vision for the future of Channel 4?

Lord Grade of Yarmouth: When you say, "to satisfy shareholders", it was to protect the company. The company would have gone under if we hadn't done what we were going to do. There is no question about it.

Q76 **Kevin Brennan:** If you look at Channel 4 at the moment, and I understand we are talking about its future, it is currently reporting record surpluses in its current position as a company that is owned by the state but does not receive subsidy from the state. There was some confusion over that when the Secretary of State appeared before us, but it does not



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receive public money. It has a unique mission that it is given by the Government to provide something different and, uniquely, is ahead of the game in relation to subscribers on digital and uniquely appeals to and is very successful at attracting younger audiences and more diverse audiences, all the sorts of things we have been talking about. I am sure if she were in front of us, the very dynamic and impressive chief executive of Channel 4 UK, Alex Mahon, would say, "If it ain't broke, why fix it?"

Lord Grade of Yarmouth: That is a perfectly proper point of view and it will be for the Government and Parliament to decide what the future is. My opinions are irrelevant. Ofcom has no locus in that debate. We will not be asked for our opinion and we will not give our opinion.

Q77 **Kevin Brennan:** No one regrets giving their opinion obviously, none of us do, but do you regret at all that the one thing perhaps that hangs over you a bit going into this role is that you have been so stridently in favour of this very controversial proposal, which wasn't in the Conservative party's manifesto at the last election and therefore is likely to find a lot of resistance if the Government propose it, particularly in the House of Lords?

Lord Grade of Yarmouth: My opinion previously stated is irrelevant. Ofcom has no locus in this debate. It is a matter of public policy for Parliament to decide.

Q78 **Kevin Brennan:** Therefore you would not be upset if the Government decided not to privatise Channel 4?

Lord Grade of Yarmouth: I think the Government must do what they want to do and what Parliament will agree to do.

Q79 **Kevin Brennan:** I did mention Freeview earlier on. In principle, do you think that public service broadcasters should remain universally and freely available to viewers for as long as possible?

Lord Grade of Yarmouth: I hope so, yes.

Q80 **Kevin Brennan:** This is a technical matter, but there are some concerns that technical changes at next year's international spectrum conference could force Britain to switch to IP delivery long before we are ready to do so. Will you do all you can to protect what you just said—that is, that you hope that we can keep public service broadcasting freely available for as long as possible?

Lord Grade of Yarmouth: That is an issue of public policy and—

Kevin Brennan: It is also an issue for Ofcom.

Lord Grade of Yarmouth: Yes, it is an issue for Ofcom, and I think Ofcom understands the value of public service broadcasting and wants to see it thrive and continue as long as possible.

Kevin Brennan: I will leave it there, Chair.



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Chair: Thank you. That concludes our session. Thank you very much, Lord Grade. We are now going to move into private session.