



HOUSE OF COMMONS

Digital, Culture, Media and Sport Committee

Oral evidence: The work of the Department for Digital, Culture, Media and Sport, HC 158

Thursday 19 May 2022

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

Questions 1-196

Witnesses

I: Sarah Healey, Permanent Secretary, Department for Digital, Culture, Media and Sport and Susannah Storey, Director General, Digital and Media, Department for Digital, Culture, Media and Sport.

II: Rt Hon Nadine Dorries, Secretary of State for Digital, Culture, Media and Sport, and Sarah Healey, Permanent Secretary, Department for Digital, Culture, Media and Sport.



Examination of witnesses

Witnesses: Sarah Healey and Susannah Storey.

Q1 Chair: This is the Digital, Culture, Media and Sport Select Committee hearing into the work of the Department for Digital, Culture, Media and Sport. We have two panels today: first, a very short panel, which is going to look particularly at public appointments and DCMS's handling of them, and then at approximately 10.20 to 10.30 we will be moving on to the main event, which is the Secretary of State. Joining us on our first panel are Sarah Healey, the Permanent Secretary at DCMS, and Susannah Storey, the director general at DCMS. We did have a further panellist, but they have dropped out, so it is Sarah and Susannah. Thank you very much for joining us this morning.

Are there any interests to declare before we start our session, in relation either to this or the next panel? I declare that I have received hospitality from Manchester United football club and also recently from Solihull Moors football club.

Kevin Brennan: I am chair of the all-party parliamentary group on music and a member of the Musicians Union and the Ivors Academy.

Clive Efford: I am chair of trustees of a charity in my constituency.

Julie Elliott: I am vice-chair of the all-party parliamentary group on women's football.

Jane Stevenson: I have received hospitality from the Premier League.

Giles Watling: I am chair of the all-party parliamentary group for theatre and the all-party parliamentary writers group.

Simon Jupp: I am chair of the APPG for hospitality and tourism, and a former BBC and ITV journalist.

Damian Green: I have received hospitality from the FA.

Dr Huq: Oh, so did I. It is all coming back.

Chair: That is almost a full house, isn't it? In fact, it has taken so long that it is now the end of the session. Thank you very much, and thank you again, Sarah and Susannah. Our first question today is from Dr Rupa Huq.

Q2 Dr Huq: Thank you, both. I am the new girl on the Committee, so I have not met you before, but I think you told this Committee in January that it is entirely within the rules to allow failed candidates to apply. I have one specific question and one general one. The specific one is whether it would be within the rules to exclude candidates who failed a recent interview process for the same position.

Sarah Healey: My understanding is that the Commissioner for Public Appointments wrote on this topic recently and specifically said that his



HOUSE OF COMMONS

view was that, because of the principle of fair and open competition being absolutely critical to public appointments, it would not be right to exclude any applicant who wanted to apply.

Q3 **Dr Huq:** For the same position? That is the position, isn't it?

Susannah Storey: Absolutely, as set out in the Commissioner's letter.

Q4 **Dr Huq:** Got you. What I have noticed since being on this Committee is that the recent Charity Commissioner appointment was a rebound of someone who was not there originally and who got it in the end. It occurs to me—I did a "Comment is free" piece for *The Observer* on this—that it feels like the diversity of the candidates who come before us is desperately low. What will you do differently to ensure that the next set of appointees that come across our desk is a bit more diverse? I think the figures were that 22% were women and even fewer, 6%, were BME. Those are the most recent figures we have, from that second competition.

Sarah Healey: On your point about the candidate for the Charity Commission who was appointed by the Secretary of State, obviously, under the code, it is permissible for appointable candidates to be appointed to a role if a vacancy arises within 12 months. It was on that basis that Orlando Fraser was appointed as chair of the Charity Commission, because the vacancy arose and he was on an appointable list of candidates from the original competition.

On your point about diversity, we discussed this at the last hearing, and Gemma—our colleague who unfortunately isn't very well today, so isn't able to be here—ran through in quite a lot of detail the various ways in which we approach and try to encourage diversity. It is worth reflecting that this year 43% of appointments and re-appointments are made up of women, which is a 5% increase from the year before, when we had seen a really unfortunate drop in the number of women appointed, and 21% of our appointments and re-appointments were made up of people from an ethnic minority background, which is well above the Cabinet Office 14% target and, again, a 5% rise on the previous year. It is certainly the case that we have a lot more to do to increase the diversity of our chairs, and we would certainly like to see more women and more ethnic minority candidates being appointed to chair positions, because it is lower than we would like.

To run through the various things that we do on that, there is a Cabinet Office diversity action plan on public appointments. They set the targets, and we take those very seriously and report against them. We have a public appointments network that we work with actively to ensure that understanding and knowledge of what appointments are available is disseminated through lots of networks so that it is not just dependent on somebody going to a website and finding something out or hearing by word of mouth.

Since we spoke last time, we are about to add tracking socioeconomic data for appointees in order to be able to test ourselves about how well we



are doing on that. We have introduced new questions to appointment processes, which have been approved by the Social Mobility Foundation, to try to make the process more open to candidates who might not have been through a similar process before, and we are working on some demystifying explainers. Sometimes the language used in these advertisements is a bit hard to understand if you haven't previously been involved in a public appointment, and that discourages new candidates from coming forward, so we are doing some work on demystifying explainers to ensure that that is clear and open to people.

We disseminate opportunities through a range of methods to try to ensure that we get greater diversity. As I say, particularly among our chairs, it is not where we would want it to be, but we continue to work to try to improve that.

- Q5 **Dr Huq:** Hopefully this will not happen again, but the last chap did not get it because of bullying allegations. It was remarked that the set of applicants was depressingly un-diverse the first time around. You could do a fresh application. You have mentioned the 12 months, but isn't there an argument—you have pointed out that they are not very diverse—for not going back to the same pool?

Sarah Healey: Ministers were really pleased with the quality of the list. On that occasion, there was a substantial number of appointable applicants. We discussed at the last Committee the fact that there was a far higher number of appointable candidates than is often the case. Considering the strength of that field, it did not seem to be in the interests of the Charity Commission, who had been without a permanent chair for some time, to rerun the competition, but to appoint from that appointable list.

- Q6 **Giles Watling:** I am interested in the trailing of names—when the name of a candidate comes out and it is trailed, or rather leaked, beforehand. You made a comment about how there would be a measure of invalidation. Could you expand on that?

Sarah Healey: I said there would be a measure of invalidation?

- Q7 **Giles Watling:** Yes, you said: "That is not something that it is appropriate for me to comment on, there being a measure of invalidation."

Sarah Healey: When we discussed this at the last hearing on appointments, I think I reiterated what Ministers—and, indeed, the Appointments Commissioner—have said about this, which is that it is not helpful to have public speculation about candidates when you are trying to run a competition. It is not helpful while the competition is open and not helpful in advance of the competition because it can discourage people from applying. We work very hard in the Department on our document security with regard to appointments to try to ensure that only those who need to see that information see it, and we therefore minimise the risk of any leaks.



HOUSE OF COMMONS

Q8 **Giles Watling:** Do you have any evidence that people did not apply because they were put off by the trailing of names?

Sarah Healey: I do not have any firm evidence, because we haven't done any surveying, but I believe that is what the Appointments Commissioner thought might have happened.

Q9 **Giles Watling:** Right. Do you think this was a breach of process by the Minister?

Sarah Healey: When you say "Minister"—

Giles Watling: The Minister who trailed the name.

Sarah Healey: I have no idea. I couldn't possibly speculate about how that got into the public domain.

Q10 **Giles Watling:** That is fair enough. Can you ever envisage asking a Minister or for a ministerial direction to appoint a candidate?

Sarah Healey: No, I don't think so, as long as the process had been done under the governance code for public appointments.

Giles Watling: That is fair enough.

Q11 **Chair:** Just to follow on, if you found that a Minister from your Department had been trailing names to the press about appropriate people, what would you do? Would you confront that Minister with their actions?

Sarah Healey: This is totally speculative. I have no idea how these things get into the press—

Q12 **Chair:** Forgive me, Permanent Secretary. You just said it was inappropriate and not the right thing to do, and then you are saying it is speculation and you wouldn't know. Surely the thing to do would be to challenge that Minister.

Sarah Healey: I said it was damaging—potentially damaging—and agreed with something that the Appointments Commissioner had said. I can't really envisage a circumstance in which I would discover, except via perhaps a leak inquiry, that somebody had been responsible. Fundamentally, the decision about Ministers' behaviour sits with the Prime Minister and doesn't sit with me.

Q13 **Chair:** There are strong suggestions that it was No. 10 that was leaking the names.

On the chair of Ofcom, we wrote you a letter on 23 February asking how many people had applied when applications for the chair of Ofcom were reopened for a week in January. What would have been wrong about giving us the number, rather than saying that you wouldn't do an ongoing commentary?

Sarah Healey: I took the view that since the competition was ongoing, and considering the level of speculation about different names that, considering you would receive—



HOUSE OF COMMONS

Q14 **Chair:** Well, it was either your own Department or No. 10. What is wrong with parliamentary scrutiny?

Sarah Healey: I am absolutely not speculating at all about how that information came into the public domain. It is not my business to do so. My view was that there had been enough commentary about this on an ongoing basis—there was a longlist and we had been through a shortlisting process—and therefore it was better to wait until all of the information was complete, and share it with the Committee then, which obviously we did.

Q15 **Chair:** Is parliamentary scrutiny frankly a bit of a pain to you in that respect? We have a responsibility in this area. It is our duty to follow through and make sure that processes are right. When we write to the Department, we expect the Department to come forward with correct answers, not to hide behind egregious errors in other parts of Government when it comes to leaking in order to, basically, not come forward and put on the record the facts as they stand. Do you not see that as perhaps looking very disrespectful to this Committee and to Parliament more generally?

Sarah Healey: We take the role of the Committee very seriously. We obviously provide you with the information that is set out in the pre-appointment process. On this occasion, I felt that, considering the level of scrutiny of this and considering that the Committee receives that information at the point of the pre-appointment process, that would be the appropriate time.

Q16 **Chair:** You could have written to us with those numbers. We were very concerned about the chair of Ofcom, obviously, because of much-trailed news stories and so on. You could have written to us and asked us to keep it confidential. I would certainly take that away with you for the future. It does not help, not just in terms of the relationship, but in terms of how your Department is perceived within Parliament—our role is scrutinising your Department—if you do not come forward with very important information like that in a timely fashion in future.

Now that we are through the process, can you explain how the numbers and the diversity of candidates changed with the additional week? During that extra week, how many more people applied as a result and how diverse was that candidature?

Sarah Healey: You might have this information better than I do, Susannah.

Susannah Storey: No additional candidates applied. The reason it was open for a bit longer was that it had been through the Christmas period. In terms of diversity, I think you have that in your—

Q17 **Chair:** So no additional candidates applied in that extra week.

Sarah Healey: The overall number of candidates applying did not change.

Susannah Storey: Yes, that's right. It was 32.

Q18 **Chair:** So the overall number didn't, but did any candidates drop out and



HOUSE OF COMMONS

others come in?

Sarah Healey: Yes. Two dropped out.

Q19 **Chair:** So two new ones came in during that time. Was one of those new candidates the one who got the job in the end?

Susannah Storey: No, Lord Grade had applied in November.

Q20 **Chair:** That's good. Did you know when speaking to us on 11 January that you were planning to reopen the applications on 26 January?

Sarah Healey: No.

Q21 **Chair:** When was the decision made and what conversations led to that extra week being granted?

Sarah Healey: I believe Ministers were given advice, as they are, about the nature of the application numbers and took the view that they wanted to test the market a little further.

Q22 **Chair:** We've mentioned the Charity Commission and the issues there. Obviously, Mr Thomas resigned a few days into the post. We have discovered—I have to say that I was dumbfounded at the time—that no references were taken for Mr Thomas. When we raised this with you, you said that you would be looking to assess the use of references across the civil service. Have you done this?

Sarah Healey: Yes, we have done that. In fact, we undertook to speak to all our departmental colleagues, who do this in different ways across Government. There was no consensus on the use of references. Some Departments use references; some Departments do not. In fact, one Department used to take references, but they have ceased to do so, on the basis that they didn't find it provided them with helpful additional information about candidates. Obviously, the Commission reflected on whether the use of references in this instance would have made a difference or brought this information to light and didn't think it was certainly the case that it would have done so. Obviously, as I said to you last time, what we did reflect on was that, because this was the Charity Commission appointment, it would have been sensible to check, as had been done at times in the past, with the Charity Commission whether they had any reports on any of the charities that the particular appointee candidate was associated with. And we did do that in the instance of the candidate that has now been appointed.

Q23 **Chair:** Are you going to take more references in future, after this experience with the Charity Commission?

Sarah Healey: We have not changed our policy on character references. What we did discover through the process of engaging with other Departments is that some other Departments use certain kinds of vetting or security checks for their non-executive and trustee appointments. And we reflected that we ought to introduce that as part of our process of appointment, so we are now moving to baseline personnel security



HOUSE OF COMMONS

standard clearances. They are not character references, but they provide basic information about the right to work, identity, and criminal records.

Q24 **Chair:** Would you know if someone had resigned due to misconduct allegations?

Sarah Healey: No, that wouldn't reveal that information. But we don't believe that a referencing process would have revealed it, either.

Q25 **Chair:** If you were taking an employment reference, they would be legally bound to tell you if anyone—this isn't the case in Mr Thomas's case—was suspended due to misconduct. They would be legally bound to tell you that—

Sarah Healey: They would if their name had been given as a referee.

Q26 **Chair:** It seems to be very strange. Obviously, this is a failing across many areas, not just DCMS, but it does seem very odd that you seem to rely on the candidate to give you a couple of references, rather than actually checking out with former employers. I personally would always contact a former employer and ask them to provide an employer reference. I think that would be for my own protection and that of my staff, frankly.

Sarah Healey: In employment processes, you have to take references from the names given to you.

Q27 **John Nicolson:** To pursue that for a moment, why do you think public appointments are so often a mess in the Department? Do you think it's a civil service problem or a political leadership problem, Ms Healey?

Sarah Healey: I obviously don't really agree with the premise of your question. We do the highest number of public body regulated appointments across Government. We have 41 bodies with public appointments that are regulated, and a total of 435 roles to fill. That means we are doing around 90 on an annual basis.

Q28 **John Nicolson:** But we have already heard about Martin Thomas of the Charity Commission. Orlando Fraser failed to attract the support of this Committee. There was the ongoing saga of Ofcom, and we have ended up with an elderly peer who doesn't use social media, which seems extraordinary in 2022. And now the search for a chair of Historic Royal Palaces has ended up as a mess because you can't attract a diverse enough field.

Sarah Healey: Obviously, there are some instances, particularly of some high-profile appointments, which have not gone as swiftly or efficiently as we would like—

John Nicolson: That's an understatement!

Sarah Healey:—over the course of the last couple of years, but I don't think that undermines the absolutely excellent job that my appointments team do of getting through 90-plus appointments every year, most of them without any issues whatsoever.



HOUSE OF COMMONS

Q29 **John Nicolson:** But this is yet another important, high-profile post and the appointment process is a mess. Some wonder whether you are just running out of Tory donors to give plum jobs to.

Let's move on to the question of civil service cuts. The Prime Minister said he wants to see 20% cuts—it is a huge number. The Government are obviously not going to cut, I don't suppose, the national health service in the aftermath of the pandemic. The defence services are not going to see cuts, I don't imagine, because of the war. The Home Office is a mess. They are not going to want to cut there, given the mess of the Passport Office. That all rather suggests that your Department might be asked to take an even bigger cut than 20%. How will you react if you are asked to do that?

Sarah Healey: We have yet to see exactly what options we will be asked to model. Susannah and I would both say that our job as civil servants is to come up with advice for Ministers about how we can work in the most efficient way, meet targets that are set for us and find a sensible way of continuing to deliver Ministers' priorities within a reduced headcount.

Q30 **John Nicolson:** Do you think 20-plus per cent. is a sensible target for your Department?

Sarah Healey: I don't have a view about that.

Q31 **John Nicolson:** You must have a view.

Sarah Healey: We haven't done the work on it yet. We always work on becoming as efficient as we possibly can.

Q32 **John Nicolson:** So you are over-staffed at the moment?

Sarah Healey: We were already reducing our workforce by about 5% to 10% during the course of the spending review period. This way, we just need to look really hard at other alternatives. We will do that work when that request comes out.

Susannah Storey: Also, when you look across the portfolio that the Department is delivering, it feels like there is a huge amount going on, and people are working incredibly hard. We will do whatever we are asked to do, in good faith, obviously. We have just gone through the previous spending review, and we are waiting for more information on the Prime Minister's objectives.

Q33 **John Nicolson:** If you are working incredibly hard, that suggests that your staff aren't sitting around wasting their time.

Susannah Storey: I am really proud of all my staff.

Q34 **John Nicolson:** I am not surprised. That makes the idea that you would have to absorb a 20-plus per cent. cut extraordinary.

Sarah Healey: It is worth saying that this is partly in response to the fact that we have been through extraordinary times in public expenditure terms, and it is right that the civil service and others look to work as efficiently as possible in order to reduce the burden on the taxpayer.



John Nicolson: I imagine the hearts of staff will sink at that answer.

Q35 **Chair:** Do you think there is a bit of a war against the civil service at the moment? Obviously, there is talk about civil servants staying at home and so on. I was in your Department the other day and I was expecting there to be tumbleweed, but actually I found the desks to be very well stocked indeed, with people working beyond 5 o'clock and so on. You have faced criticism in the *Daily Mail*, I think, for being an aficionado of the Peloton. As a civil servant and someone who has worked in government for many years, do you think this feels a bit unfair to you and your colleagues?

Sarah Healey: My job is to ensure my Department is as productive as possible in supporting Ministers to deliver their objectives. That is what I am thinking about, and that is what the staff in my Department are thinking about. They are inspired by the Department's portfolio and they enjoy working with our ministerial team, and that is what I am focused on.

Q36 **Chair:** The Secretary of State has been quite supportive of the culture of working from home at DCMS, and has stood up in the press against colleagues in the Cabinet who have suggested that this culture is awry in Whitehall. Are you grateful for the support of the Secretary of State in allowing people to work at home in your Department?

Sarah Healey: Just to pick you up on some of the terminology there, we don't have a culture of working from home at DCMS. We worked at home during the lockdown and during the pandemic, as was consistent with the work at home order that was made. I believe one was in place when we were together to discuss appointments. What we have is an approach that is focused entirely on using our desk capacity to its best degree, ensuring there is use of the office.

We think there are huge advantages for staff in being in the office. I was particularly concerned during the pandemic about the young staff in DCMS, who were working in sub-optimal circumstances. I think that working in the office fosters a sense of community and belonging to the Department. Some remote working is built into our business model, but it is not the way you describe it, and I wouldn't want it to be the way you describe it. The Secretary of State has been really supportive of all the Department's work, and she is really appreciative of the quality of the advice she gets. We like to hear that, because that is the purpose of our work.

Q37 **Chair:** Has there been a marked increase in the number of people working from the office in recent weeks since this criticism has come to light?

Sarah Healey: We changed our advice following the lifting of the work from home order to encourage staff back into the office. We have seen a steady increase. It has gone up in recent times, when we reiterated the need for people to follow those guidelines.

Q38 **Chair:** So you have had to chase staff to get them to come back into the



HOUSE OF COMMONS

office.

Sarah Healey: Over time, people have started getting used to working in the office again. We have seen a marked increase, and we are really pleased about that.

Q39 **Chair:** Forgive me, but “reiterate” would suggest that you had to chase them to come back into the office. Is that correct?

Sarah Healey: No, we had had a period of time, it was the Easter holidays, and then we focused on it again.

Chair: Reiterated at that point. Thank you. That concludes this panel. We will now take a very short adjournment as we set up the second panel, which will include the Secretary of State.

Examination of Witnesses

Witnesses: Nadine Dorries and Sarah Healey.

Chair: This is our second panel as part of the Digital, Culture, Media and Sport Committee’s hearing on the work of the Department. We are joined once again by Sarah Healey, the permanent secretary, and also by the right hon. Nadine Dorries, the Secretary of State. Sarah and Nadine, thank you very much for joining us this morning. Our first line of questioning will be on Channel 4, and the first question is going to be from John Nicolson.

Q40 **John Nicolson:** Good morning, Secretary of State. Can I ask why you refused to go on to “Channel 4 News” to answer questions on why you want to privatise Channel 4?

Ms Dorries: It is my right to do so.

Q41 **John Nicolson:** Is that answer finished? Of course it is your right to do so—that goes without saying—but accountability is something that we expect of Cabinet Secretaries, and you would rather think that the pretty important audience to whom you should explain your policy and what you want to do would be the very audience who will be most affected by the decision.

Ms Dorries: I have had a number of media interviews on Channel 4. I think I have explained my position on Channel 4 quite clearly. I am here to be scrutinised on the decision for Channel 4, and I am very happy to answer any questions that anybody has, but which media outlet I choose to appear on is my choice.

Q42 **John Nicolson:** That, of course, is a truism. Let’s examine some of your justifications for privatising Channel 4. It’s profitable, as we know, and you often compare it, and say that you want it to compete, with Netflix and Amazon. Do you know how Netflix’s share price has performed in the last six months and what has happened to it?

Ms Dorries: I don’t actually say that I want it to compete with Netflix and Amazon, because that is not the case. I am very aware of what has happened to Netflix’s share price. I am also aware that Netflix itself has



HOUSE OF COMMONS

discussed various ways of adapting Netflix to its market now that it has reached market saturation. Of course, one of the ways Netflix is looking at doing that is by taking on advertising. That probably leads me to the point as to one of the reasons why I have taken the decision that I have on Channel 4, and that is because Channel 4 is dependent on one stream of revenue, which is advertising.

As we know, the pool of advertising budget has reduced considerably. Advertisers have a linear graph for advertising that is only going in one direction. Advertisers now have far more choice—many more online streaming and other outlets—where they can spend their advertising revenue, and indeed are choosing to do so. I would imagine that Netflix will be a very popular choice for advertisers to spend their advertising budget.

- Q43 John Nicolson:** Secretary of State, I have heard you say that you want Channel 4 to be freed up to compete with Netflix and Amazon. The answer to my question is that Netflix's share price has dropped by over 70% in the last six months. Amazon is owned by a trillion dollar company; it is a loss leader. Netflix has racked up billions of dollars in debt. How do you think these are appropriate role models for a profitable, well-run UK success story like Channel 4?

Ms Dorries: I am not trying to say that Netflix, Amazon Prime, Disney+ or any of the many streaming organisations that are coming online—which have, by the way, transformed the broadcasting landscape since the days when we had the choices of 1, 2, 3 and 4—are role models. I am trying to say that this is a market in which various organisations and owners, both public service broadcasters and privately owned broadcasters, are competing for market share.

- Q44 John Nicolson:** But these are unsuccessful companies by any standards. They are financially unsuccessful and heavily subsidised. Amazon and Netflix are also subscription models, and Channel 4 is not, and Channel 4, as you know, is the UK's biggest free streaming service. One of your colleagues, a Minister in your Department, Julia Lopez, said on the Floor of the Commons, that in any privatisation Channel 4 will not move to "a subscription model". Do you guarantee that?

Ms Dorries: As both I and Minister Lopez have made very clear, and as you may have read in the broadcasting White Paper, Channel 4 is a public service broadcaster, and any sale of Channel 4 will require it to continue to be a public service broadcaster.

- Q45 John Nicolson:** Will that be written into the sale?

Ms Dorries: It will be part of the sale condition, absolutely.

- Q46 John Nicolson:** But for how long?

Ms Dorries: I am not going to discuss that, because a sale process, which is being designed now—I am not going to discuss what the details of the sale will be—



HOUSE OF COMMONS

Q47 **John Nicolson:** So you are not guaranteeing that it will be a non-subscription model in the long term. Will it be sold to a UK investor or will foreign companies be allowed to buy it?

Ms Dorries: The market will be open and those organisations that want to bid for Channel 4 will be able to do so, but we will be examining any bid very carefully. As you will have seen in the broadcasting White Paper, part of our requirement will be that Channel 4 continues to make distinctive British content. After all, it was Channel 4 that brought us “Derry Girls”, “Gogglebox” and other programmes that are distinctly and uniquely British.

John Nicolson: I agree that it is a triumphant success as it is.

Ms Dorries: I didn’t actually say that.

Q48 **John Nicolson:** No, but I am saying that. You conducted a privatisation consultation that generated a very impressive 56,293 responses according to the White Paper. What percentage of those responses supported privatisation?

Ms Dorries: Sorry, the 96% of?

Q49 **John Nicolson:** There were 56,293 responses when you asked people about privatisation. What percentage of those 56,000 supported privatisation?

Ms Dorries: I think the figure was about 96%—

John Nicolson: That supported—

Ms Dorries: I would like to finish answering the question if possible. Forty-six thousand of those respondents were from a politically motivated organisation called 38 Degrees, which actually rewrote the consultation question in a far more leading way than was in the consultation. Also, a similar amount, 96%, stated that there were no challenges facing Channel 4 at the present moment—I think those were the words—which is completely untrue. A more important figure is that, in public polling, 53% of the public were not aware that Channel 4 was state owned; they thought it was already owned by a private company.

Q50 **John Nicolson:** Yes; I think that is quite a vulnerable issue for you since my colleague had to explain it to you at the last session. The answer to the question is that 96% opposed privatisation. Channel 4 has been a huge success. The public do not support privatisation; Channel 4 does not support it; and Pact, the trade body for the independent sector, predicts a £4 billion loss for the sector over 10 years if Channel 4 is privatised. How come they are all wrong and you are right?

Ms Dorries: As the Government, we have to take a long-term view. Sorry; I just want to answer an earlier question. We are putting a timeframe in for ownership as a public service broadcaster. I just want to confirm that the number of years is 10 years.

John Nicolson: Thank you, Ms Healey, for that.



HOUSE OF COMMONS

Ms Dorries: Well, that is why Ms Healey is here. Could you repeat your question?

Q51 **John Nicolson:** Yes. I gave a list of all the experts who oppose privatisation and asked why you think they are all wrong and you are right.

Ms Dorries: As a Government, it is our responsibility to take a long-term view. After all, we own Channel 4; those organisations do not. We have to take a long-term view regarding the future of Channel 4. Of course, a number of factors have come into play in our decision. I have already highlighted the decreasing spend on advertising revenue, and the fact that Netflix and other online streamers are now considering and are very likely to take on advertisers, therefore decreasing their budgets. It is very bad practice, I would say, for any CEO of any organisation to be totally dependent on one revenue stream in a decreasing market.

Many other considerations have also come into play in the decision. One of the most important, and I think the most relevant to where we are today, is that any issue with Channel 4 moving forward, were it to move into difficulty, is offset against the public debt because it is of course state-owned. It is offset against the Government's balance sheet. If Channel 4 does get into difficulties, the Government does not have the money; the Treasury does not have the money. It is taxpayer's money, and it is the taxpayer who will be liable for any problems Channel 4 may encounter.

Also, Channel 4 itself has said that it requires investment; it wants to raise funding. It has produced a document called, I think, "The Next Episode", in which it talks about wanting to raise investment, wanting to raise borrowing, because there are many things that Channel 4 wants to do. We want Channel 4 to—

John Nicolson: One thing that they do not want is to be privatised—

Ms Dorries: Again, if I could just finish answering the question—

John Nicolson: That was quite a long answer, Secretary of State. The one thing Channel 4 does not want is to be privatised. You say that it is state-owned. Of course, it is a public service broadcaster, but it is funded, as Mr Green explained to you last time, by advertising.

A lot of your colleagues think this is about revenge, because you think Channel 4 is not sympathetic to the Government project, and because you are particularly hostile to "Channel 4 News". That is a view held not only by Opposition politicians, but by many of your colleagues, one of whom called this "payback time".

Ms Dorries: I am not responsible for comments made by my colleagues. What I can say is that Channel 4 cannot make and sell its own content under its licence. It recognises itself that it is totally dependent on the decreasing advertising budget. Channel 4 wants to raise investment. We cannot allow it, as an organisation—the Government owns Channel 4—to



HOUSE OF COMMONS

raise investment. We cannot allow Channel 4 to raise investment, because the taxpayer will be liable for the debt of that investment.

Q52 **John Nicolson:** It is making record profits.

Ms Dorries: It is a great time to sell. That is why we are selling now, at a time when we are seeing great profits.

Q53 **John Nicolson:** Unlike Netflix.

Ms Dorries: I will not have time to go into the details of it, but while it is in the position it is now, it is a good time for Channel 4 to go to the market. It is a good time for Channel 4 to raise investment. It is a good time for us to balance Channel 4 and the value of Channel 4 today against what is happening with the independent production sector—the boomed independent production sector. Let us not forget: that independent production centre only earns 7% of its revenue from Channel 4.

It is the right time to sell Channel 4 and for the Government to receive a creative dividend from that sale, which we can invest back into the independent production sector. Margaret Thatcher set up Channel 4 40 years ago to stimulate and help grow the sector—right down to grassroots funding of independent production in the UK. That job has been done. It is now time for us to have reinvestment in the skills and expertise we need.

John Nicolson: And Harold Macmillan said not to sell off “the family silver”.

Q54 **Chair:** In terms of the finances of Channel 4, you are correct to identify that they are effectively tied to a diminishing pot of advertising revenue. Is there not an argument, therefore, that in the future, at least in part, a privatised Channel 4 should consider some form of subscription—perhaps through the All 4 brand or by joining forces with the likes of the BBC and ITV, and putting forward really good, historic content that they could then charge people for?

Ms Dorries: That is a decision for whoever buys Channel 4 to make. What I will say is that the sale of Channel 4 is happening. It is in the media Bill, which will be coming forward to Parliament very shortly. We will begin the sale process, and there will be many options that many prospective buyers would like to put forward. All those issues will, I am sure, be discussed, but it will be a public service broadcaster. Therefore, it will be free to air. It will have to remain a public service broadcaster for a period of 10 years. It will have to make distinctive British content. There will be many criteria within there.

Personally, I think Channel 4 is unique. We love Channel 4. I watched “First Dates” a couple of Saturday nights ago, and on one of the dates, somebody was from our gaming sector. It produces unique, British content. I am excited to see it achieve greater ambition. I have said to Channel 4, “Go and dream. You can raise the investment and the capital.” Channel 4 can do what it does now, and it can do it even better, but in the future it will be a public service broadcaster, free to air.



HOUSE OF COMMONS

Q55 **Chair:** I am always disappointed that “First Dates” these days only pays for drinks. It doesn’t pay for the meal. They are a little bit tight. Maybe that is to do with advertising revenue falling. First of all, I am interested in your answer that you are not ruling out the potential that down the line, so to speak, at least part of the content at Channel 4 could be paid for by subscription as a means by which to bring in revenue with the new owner.

Ms Dorries: As a public service broadcaster, that is not on the table. It is not on the cards at all.

Q56 **Chair:** So it is not going to happen?

Ms Dorries: No. I cannot see a scenario where that would happen.

Q57 **Chair:** You mentioned to John about the consultation. You are correct to identify 38 Degrees and the email it sent around—

Ms Dorries: And the rewriting of the consultation question.

Chair: We could be here all day talking about 38 Degrees, but what I would say to you is that there was a deliberate policy, seemingly, right at the top of Channel 4 to fight the concept of privatisation from the outset. Do you hold the management of Channel 4 responsible, effectively, for that campaign, and do you think it is appropriate for a public service broadcaster—state owned—to go out, basically, to try to go against the will of the democratically elected Government, in terms of looking at privatisation?

Ms Dorries: We all fight for our teams, don’t we? If somebody attacks DCMS, I am immediately on the front foot to defend DCMS. I understand, exactly, the management and the board of Channel 4, which is a great, fantastic public service broadcaster; I understand their loyalty and their commitment. I understand their passion for what they do at Channel 4, and how vulnerable and under threat they probably feel—so, of course you would go out and fight.

Q58 **Chair:** So you are perfectly comfortable with their approach, in terms of PR? There is no issue, at all, with the management that Channel 4 was—

Ms Dorries: What I would say is that they have been campaigning—obviously, that is what organisations do—to try to prevent the sale happening because they are passionate about what they do. However, I would say to Alex and the board at Channel 4 that now is the time for us to work collaboratively to make sure that we get the best deal, and the best future for Channel 4, together. I want to work with Channel 4.

I have to say, I hugely admire Alex Mahon. We are lucky to have her in the UK; she could go anywhere she wants, and I think we are very lucky to have her here at the head of Channel 4. I think she can take Channel 4 up to the next level, and as I have said in an interview that I did previously, it is time for Channel 4 to dream.

I know—Alex has said herself—she wants to raise investment; she wants to raise capital for Channel 4. What I would say is, we are cutting you free



HOUSE OF COMMONS

to do that; we are cutting you free from the shackles of the state to be able to raise whatever level of funding you want, and to have the business model that you want within the public service broadcaster remit. You are free to do that, but work collaboratively with us to do it, because I want to work with you—you work with us too, and then we can make this process really the best outcome for Channel 4.

Q59 Steve Brine: Hello, Secretary of State. I am guessing that you watch Channel 4 news. What do you think of its output, in terms of a news broadcaster?

Ms Dorries: So, I get on really well with Catherine Newman. Actually, Catherine has asked me a number of times, just recently—I'm sorry, Cathy. The problem is that it is usually at very short notice. I will just correct that; she has asked me for the past two weeks to go on, and I have been on "Channel 4 News" a number of times.

It's edgy. I think it would—I'm not going to justify a news programme whose news anchor went out, shouting obscenities about the Conservative party, so they don't themselves any favours sometimes, the news programme. I think that's probably about as much as I have to say on that.

Q60 Steve Brine: Okay, so the 4 April tweet said, "I have come to the conclusion that government ownership is holding Channel 4 back from competing against streaming giants like Netflix and Amazon." Maybe you have answered this already, but I would like to ask you a specific: could you see a situation where a privatised Channel 4 does not have a news output?

Ms Dorries: No, because that is part of its public service remit, which will be to entertain, educate and inform, but also part of that public service remit is to be impartial. So, I do not see a day when Channel 4 doesn't have news, but it does have to be impartial because that is part of a public service broadcast remit.

Q61 Steve Brine: So, in many ways, that has slayed the "payback time" dragon, hasn't it? One of the reasons that Channel 4 responded the way that they did, and inspired and encouraged the 38 Degrees campaign—can that be the last time we mention that organisation, please, in this Committee?—may be because they did not see the logic in what was being proposed.

I guess the three things that I am asking myself—and a lot of constituents and a lot of organisations have written to me about this before I am asked to vote on the media Bill—are this: would the sale be in the interests of first, the audiences, secondly, the media industry that we all love so much, and thirdly, the creative workforce? Could you speak, briefly, on those three things—audiences, media industry and the creative workforce? Why is this sale in the interests of those three pillars—of audiences, media industry and the creative workforce?

Ms Dorries: On audiences, I think they are going to get a better deal. Alex is absolutely right; the board at Channel 4 are right. They need to



raise funding streams and investment. They also need to have the ability to make and sell their own content, which they do not at the moment under their existing licence with the Government. Being able to make and sell their own content, and to be able to borrow and raise investment in order to do that, will be a better deal for audiences, because I think it will be more distinctive British content; edgier content, more of what they do best. They are risk-takers. Hopefully, with investment, they will feel more comfortable being able to do that.

In terms of media and creative industries, I can probably answer those two together. I kind of answered the content bit in the media section, but in terms of creativity, as you on this Committee are very aware, Pinewood are opening 17 film studios next year. We made more films here in the last quarter of last year than they did in Hollywood. We have Sky and other film studios opening. We have a skills deficit in the creative industry, and the sale of Channel 4 will raise that creative dividend. That funding will be ploughed back into the creative industry sector, back into the independent production sector, because we need skilled people.

If you will just allow me, part of that feeds very much into my own personal agenda in the Department, which is that there are many people in parts of the country—I don't mean in London and the south-east—where people do not even think they could possibly ever work on a film crew, or work in a film studio; that those jobs are for other people who come from different backgrounds than they do. I am talking about a creative dividend that will help train skills in people from those backgrounds, so that they too can partake in the creative industries, because frankly, they do not. The creative industries are very short of people from backgrounds that we would describe as working-class, left-behind, deprived backgrounds.

I have a view that that creative dividend can be put to good use, both to level up and to help people from those backgrounds and get more skills into the creative industries. As I said a moment ago in a previous answer, Margaret Thatcher did it by establishing Channel 4. We want to do it—the job is being done—by once again stimulating that industry with more qualified and more skilled people, but from a variety of backgrounds, not just the normal cohorts that those people come from.

Q62 Steve Brine: Thank you; it is good to discuss this. The intellectual argument that is being put into this consultation and decision—Twitter never does convey an intellectual argument—is what the legislative process will hopefully tease out. Without what we are teasing out today, people can jump to conclusions and say that this is “payback time”; this is the culture wars. People can boil it down into glib sentences, which I would suggest is not helpful to this argument at all.

Finally on this, you have said, “This is going to happen. Channel 4 is going to be privatised.” That is obviously subject to the will of Parliament; yes, the Government has a majority, but Parliament can still vote, and will still vote, on the media Bill. When is the Government going to publish what obligations, if any, will be required of any purchaser? You have



HOUSE OF COMMONS

talked today about 10 years as a public service broadcaster. The HQ is in Leeds, which was part of their contribution to the levelling-up agenda. Will that information—as in, what will be required of any purchaser—be available to us as Members before we are asked to vote on Second Reading of any media Bill? Otherwise, I feel like I am being asked to sign a bit of a blank cheque.

Ms Dorries: I will go back to the first point that you mentioned about Twitter. We see a lot on Twitter relating to a lot of what we do in our Department, and I would just say that Twitter is not real life and real life is not Twitter. Unfortunately, I am not responsible for the arguments that people will put forward on Twitter. All I can try to do is, via the passage of the media Bill, is consider the detail we are working on now, which is on issues like Leeds and how many of the employees will be based outside London. I think in “The Next Episode”, Channel 4 may even have argued themselves for moving completely out of London and selling the London building.

We are at the stage of working through the detail about the sale and how many people will work outside. I really look forward to holding sessions with MPs. You may be aware that I spent my entire Easter recess talking to MPs about nothing but this issue because it was announced just before the recess. Minister Lopez will be holding meetings with MPs of all parties, where we can talk through these issues.

I will also add, the sale of Channel 4 is in the media Bill—I know that is big. However, also in the Bill is prominence, and that is something that Channel 4 wanted. That is something that the public sector broadcasters wanted. I know they have prominence already, but in a rapidly changing broadcasting landscape, prominence was a big deal to broadcasting.

Q63 **Steve Brine:** Can I just press you on the specific point about the obligations that will be required of any purchaser? I know there is a 10-year PSB, and you have said you are working through that detail. Can you see why MPs might want to know the detail of those obligations of sale before they are asked to vote on a media Bill?

Ms Dorries: Absolutely.

Q64 **Steve Brine:** I understand the engagement of Ministers with MPs. I have both been a Minister engaging and been engaged by a Minister as an MP. Will we have that detail before we are asked to vote?

Ms Dorries: Yes. Obviously, we would not expect Parliament to vote on a deal without knowing the details.

Q65 **Steve Brine:** Finally, this is a bit leftfield. I have a market town in my constituency called Alresford. It is a beautiful market town; it is not hard to reach, and it is not a final 5% rural community. It is a handful of miles from the capital of Hampshire, Winchester. However, they have some of the poorest broadband speeds in my constituency. If I contact you, will you please help me cut through that situation?



HOUSE OF COMMONS

Ms Dorries: We had a drop-in yesterday on digital broadband, where we took information. What I would say is, you should contact my PPS at the end and give them the details of the town and the broadband. Seeing as 97% of the country has superfast broadband, if your market town does not have it, I would be interested to know why. Obviously, gigabit is a different issue; we are rolling it out and we are now on 68%. On the superfast, if you speak to my PPS, we can pick it up for you.

Steve Brine: Thank you.

Ms Dorries: I am here to please.

Chair: After those church notices, we have Dr Rupa Huq.

Q66 **Dr Huq:** I might avail myself as well. I remember asking in the Chamber about the same issue and I do not think it is sorted. One of my favourite Channel 4 programmes was "Tower Block of Commons"; I think we have chatted about it before. You were on it as a young MP on the South Acton estate, being sent to see how the other half live.

Ms Dorries: Then I later discovered that they were actually actors.

Q67 **Chair:** What, the MPs or the—

Ms Dorries: No, the people in the estate. It was a Channel 4 production. The parents of some of the boys in that programme contacted me and came here to have lunch to tell me that the boys were in acting school. They were not really living in a flat—they were not real. They were actually actors.

Dr Huq: That will be a headline tomorrow.

Ms Dorries: If you remember, there was a pharmacist I went to see who prepared food; she was also a paid actor as well.

Q68 **Dr Huq:** It was jolly good viewing, and it was on the South Acton estate. I am curious about the sequencing of decision-making of the sale of Channel 4, because it was not in the manifesto. Within minutes of that election debate, last time round in 2019, it was said that Lee Cain was seeking vengeance for the Prime Minister being replaced by an ice sculpture. Is that true? Do you want to put that one to bed now?

Ms Dorries: That is just laughable. I have no responsibility for what Lee Cain says. The ice sculpture thing is a vague distant memory from the election campaign—but no. I can promise you that the sale of Channel 4 has been something that has been reviewed and under discussion for a considerable amount of time—not just since the last election. The fact that Channel 4 is in a decreasing advertising revenue spend market, and solely dependent on advertising, is what has brought this to the fore.

Q69 **Dr Huq:** Do you know when it was decided? Neither that nor the freeze of the BBC licence fee were in the manifesto. When were those plans hatched?



HOUSE OF COMMONS

Sarah Healey: On the first, the decision was announced in the broadcasting White Paper. The decision was made post the consultation. The question of Channel 4 ownership has been a live one for some time—indeed, from not long after it was created—so it is not surprising that Government decided to look at it again, because they do that periodically. As the Secretary of State has set out, there are particular reasons to do so when the media market has changed so radically. The decision about the licence fee is made in a time period set out in the BBC charter. It would not appear in a manifesto because it is a decision for the Secretary of State of the time at the time set out in the charter.

Ms Dorries: That comes up next in 2027, but we are going to have a review on the licence fee before then. In fact, I will be announcing that very shortly.

Q70 **Dr Huq:** Following on from Steve Brine’s questions, I know you have not set out the total criteria for nations and regions and that kind of thing. We know Channel 4 spends more on nations and regions than any other commercially funded broadcaster—it spends twice as much as ITV. If you can put that in your stipulations, that would be great.

Ms Dorries: Well, actually, Channel Five—

Q71 **Dr Huq:** According to what I’ve got here, it is six times more than Channel Five.

Ms Dorries: No, I don’t think that is correct. I call Channel Five the levelling-up broadcaster because it spends particularly in Yorkshire. It does very well in the regions.

Q72 **Dr Huq:** It says here, “spends six times Channel Five’s external nations and regions budget—”

Ms Dorries: Well, perhaps in terms of budgets, but not as a percentage of total budgets. In terms of what gets spent in the regions, Channel 4 may do so because it has a head office in Leeds and what have you. However, in terms of funding going into the regions, Channel Five is definitely lighting the way on that. Have you watched “The Dogfather”?

Sarah Healey: Either way, the main issue is that, as the Secretary of State set out, in “The Next Episode” Channel 4 itself made some proposals about further moves out of London. We are at the process where bids are assessed and we are looking at what commitments bidders might like to make about production outside London, as well.

Q73 **Dr Huq:** According to what I have been provided with, the Government have confirmed that, in the event of a new sale, the new owner will not have any obligations for training and skills. Is that something you can write into the—

Ms Dorries: That is the kind of detail we are working through now.

Q74 **Dr Huq:** Okay. They are significantly investing in all this. On the Netflix thing, it is a bit scary that, in the last day, Netflix has announced lay-offs



HOUSE OF COMMONS

of 150 employees because of falling profits and growth. It is not necessarily one to aspire to.

Ms Dorries: I think that for people to even try to paint a picture that Netflix is unsuccessful or struggling is probably slightly over-egging the pudding. Netflix has done what many businesses do: it has reached the point of market saturation. That is a good thing for Netflix. However, it is going to have to revise its business model. It will probably revise it in a way that will make life much more difficult for public service broadcasters, which rely on advertising revenue. I have always thought that Netflix has an incredibly generous system, because account holders can allow other people to watch on their account. My mum has access to my account, as do my kids. I have Netflix, but four other people can use my Netflix account in different parts of the country. I think it is probably going to change its model.

Dr Huq: I have just learned something.

Ms Dorries: I am not supposed to do that? *[Laughter.]*

Sarah Healey: I don't know.

Ms Dorries: It will probably change its model and take on board advertising.

Sarah Healey: So many people watch it in my house that I have to pay for the more expensive one.

Dr Huq: It has just gone up, as well. The last thing I wanted to ask you about was kids' TV. Obviously, "inform, educate, entertain"—it's always been there, since the 1950s. You funded the young audiences content fund in 2019, which was pretty pioneering. For the £27 million put in, it has made far more back—nearly twice as much. It has lots of pioneering shows. Children's broadcasting generally seems to be on a slippery slope. From 2006 to 2017, CBeebies and CBBC—again, I used to rely on them a lot as an electronic babysitter, back in the day—decreased by 40% in funding—

Ms Dorries: An electronic babysitter?

Q75 **Dr Huq:** Well, in my day, you only had children's TV at 5 o'clock for an hour, or something. It was "Blue Peter" before the 6 o'clock news. It was different when I was a young mum. It is informative and entertaining—all that stuff. We know that CBeebies's budget dropped by 40% between 2006 and 2017—that is the last figure I have—but the young audiences content fund has provided things on Channel 5, such as "Milkshake!". It has done a lot of good stuff and you are pulling the plug, Secretary of State. I have a constituent who works in it and who is heartbroken. Most of its young life was during covid as well. Given that now we are leaving this pandemic and normality resumes, surely you could throw a lifeline to them and extend it a bit longer.



HOUSE OF COMMONS

Ms Dorries: I am new to children's TV as a viewer. Having an eight-month-old granddaughter, I have to say that—

Dr Huq: You don't look old enough to have a granddaughter. It's not possible.

Ms Dorries: Thank you very much—I'll take that. My house is full of "CoComelon", "Peppa Pig" and the jettters—that is all that is on my TV at the moment.

Q76 **Steve Brine:** "Go Jettters".

Ms Dorries: "Go Jettters"—is that what it is? I am learning all my nursery rhymes again through "CoComelon". My house is full of it at the moment.

There was a tax relief introduced for children's TV, and I think it has delivered £622 million since 2005, but I do take the point that there are criticisms around children's TV at the moment. Obviously, these are discussions that we will have, particularly with public service broadcasters and the BBC, leading up to the charter renewal. But I will take that point away, because you are not the first person to have raised children's TV as a criticism. I think it is something we need to go away and look at.

Sarah Healey: That particular fund is a fund that came to an end at the end of the spending period—it was not included for the future. I think it had done good work, but other things, such as the tax reliefs, have obviously had a really major impact on the quality of children's television. It is obviously for the BBC to determine where it spends its budget, but I think we all would agree, and I am sure the BBC would agree too, that quality children's television is a critical part of public service broadcasting.

Dr Huq: Then don't freeze the licence fee.

Q77 **Chair:** Okay. Thank you. Secretary of State, you just referenced the review of the BBC, and I know that you have stated before that you would be setting out a timetable for a review of the funding model. Is there anything that you can tell the Committee today in terms of what form you envisage this review taking, and what can you tell the Committee about any such review?

Ms Dorries: As Mr Brine mentioned, social media distorts perceptions of what we are doing, the reasons why we are taking certain steps and what is happening, so thanks for the opportunity to talk about the review. Obviously, the charter renewal is in 2027, so people have been quite confused about why we are discussing it now. Surely it is not something you discuss until 2027, which is when the licence fee comes up for renewal. But I think we are in a position with the licence fee at the present time—as you know, it has been frozen for two years. That is something that we did for households, particularly with regards to the cost of living. It was something that had to be done.

But we are in a situation with the licence fee whereby 74% of those convicted for non-payment of the BBC licence fee are women—criminal



HOUSE OF COMMONS

convictions that deter them from job opportunities in the future and distort their future life path. Some 30% of women's convictions are for non-payment of the licence fee. They are pretty stark figures. I know that one argument is to decriminalise the licence fee, but that does not change the fact that they will still be pursued and other issues around that, so we have come to a point where discussion about the future funding of the BBC is imperative now. I find it very difficult to understand why people feel that having women account for 74% of all convictions for non-payment of the licence fee—or the 30% figure, which was quoted in the media at the weekend—is acceptable or even defensible.

Rather than wait until 2027, I am going to announce very shortly that we will start the review of the BBC licence fee and how it should be funded in the future. I know that there are people who are saying, "Well, you are going to move to a subscription model". I am completely hands-off as to how that review will look and what will happen in that review in the future. The BBC will be part of that review.

Right now, if anybody knows of an independent chair who would like to chair that review, please let me know because I am on the hunt for an independent chair to chair that review: someone who is wholly independent, who could examine—*[Interruption.]* Mr Nicolson just put his hand up. I hope that was not a snub at the chair of the independent review.

John Nicolson: I am volunteering.

Ms Dorries: We are looking for an independent chair as immediately as possible to start the work on the review. We will be taking information. It will be open, wide and extensive. It is important that, however the BBC is funded moving forward, it is fair, because the situation with the licence fee at the moment is unfair. I want fairness to be at the heart of the review. My only requirements are fairness and sustainability. That is where we are at the moment. We will soon be announcing the call for the chair and the review, but if anybody knows of—

Q78 **Chair:** You are going to have a public appointment of an independent chair. When will the review start? Who pays for this process, which, as you said, is expensive? Do you think the BBC should pay for it?

Ms Dorries: No, because that will almost certainly be a conflict of interest, so it will come out of our budget. I think we have put a cost on it of around—I probably don't want to say what we have cost it at.

Q79 **Chair:** Please do say.

Sarah Healey: It is a team of officials supporting the secretariat and some external engagement.

Q80 **Chair:** When is this going to start, and how long is it going to take?

Ms Dorries: I anticipate that it will take about six months, and I want to get it started as soon as possible. We will be announcing the terms of reference of the review very shortly.



HOUSE OF COMMONS

Q81 **Chair:** You say “very shortly”—are we expecting that before the summer recess?

Ms Dorries: Yes.

Q82 **Chair:** So there is going to be an announcement in Parliament before the summer recess of an independent chair.

Ms Dorries: I would say considerably before the summer recess.

Q83 **Chair:** Okay, thank you very much for that. Simon Jupp wants to come back on Channel 4, and then Damian Green wants to come in on the BBC, but before they do that, can I ask whether you personally still want to abolish the licence fee—yes or no?

Ms Dorries: Yes. The licence fee is an unfair method of funding the BBC. I think I have explained the reasons why.

Q84 **Simon Jupp:** Good morning, Secretary of State. You said that you want to see more distinctive British content in Channel 4. As you negotiate the sale and your team work on that, how will you ensure that the operating model that has made Channel 4 what it is today and has brought us some fantastic programmes over the years is retained?

Ms Dorries: We will do that via the public service broadcasting licence. The requirement for distinctive British content really speaks to that. In the broadcasting White Paper, we put in prominence and the Ofcom code, which will level the playing field for Channel 4. It is about Channel 4’s ability to raise its own investment and make distinctive content. It that operating model that makes the Channel 4 that we know successful. That is what has made it reach the point where it is ripe for sale. It is like any business: I cannot imagine any buyer looking at Channel 4 and saying, “We’re going to buy it and completely change how it operates and everything it does.” They may as well buy something else that does it completely differently.

Q85 **Simon Jupp:** Will the commitment be firm in Channel 4’s licence operating remit that it has to continue to power a lot of the independent production sector? Personally, I don’t care who owns it; I just want the distinctiveness of the channel to continue.

Ms Dorries: We agree with you. Actually, it doesn’t power an awful lot: it provides only 7% of revenue to the independent production sector. They are in a very tight labour market at the moment because the independent production market in the UK is booming. Channel 4 provides only 7% of independent production revenue, so it doesn’t power a lot of the independent production sector at all—I just want to make sure that is clear—but it is unique, edgy and a risk-taker. There is a market for that, and anybody who is looking to buy it will obviously want to retain and grow that. The details we are putting in as the conditions for sale are being worked through at the moment, but we have to retain Channel 4’s riskiness, edginess and uniqueness, and its distinctive content like “First Dates”, “Derry Girls” and “Gogglebox”, in the public service broadcaster, because that is what people want to watch.



HOUSE OF COMMONS

Q86 **Simon Jupp:** Earlier on—forgive me if I misheard—you said public service broadcaster, but you also mentioned a timeframe of 10 years for that. Is that something that will change after 10 years?

Ms Dorries: The detail of the conditions of sale is something that we are working through at the moment. That is what we have had in a discussion—that whoever buys it would have to put a plan in place for 10 years, to keep it as a public service broadcaster for 10 years.

Q87 **Simon Jupp:** After 10 years, what happens then? Does that mean coming back to the Department to have another discussion about it?

Ms Dorries: No, it will be privately owned. It will be up to owners.

Q88 **Simon Jupp:** So it could be, for example, this proud, distinctive British product for the next 10 years, but after that, it becomes a repeater of naff American programming.

Ms Dorries: I cannot imagine any circumstances where an American streamer would want to buy a British public service broadcaster. They would—

Q89 **Simon Jupp:** It is not about American streamers. I am making a wider point.

Ms Dorries: Or an American production company. They would find it impossible. Could you imagine an American production company making “Derry Girls” or “Gogglebox”? It would be anathema to them.

Sarah Healey: It is important to be clear that any change in the remit would have to be agreed. We would want to sustain its remit as a public service broadcaster—

Ms Dorries: Because it is a public service broadcaster.

Sarah Healey: And that is the nature of public service broadcasters.

Q90 **Simon Jupp:** So there would be a review—an engagement—at 10 years.

Sarah Healey: It is very important that the obligations that are placed at the point of sale as the remit are the obligations that are placed, and that does not change unless we are happy for it to change.

Ms Dorries: This is the detail officials are working through right now. The broadcasting White Paper was only released two weeks ago now. This is the kind of detail officials are now working through, as to how that will look, how the sale process will work, and what the requirements and obligations will be on a purchaser. Hopefully, by the time we next come before this Committee, we will have all that detail for you.

Q91 **Chair:** I am a little bit bemused by the idea that we would not have an American company buying a public service broadcaster, because of course Paramount Global owns Channel 5, which is a public service broadcaster.



HOUSE OF COMMONS

Ms Dorries: Yes, that is true, but Channel 5 does not make the kind of content that Channel 4 does. Channel 4's is particularly distinctive.

Chair: I quite like Channel 5, to be honest.

Sarah Healey: It is really important to emphasise that any owner would have to stick with the remit, wherever they came from.

Q92 **Chair:** The remit was deliberately kept light by the current management of Channel 4, if you remember—by Alex Mahon. She made a point of that. That potentially makes it much more open to interpretation. The parameters are much less strenuous when it comes to whether or not they would stick to what we would call traditional public service broadcasting.

Sarah Healey: I think Channel 4 would contend that they have stuck with a distinctive remit with distinctively British content and that is what makes it a successive broadcaster, and that is what we anticipate any buyer would want to sustain.

Q93 **Damian Green:** I want to ask about the BBC consultation, but I have a last thought: you have just described whether the remit is going to be imposed for 10 years or more as a detail. That seems to me to be a hell of a lot more than a detail. If I want to buy Channel 4, I want to know whether I am committed to this quite onerous remit for 10 years or am I committed to it for forever, because that is going to make a huge difference to the sale price.

Sarah Healey: Obviously, that is something that needs to be absolutely explicit at the point where we ask for bids. As the Secretary of State has said, we are working through the detail of that now and we will be saying more about that as we move into publishing the media Bill and taking it through Parliament.

Ms Dorries: We would not be asking MPs to vote on a media Bill and a sale without having that degree of detail, which is why we are working through it now.

Q94 **Damian Green:** Or selling it to anyone, because, as I say, it will make a colossal difference to the sale price.

Sarah Healey: Obviously, we could not sell it until the legislation was passed anyway.

Ms Dorries: Because no one would want to buy it.

Q95 **Damian Green:** Well, nobody can buy it, legally. There are clearly many discussions to be had.

I want to move on to the BBC, partly as a result of what happened over the Channel 4 consultation. I am fascinated by what you have said this morning. You said that you have decided that the licence fee cannot carry on, but now you are going to consult on whether the licence fee should carry on or not. Doesn't that make the consultation a complete sham?



Ms Dorries: No. What I have said is that we are looking at a review.

Q96 **Damian Green:** No, you didn't. You said the licence fee is unfair and it cannot carry on.

Ms Dorries: Yeah, but it is. That is my position—in this modern age, of a rapidly changing broadcasting landscape, which is changing at warp speed, the BBC licence fee, which was introduced in—was it 1945?

Sarah Healey: My goodness, you are testing my general knowledge on this one.

Ms Dorries: Even you and I aren't that old, Damian. The licence fee was first introduced a very long time ago. When we only had one, two three, or four channels, I am very sure that it was the right model at the right time. To sit here all these years later, in the broadcasting landscape that we are in now, and say that the model for funding the BBC all those years ago is still applicable and appropriate, at a time when 74% of all convictions for non-payment of that licence fee are against women, is almost antediluvian. We are at a point where we have to wake up and smell the coffee and realise that the times are changing rapidly in the broadcasting landscape. It is time for a more effective, more modern and fairer way of funding the BBC. I do not have an opinion of what that is, but I imagine everybody, particularly in Parliament, will want to contribute to the debate and the review. I am sure the review will be robust and that there will be, for the first time in a very long time, a full exploration of the licence fee and how it works, and what the options are for moving forward. There are many other public service broadcasters in other countries that work in other ways. We need to explore them as well.

Q97 **Damian Green:** It is a perfectly arguable case that the licence fee has had its day, but I am making a different point: if you are consulting about future funding, you, representing Her Majesty's Government, have already come to a very firm conclusion. That consultation is not going to mean anything because one of the potential recommendations is already ruled out of court by the Government. It is almost a process point about democracy and consultation. As I say, I am not arguing about the substance—

Ms Dorries: I understand your point completely. If the review came back to me and said that the only fair way to fund the BBC was with the licence fee, it would have to have a very robust case for doing that, given how unfair the licence fee is. It is a regressive tax. It does penalise women and the poor more than it does others. The review would have to have a very strong case for the BBC licence fee. If they come to me at the review and say there is only one way that we can do this, and that is the licence fee, it would be hard to explain in this day and age, in 2022, why that was a fair way to fund the BBC. I would find it difficult to think that that was the only conclusion that a review could come up with.

Q98 **Damian Green:** Okay, but you want an independent chair. He or she will not be that independent, by the sound of it.



Ms Dorries: He or she will have full rein to come and tell me whatever the review finds. That is the point of a review. Everybody, including the BBC, will be part of that review and can contribute to it. At the end of the review they will report, as every review does, the findings to me. I have no influence and no say over what happens during the review. That is completely separate and totally independent. My view is as irrelevant as your view, as is that of anybody else who wants to express a public view in this place. The review will take evidence from everybody and will weigh it up.

Q99 **Damian Green:** That is not quite true, given what happened with Channel 4. Even if you strip away 38 Degrees—we all have views about organised letter-writing campaigns—the overriding majority came to one conclusion and you came to another, which is your right as Secretary of State, but your voice matters and other people’s doesn’t. If you apply that to a BBC review, it seems there is absolutely no point in that review coming to a conclusion that you disagree with.

I ask very specifically because this Committee did a report on this a few months ago. Having gone into it thinking that you cannot carry on with the licence fee again, we reluctantly—I am generalising about a long report—heaved a sigh and came to the conclusion that as it stands the licence fee is the least bad option at the moment. That view is not out of court, either. I just observe that for the Secretary of State to rule out a Select Committee recommendation as not even being worth thinking about now is an odd way to start a consultation process.

You made the point about convictions. How many women are in jail for not paying the BBC licence fee?

Ms Dorries: Today? I have no idea. I do not have that figure. But they still have a criminal conviction for not paying it.

Q100 **Damian Green:** And it is largely, as you know—

Ms Dorries: I am sorry; you cannot justify 74% women having criminal convictions for non-payment of the licence fee on the basis that they might not be in prison.

Q101 **Damian Green:** But it’s 74% of a happily small number, because far fewer women than men commit crimes. Women are a better sex than men in that—

Ms Dorries: You also cannot justify the fact that 30% of all women’s, all female, convictions are for non-payment of the licence fee. There is no justifiable argument for that.

Q102 **Damian Green:** But they characteristically are actually for debt non-payments. It will very often be combined, understandably, because these are—

Ms Dorries: Because women take responsibility.

Q103 **Damian Green:** Yeah. Well, because women, if they can’t pay their licence fee, are probably not paying their council tax. They may not be



HOUSE OF COMMONS

paying utility bills as well. It's a much more complex situation. But the idea—

Ms Dorries: Sorry, can I just answer that point? That is because women tend to be the ones whose name is on the rent book or on the mortgage and on all household bills, because women take responsibility for families and children. That is why. It's not because women are bad payers or women tend to get into debt more than men do. It's because women take responsibility for family and children.

Q104 **Damian Green:** I completely agree with all of that. I just think—

Ms Dorries: I think you were making the case that more women are in debt because more women don't pay their council tax.

Damian Green: No, I'm not. I'm—

Ms Dorries: That's not the case; it's the case that women take responsibility.

Q105 **Damian Green:** Absolutely not: I am making a completely different case, which is that this is a slightly bogus statistic lugged into the licence fee debate. The licence fee debate is complex. I get all the arguments against it as a regressive tax and all of that, but I think the fact that successive Governments have, for example, decided not to decriminalise the licence fee suggests that this is actually a side issue. It's not to be counted your best point against the licence fee. There are other good points against the licence fee. But I return to my basic point, which is that you have come to a decision and now you are starting a consultation, and that's the wrong way round, actually, for the Secretary of State. You should have a consultation and then come to a decision.

One other thing is that you just said that Channel 4, as a public service broadcaster, couldn't become a subscription model while it was a public service broadcaster. Presumably—I just want to check—that applies to the BBC as well. One of the alternative models, of course, is subscription. As long as the BBC remains a public service broadcaster, you say, it can't go on to subscription.

Ms Dorries: The BBC is a public service broadcaster and will be remaining a public service broadcaster. The remit of the BBC is for discussion during the charter renewal. No changes will happen before 2027. So I'm not saying anything about subscription models or anything else for anybody in the future, except that—

Damian Green: But you just—

Ms Dorries: We are designing, through the Channel 4 public service sale, how that is going to look to a purchaser, what the remit will be. The licence that Channel 4 exists under at the moment couldn't be a subscription model, and I don't believe it would be in the future. Sarah, do you want to—



HOUSE OF COMMONS

Sarah Healey: I just think that if the funding review concluded that the best way to fund the BBC in the future would be a subscription model, we would seek to amend the way—

Ms Dorries: The remit in 2027.

Sarah Healey: —the BBC operated at the charter review point. That would be the right time to do it, because that is the point at which we review the mission and purposes of the BBC.

Q106 **Damian Green:** I'm sorry: you are saying different things at different times in this evidence. You have just said that Channel 4, as a public service broadcaster, can't operate on a subscription model, for the obvious reasons that—

Ms Dorries: Under the licence it has at the moment, yes.

Q107 **Damian Green:** So it could do then. Channel 4—you could sell it as a subscription model and still claim it's a public service broadcaster.

Sarah Healey: It would be obviously foolish to rule out different ways of people accessing services on television in the future.

Ms Dorries: Channel 4 and the BBC are completely different. Channel 4 is funded by advertising; the BBC is funded by a licence fee. You are trying to compare two completely different public service broadcasters, two completely different licences and operating models.

Q108 **Damian Green:** Yes, but the point I am making is that for—one of the things about public service broadcasting is that it is universally available. One of the things about subscription models is that, by definition, they are not universally available. I agree with what you said 15 minutes ago, which was that you can't have a subscription model for a public service broadcaster. What I am fascinated by is that both of you are now rowing back from that.

Ms Dorries: Well, universally available, but if you don't pay your licence fee for the BBC, you can receive a criminal conviction. If you own a television and don't pay a licence fee to the BBC, you can receive a criminal conviction.

Damian Green: Okay, but on a subscription model, if I don't pay for it, I don't get it.

Ms Dorries: That is a qualified universal model.

Damian Green: Oh I see. So a subscription—

Ms Dorries: So if you can't afford to pay the licence fee—

Q109 **Damian Green:** No, no. I'm not talking about a licence fee; I'm talking about a subscription model, because I genuinely don't know what your policy is and whether you can have a subscription service that you call a public service broadcaster. Are you saying that you can have a universally available subscription service even if—



HOUSE OF COMMONS

Sarah Healey: As you will know, some people have contended that a future funding model for the BBC might be a partial subscription model, for instance, and so there may be ways in which we would seek to amend the way that the BBC is accessed as a result of the outcomes of the funding review. What is completely clear from what the Secretary of State said is that options are all on the table—

Damian Green: Except the licence fee.

Sarah Healey: —including the licence fee, in the sense that the Secretary of State has made clear.

Ms Dorries: That is part of the review.

Sarah Healey: If the review came back and concluded, as this Committee did, that that was the answer, the Secretary of State would have to look at that very deeply and seriously and take that into account in deciding how to go forward. Then at charter review, we would obviously want to look at the scope of the services offered by the BBC and the mission and purposes of it, as is appropriate to review at the time of the charter.

Damian Green: Thank you.

Chair: We are going to move on. The next area we will look at is levelling up, and also EU visas as well—

Ms Dorries: I didn't hear your first comment, Chair.

Chair: We are now going to talk about levelling up, then EU visas and also women's sport and access. Clive Efford.

Clive Efford: Thank you, Chair, and thank you for coming to give evidence, Secretary of State. On levelling up in the Department, last October, at the Tory party conference, you said: "So, it kind of really helped me to decide what I want to achieve is that I want the arts and culture and the BBC and other organisations and journalism—for there to be a pathway from my background, from my working class roots, into that sector, because that pathway has completely disappeared. To me, that's what levelling up is about." By inserting yourself into that specification, have you set the bar too high for levelling up within your Department?

Ms Dorries: Too high? I don't think it can be set too high.

Q110 **Clive Efford:** Well, how's it going?

Ms Dorries: It's going very well, actually. Shortly after the party conference—thanks for reminding me of that; I love the way people remind me of things that I have said in the past—

Clive Efford: Well, they are always very interesting.

Ms Dorries: As part of the spending review, we negotiated a 1% uplift to Arts Council England funding with the requirement—a specification—that it



HOUSE OF COMMONS

would be spent outside London and the south-east. In terms of figures for that, we have got £43.5 million moving out of London and into the regions, £24 million next year and I think it is £14 million in '24, the year after. So the spend is moving out of the south-east and across the regions.

When I looked at the funding and its distribution across the UK, it absolutely amazed me to discover that in some areas of London there were 14 NPOs funded by Arts Council funding, which is, of course, Government funding—taxpayer funding—and there were swathes of the country, in the north of England and particularly in the east and the north-east, where there wasn't a single one—none. Moving that funding out of London and into the regions establishes those creative outlets. As I have said before, there are people in south Tees, north Tees or the Doncaster area—wherever they are from—and people from backgrounds in those areas don't even get to go to a museum or a theatre. It was important to me to make sure that funding moved out of London and into those areas to create those creative organisations where that can happen.

Q111 Clive Efford: Your comments were about people from your background—your working-class roots—breaking into those sectors. We have seen, most recently before this Committee, several appointments, all of them Oxbridge, apart from one. We heard from the permanent secretary earlier on comments about the process for appointing the Charity Commission chair and that we did not open that appointment process because we were satisfied with the quality of the candidates that were on that list. Yet we came up with Martin Thomas first, who is Oxford-educated and of a certain type of individual, and then we came up with Orlando Fraser, who is Eton-educated and also Oxford-educated. How is levelling up going in the Department? That seems to be recruiting from a very shallow gene pool.

Ms Dorries: I am not going to talk about individuals; I do not think it is fair to discuss individuals by name. What I will say is that I totally agree with you about the lack of diversity. We have increased diversity—21% of appointments were people from minority ethnic backgrounds. You have just named two individuals from two appointments; I think 240-something appointments have come across my desk. Forty-three per cent. of appointments have been women, which is a 5% increase on last year. I continue to focus very strongly on that.

One of the things that I have done since I arrived in the Department is—I have said this before in terms of diversity: for me, diversity is in those from backgrounds that I know well and come from, who are very much the forgotten group when it comes to diversity targets. Yet in my background, there were people of every colour, religion, creed and sexuality. For me, the drive is to get people from backgrounds who could never usually even get to the process of appointments.

One of the things I have done is to establish a monitoring scheme. I have asked the appointments team, too. I can understand that the appointments process, which is established by the commissioner, seems



HOUSE OF COMMONS

prohibitive, arduous, difficult, and possibly terrifying to some people from some backgrounds, yet there are people in all backgrounds who I think could fill many of these appointments. So I have asked officials to establish a team to network and reach out, which they are doing, and to hold networking events for people, particularly those from left-behind backgrounds, and then, when they identify people who would be good candidates for appointments, to mentor them through the appointments process.

The appointments process is arduous and grilling, and frankly, it would be terrifying to all of us in this room. People from left-behind backgrounds and working-class backgrounds would simply not have been through a working-life process of that kind of system. A mentoring group scheme has been established so that when they identify someone, they can help them through the process. I hope that will begin to see people come through. I am proud of the fact that 43% of our appointments are women, which is 5% up from last year. Diversity is going very well.

Q112 Clive Efford: That all sounds very nice, but what does it actually mean in practice? You said that you have set up those processes to assist people and to train and educate them for what they might be confronted with if they go through a public appointment process, but what are your targets? What is levelling-up for you, and where do you want to be? This all sounds fine, but where are we going?

Ms Dorries: As you know, appointments come up every three years, every four years, every two years; you have trustees of boards and museums. If I were to set targets, I think they would be a target of 50/50 for male and female, and again, I point back to the 43%, of women in those positions, which is 5% up on last year. We have not set targets because we cannot set targets as we have to have the right person for the right role and the right job. As I said, people from a variety of backgrounds could be that right person; they just need mentoring through the scheme.

I would like to see, as we move forward, more people from diverse backgrounds—by which I mean working-class backgrounds—coming through the system and into those appointments. In the meantime, 21% of the people are from minority ethnic backgrounds and 43% are women, which probably smashes the targets that most organisations would set.

Q113 Clive Efford: How does the pre-appointment process influence your thinking when you are appointing someone to a public body?

Ms Dorries: How does it influence my thinking?

Clive Efford: Yes, how does it influence your thinking? The views of this Committee when we have pre-appointment interviews, for instance.

Ms Dorries: All views are considered. We receive many views on many people. The appointments process and the people who run that process within DCMS run it to the letter of the code, and that is what counts; that



HOUSE OF COMMONS

is what is important. They run it to the absolute letter of the code. The Department is commended on the process. The Commissioner himself has commended us on the swiftness and efficiency of how we run our appointment process, and I think it speaks for itself.

Q114 Clive Efford: But this Committee did not confirm the appointment of the last preferred candidate for the chair of the Charity Commission. Do you think that Committees like this, or Parliament, should have more influence in that process when appointing to bodies as important as the Charity Commission?

Ms Dorries: Sorry, do I think we should have more what?

Clive Efford: Do you think we should have more influence in that process—that our views should be taken into consideration much more than they are?

Ms Dorries: No. Your views are always welcome, and I am always delighted to hear what the Committee has to say about individual candidates, but Her Majesty the Queen has appointments, the Prime Minister has appointments, and we in DCMS have appointments. There is a well-established process that was established as a result of an independent review, and I think it works very well. I do not think any Government of any political persuasion has done it any differently.

Q115 Clive Efford: Do you think that someone's political views and allegiances should be taken into consideration when these appointments are made? For instance, you are talking about someone conducting this independent review of funding for the BBC. If that person was of one political persuasion or, indeed, had expressed an opinion on the licence fee, would that exclude them from being in that position?

Ms Dorries: No, because we have members of my own party—such as my right hon. Friend there, Mr Green—who have very different views from me on the BBC, so it isn't a consideration. I also think Mr Jupp might have different views from me on the BBC.

Q116 Clive Efford: So someone who has expressed a strong view on funding for the BBC would be an appropriate appointment to carry out that independent review. Wouldn't you question their independence?

Ms Dorries: You need to qualify "strong". I am going to leave the review where it is; I am going to wait.

Damian Green: I rule myself out.

Clive Efford: Me too.

Ms Dorries: We will consider your application for chair.

Q117 Clive Efford: Do you think these appointments should be free of political interference as well?

Ms Dorries: How can they be? The Prime Minister has appointments to make, and those appointments have to be made to align with the



HOUSE OF COMMONS

political—I suppose, the desired outcomes of that Government, as did the previous Labour Government. It has ever been thus. I mean, I can look and see how many political appointments were Conservative under the last Labour Government.

Q118 **Clive Efford:** I seem to remember quite a few Conservatives being appointed to public bodies when we were in government.

Ms Dorries: Really? I think Mr Green might have an opinion on that.

Damian Green: We can agree on that.

Q119 **Clive Efford:** Just one last thing about the leaks of individual names in this public appointment process. What steps have you taken to tighten up the performance in your Department to ensure that leaks like that do not happen in future?

Ms Dorries: I am not sure what leaks you are referring to.

Q120 **Clive Efford:** The names of preferred candidates for public appointments, as I am sure you are aware, were trailed in the past. It caused quite a lot of controversy. You became Secretary of State at a point when one of those controversies was still running, which was about the chair of the Charity Commission. My question is what steps you have taken, as the new Secretary of State moving into that Department, to tighten up the performance, because these names were clearly leaked.

Ms Dorries: I have no idea who leaked the names. I don't brief, I don't leak names, and I don't speak to journalists about names. The Department does not leak—I am very sure of that—but I have no responsibility. It is not just in the Department where names are put forward, and there are many individuals involved in the process, including the individuals themselves.

I am afraid I cannot be responsible for the behaviour of other individuals, but I know that my office—myself and those who work directly for me in DCMS— certainly do not leak. We are very aware of the need to not do that. It is not fair for individuals' names to be leaked, particularly if they are unsuccessful. I just don't think it's fair.

Clive Efford: Okay.

Q121 **Kevin Brennan:** Just a little gear change for a minute, Secretary of State and Permanent Secretary. Today is a big day in the music industry with the Ivor Novello Awards. Your Minister, Julia Lopez, and the Minister for Science, Research and Innovation, George Freeman, have written to the Chair of the Committee about progress following our "Economics of music streaming" report. What would your message be to the music community today about the Government's response following our Select Committee report?

Ms Dorries: First of all, thank you for your CD—I have played it.
[Laughter.]

Kevin Brennan: You are in very good company, Secretary of State,



HOUSE OF COMMONS

because Cerys Matthews played it on 6 Music on Sunday.

Ms Dorries: Oh, really? Well done. I should probably download it on Spotify now, given that—

Chair: If you do that, you will encourage him.

Sarah Healey: We will be playing it at the close here.

Ms Dorries: As we walk out.

Kevin Brennan: Don't forget the royalties.

Ms Dorries: First of all, I think we can all agree that since your inquiry into music streaming, there has been movement in this area, and I am really pleased to see it. We have held many meetings with artists—I think I have held three roundtables—and with the streamers, with Sony, and all the organisations in the industry to very firmly put the case forward that the situation as it was was unfair. I was pleased to see Sony, Warner and others make the move that they have. As you know, we asked the CMA to expedite and to get on very quickly to the recommendations in your report. They are on it and we have had their interim findings¹. I am hoping that we have the conclusion of that report by September or October this year. I think it was in October that we asked them to expedite it and start the report.

It is a serious issue and we welcome the fact that, on recouped earnings—I think it is pre-2000—they have decided that many of the streamers are going to pay. I think we are getting to a good place. That doesn't mean that there is not much more to do. I know that the IPO and others have taken on work streams to look into this and will present their own conclusions. This is a work in progress. We have the Committee's work and recommendations. You have done a huge amount. You had an Adjournment debate yesterday. You have relentlessly banged this drum in Westminster. It is a testament to the fact that as Back Benchers you can really bring about change by constantly raising issues. We are getting to a good place.

As a Government, we are right behind your recommendations and the report. We are waiting for the CMA report because we want to get to a place where we can see all of those unrecouped earnings paid, and a fair payment. I think payments have been increased also. We want to get to a place where those individual artists receive fair remuneration. I have spoken to artists who have left the industry. Rebecca Ferguson was one. She was on one of my roundtables. She decided to leave the industry because it is just too difficult. Streaming is too difficult. Getting themselves up the ranking to get to a place where they can start to make a living and make an income out of their work is too difficult. It is important that we get to a good and fair place on this, so we are absolutely behind the report, but it is a work in progress.

¹ Correction by witness: We expect to receive the CMA's interim findings in July 2022.



Q122 **Kevin Brennan:** Thank you, and thank you to Minister Lopez for her reply last night at the Adjournment debate, which was very helpful, and for the letter that the Committee received today.

Moving back to the topics we were talking about around levelling up and some of your policies, I will confess to the Committee that I am Oxford-educated, although both my parents left school at 14 and I was the first person from my school ever to go to Oxford. In a sense, we have a lot in common. I have an Irish father and a Welsh mother. As I have told you before, I instinctively identify with some of the things you say about your desire, which I believe is sincere, to genuinely help people from working-class backgrounds to be able to get into some of the opportunities available in our creative industries. But I wonder whether that sincere desire might be frustrated a bit by getting rid of some of the levers that you have to do it. In the press this week, there is a consultation being floated by Jacob Rees-Mogg about abolishing the Arts Council, which I would have thought would be more in your purview than his.

Ms Dorries: I haven't heard that.

Q123 **Kevin Brennan:** Well, there was a consultation. I can look up the press reference.

Sarah Healey: I think it is a broader consultation on public bodies.

Q124 **Kevin Brennan:** It is, and one of the things specifically mentioned was whether the Arts Council should be abolished or not. My point is that, earlier in your evidence, you showed how that is one of the levers that you want to use to try to "level up" and give more opportunities for working-class young people in the arts and creative industries. Can I take it from your response that that is not something that is on your agenda?

Ms Dorries: Absolutely not. Let's go to the substance of that. The Government provides funding for the arts, and Arts Council England is an arm's length body that distributes that funding for us. If there were a proposal to abolish the arm's length body that distributes the funding for arts across the UK, what we would probably need to see is an increase in the number of civil servants to do that distribution. The arguments that we need to reduce civil servants and to reduce the arm's length body compete with each other. For me, what is important is that the money goes out into the areas of the UK where it has never been spent before—outside the south-east and London.

I have heard about a review of all arm's length bodies and how they operate. I have not heard Arts Council England mentioned particularly, but I would say that the substantive point is that the Government provides funding for arts in the UK, which requires a means of distribution. My lever is limited, because I am not allowed to decide where the money is spent. Arts Council England take those decisions, and I would say that, historically, there has been an issue, because much of the money—49%—has been spent in London and the south-east. It is only because I got an uplift during the spending review, with the condition that that uplift had to be spent outside England, that I had the lever to redistribute those funds. I am not saying that the system is perfect—



HOUSE OF COMMONS

Sarah Healey: Outside London.

Ms Dorries: Outside London. I am not saying that the system is perfect, but I have not heard that Arts Council England are particularly to be targeted.

Q125 **Kevin Brennan:** Well, there are press reports. I am glancing at a couple of them, which say that the UK Government is “to review arm’s length bodies such as Arts Council England and Historic England, assessing whether they should be ‘abolished or retained’...Jacob Rees-Mogg, the minister for Brexit Opportunities and Government Efficiency”—I presume that is what that relates to—“says in an online statement that the new Public Bodies Review Programme” will look into all these sorts of things. You are saying that the Arts Council would not be at risk of being abolished by that process.

Ms Dorries: Mr Brennan, what you are quoting is an interview.

Kevin Brennan: I accept that.

Ms Dorries: And I cannot comment on that. What I would say is that I will, as Secretary of State in DCMS, fight very strongly for the distribution of arts funding and for maintaining levels of arts funding across the UK.

Q126 **Kevin Brennan:** I am glad you have confirmed that it is not Government policy to consider its abolition. You mentioned the fact that it is an arm’s length body, and it is a principle that is long established and frustrates politicians, understandably. But there is a remit that you, as the Secretary of State, can set more broadly around arts funding. Do you have any concern that, in the desire to make sure that arts funding is distributed more fairly, there could be some gaming of the system going on? For example, it could be the case—I have heard reports of this anecdotally, so I don’t have firm evidence for it—that some bodies are registering postcodes in parts of the country where they have no real roots in those communities.

Ms Dorries: I have heard that, too.

Q127 **Kevin Brennan:** By the same token, some of those nationally funded organisations you referred to whose postcode is in London actually do extremely important work in other parts of the country, whether that is the National Theatre or people like that. Have you got a grip on that issue—of making sure that your desire isn’t thwarted by that process?

Ms Dorries: I have spoken to a museum in the far north of England that has been written to by an NPO based in London asking the museum whether they could register their NPO at the museum’s address in the north of England.

Q128 **Kevin Brennan:** Which organisation in London is that?

Ms Dorries: I am not going to say who it is, but I am raising this very issue that you have highlighted at my next meeting with Arts Council England.



HOUSE OF COMMONS

Q129 Kevin Brennan: To come back slightly to the issue of Channel 4, I have heard the arguments you have made today. You have obviously thought through your reasons for wanting to do this. Do you have any concern that, if you sell Channel 4 with a proper public service remit running for a long period into the future and with clear requirements about what its public service obligations are, the amount of money you will raise from its sale may not be sufficient to fulfil your ambition to use that pot of money in a redistributive way to give people more opportunities, which I think is what you were describing to the Committee earlier? Might you be better off keeping Channel 4 in public ownership and using your influence as Secretary of State, which is already happening to a certain extent, to get Channel 4 to do more of what we want to see it do, which, as you have described, they do very well already, and making sure that it is genuinely spreading opportunity around the UK?

Ms Dorries: We have looked at this. We have talked of this and analysed it in detail. We come up against two immovable objects, really. One is that Channel 4 is dependent on advertising revenue. The other is that it wants to raise investment and borrowings but it is state owned, and that counts against the Government's balance sheet.

Q130 Kevin Brennan: We have seen that document. What was wrong with what they were proposing as an alternative to your proposal?

Ms Dorries: I have read "The Next Episode". They gave me a copy of that weeks ago. A lot of it is based on assumptions. Really, it is time to wake up and smell the coffee: Channel 4 is being sold.

Q131 Kevin Brennan: Subject to parliamentary approval—a small matter.

Ms Dorries: Subject to a vote.

Q132 Kevin Brennan: It will be more than one vote, Secretary of State.

Ms Dorries: I spent my entire Easter recess reassuring myself that we are in a position where this will happen. It is very much the case that it is being sold. The arguments for not selling it, the reasons to not sell it—we have been through hoops discussing them and analysing those reasons, but the fundamental points don't change; the arguments don't change. It is owned by the Government. Any borrowings or investment stand against the Government's balance sheet. I have spoken to UKGI about this. If Channel 4 were to suffer as a result of decreased advertising—if all the advertising pool decided to go and spend it on Netflix, when Netflix start advertising—and if Channel 4 hits the buffers, it is us, the Government, who have to pick that up. That is the taxpayer. Particularly in today's economic climate, that is not a position that we can continue with. We also want Channel 4 to have the investment that it wants—to raise that money, to become an even better Channel 4. We can't be liable for that funding.

Q133 Kevin Brennan: You have clearly made your mind up, Secretary of State, but it doesn't necessarily mean that you don't still have to have the debate and discussion, on Second Reading and through the Committee stage in the House of Commons—



HOUSE OF COMMONS

Ms Dorries: Oh, that is all going to happen; I look forward to that.

Q134 **Kevin Brennan:** And then obviously in the other place as well, for what is, I think you would accept, a highly controversial proposal, and one that wasn't in the manifesto for the last general election and therefore is even more subject to that kind of parliamentary scrutiny than it might otherwise be.

Ms Dorries: Mr Brennan, I really look forward to the debate. I really look forward to it. It will be Parliament at its best. It is something that everyone is interested in. Apparently everybody is interested in Channel 4, so it will be a really interesting debate.

Q135 **Kevin Brennan:** How will you choose the independent chair for the licence fee review that you have sort of announced today?

Ms Dorries: We haven't even got to the details. I only literally decided on Monday that it is now time to appoint an independent chair. I haven't got through the details of that yet.

Q136 **Kevin Brennan:** Will it be subject to any sort of normal public appointment rules?

Ms Dorries: We haven't got through to the details. We haven't had the meeting about that yet. I only took the decision on Monday afternoon that it was time to appoint an independent chair. I'm waiting for someone to come back to me on the options that I have to do that.

Q137 **Kevin Brennan:** The obvious question for anyone to ask would be: how are you going to ensure that they are independent?

Ms Dorries: Yes, yes, yes. I take all that on board. I am waiting for someone to come back and explain to me and advise me on the options I have.

Kevin Brennan: Just to close, I would gently point out that, actually, it hasn't always been the same with public appointments. I am sure the permanent secretary could confirm that in 2016 the Government undertook something called the Grimstone review, which actually increased the role of Ministers in public appointments and decreased the powers of the Commissioner for Public Appointments as part of that review.

Ms Dorries: Gerry Grimstone.

Kevin Brennan: Exactly. Just to be clear, on the record, it hasn't always been as it is now. The Government took an active decision at that time to change that and give Ministers more opportunity to have their say over public appointments. I just wanted to make that point on the record.

Q138 **Julie Elliott:** I want to move on to something entirely different. On this Committee, I have a long track record of looking at the position of women in sport and in other areas, and I want to ask a couple of questions about women in sport. As we know, misogyny continues to be an issue in this area.



Ms Dorries: Sorry, what continues to be an issue?

Q139 **Julie Elliott:** Misogyny. It has been reported to me by a number of people that a very senior person, at board level, in football has said—referring to the fan-led review into men’s football by the hon. Member for Chatham and Aylesford (Tracey Crouch)—I quote: “Just let the girl publish her report. Then, we will make sure it never sees the light of day.” If that is true, and I have heard it reported by a number of people that it has been said, what is your view on that? Is that an acceptable view to be held by somebody at board level in a very senior position in football in this country?

Ms Dorries: First of all, to your point, it is not a view held in DCMS and it is certainly not a view in No. 10. The Prime Minister, No. 10, Sarah and I—everyone at DCMS—are all very much behind this. It is not surprising that you have heard that; I have heard similar comments. We know that various operators within the world of football are actually not terribly happy about the prospect of a regulator or of the fan-led review being implemented—of which we have accepted all 10 of the recommendations. We are publishing a White Paper very soon.

As I said a moment ago, people really need to realise that this is happening. The regulator is coming. The regulator will be in place. We are putting out the White Paper very shortly. We are going to be ready, as soon as possible, to move with a Bill to implement the regulator. The recommendations in that fan-led review—chaired by Tracey Crouch, the hon. Member for Chatham and Aylesford—are not just for a regulator, but about the redistribution of funds and about diversity and inclusion in the sport. There are many recommendations in the review, which are extremely important. I know there are some in the world of football who are not happy about it and do not want it to happen. But we have reached a pivotal point with football. There can be no more Macclesfields, no more Derbys, no more Chelseas. We need a fit and proper person test for owners of football clubs and that is happening. They may not like it, but it’s happening.

Q140 **Julie Elliott:** But what I am particularly concerned about is the fact that somebody who is openly expressing those opinions is at such a senior level in men’s football in this country. Do you think that—

Ms Dorries: I don’t know who you’re talking about, I’m afraid.

Julie Elliott: I am not going to name the person in Committee.

Ms Dorries: No, of course. It is totally inappropriate that they should have that view and express that view.

Q141 **Julie Elliott:** Thank you. Moving on to the women’s review that has been announced, which I am delighted about, could you tell us whether you have decided on a chair? When will we be able to see the terms of reference? Do you have a rough structure of what is going to be involved in that women’s review?



HOUSE OF COMMONS

Ms Dorries: I am waiting for advice on the process for that chair. I don't think the hon. Member for Chatham, who was my first obvious candidate, wants to carry that out. She has ruled herself out of doing that, and I can understand why, given the amount of time of her life that the fan-led review took up. I am waiting for advice on how we go about finding a chair for that review.

Q142 **Julie Elliott:** Do we have a timescale?

Ms Dorries: It will be before the end of the year. We have a lot on at the moment, with the amount of Bills that we have going through, but it is something that I do want to get moving on.

Q143 **Jane Stevenson:** I want to go back to levelling up, Secretary of State. The Committee visited Coventry as part of their City of Culture bid, and in general, we had a fantastic time. I did speak to a local Labour councillor, and I think the only negative thing he said was that he felt that someone like him—an older, working-class person in Coventry—did not necessarily identify with many of the events put on by City of Culture. Do you think there is a danger that Arts Council funding is seen as something kind of woke and airy-fairy to an older working-class person?

Ms Dorries: A lot of those events would have been put on by Coventry City Council too, but yes; having a true range of activities and events that appeal to everybody is important, and if you look at previous winners of City of Culture—obviously, I am going to name Liverpool, which was European City of Culture—

Giles Watling: Hear, hear.

Ms Dorries: Says someone who was in "Bread". One of the objectives is to take the City of Culture up to another level, and it is important that they leave a legacy from having won the City of Culture and that they invest the funding they receive as City of Culture into the city, to establish, enhance and leave it available for future generations in a way that is artistic and creative. I have not heard that criticism before—that is the first time I have heard it—but we will take that away, to look at whether or not the range of activities that are being provided and the funding that is being spread meet the needs of all age groups. As someone who is 65 on Saturday, I completely agree.

Sarah Healey: We are obviously in the process for the next City of Culture.

Ms Dorries: I can't say too much. I think that is why Sarah is jumping in.

Sarah Healey: But obviously, we will be keen for the next City of Culture to take feedback from people in Coventry about what has worked and what has not, as well as previous cities of culture such as Hull, in order to create a programme that really does serve the whole community.

Q144 **Jane Stevenson:** Thank you, and happy birthday for Saturday.



HOUSE OF COMMONS

Ms Dorries: I am actually in Coventry announcing the new City of Culture very soon, aren't I?

Jane Stevenson: Fantastic. My question probably applies to general Arts Council funding. Do you think that as part of levelling up, you have a responsibility to monitor this as a wider thing—whether there is a balance for older people, for working-class people, for everyone? Do you monitor the Arts Council priorities at the moment, and do you think you should be monitoring them more closely?

Ms Dorries: As an arm's length body, the frustration is that I don't have any direct influence over how Arts Council England spend their funding. That is the frustration with arm's length bodies—I think Mr Brine referred to that—but I also understand that it puts arm's length bodies like the Arts Council beyond Government and ministerial control, which I can see the advantages of, too. But I do have the ability to discuss with Arts Council England the overall priorities they are setting and who they are targeting in terms of audience. I think that is something we should raise when I am talking to them about NPOs—national portfolio organisations—registering in other parts of the country; we should raise the issue of age-appropriateness at the other end.

Q145 **Jane Stevenson:** As Secretary of State, do you think it is a barrier to levelling up that you do not have that control to direct any funding? Is that going to stop levelling up?

Ms Dorries: No, because our way around it was to ensure during the spending review that we had a criterion that guaranteed that the uplift in the Arts Council budget had to be spent outside of London. We had that criterion, so there is some manoeuvre; there is some wriggle room around it—not a lot, but we have managed to do that—and I am happy with the £43.5 million in the first year, and then the 24-24-14, I think it is. I am happy with the settlement we have at the moment.

Q146 **Jane Stevenson:** I worked in classical music before I was an MP, and I was from a very ordinary background in Wolverhampton. On the barriers to careers in the arts, do you feel that you should be more involved? I do not know what conversations you have had with Nadhim Zahawi, but where is the overlap with education? How are you making sure that school programmes are helping in what you would like to achieve with levelling up?

Ms Dorries: I do, yes. That was raised only this week. Minister Zahawi and the Department for Education are very aware that two growth sectors in the UK are the creative arts—I think we account for 23% of—

Sarah Healey: Overall, the gross value added of the cultural sector has increased by 9.5% since 2018 and by 27% since 2010. As I am sure you know, arts and the creative industries are some of the fastest-growing sectors in the economy.

Ms Dorries: We know that, and we know that we have a big shortage in creative skills in musicians, in those who are going to man and staff the



film studios that are being built in the UK next year, and in independent productions. Across the creative and arts sector, we have a skills shortage, so we need investment, which is part of our creative dividends amount, and to train people coming through the pipeline. DfE is the pipeline to get people into those sectors. The other skills shortage that we have—both are relevant to DCMS—is in tech. I have discussed both areas with our Minister, who completely gets it and understands that DfE is the pipeline to bring those people through. Those discussions are ongoing with us.

The arts and creativity are growing and booming sectors, and so is tech. Education is the bit in the middle where we need to get people trained and through.

Q147 Jane Stevenson: I am a big fan of T-levels and that sort of technical qualification, but do you have concerns about the shift towards people who can go straight into an engineering job or a STEM subject?

Ms Dorries: That is Education, not DCMS. We don't have responsibility for skills, training or education.

Q148 Jane Stevenson: No, of course, but do you think the Government shift towards a more technical education will mean that the arts sectors suffer in that pipeline?

Ms Dorries: I certainly hope not, but that is probably a question for my almost namesake Nadhim Zahawi.

Q149 Jane Stevenson: I want to move on to the EU visa scheme for musicians. I should have declared at the beginning that I was a member of the Incorporated Society of Musicians for a few years. There are agreements for touring musicians with 21 EU countries, but we hear from the Musicians' Union and the ISM that it is really complicated because each agreement is different, and they spend a lot of time and money navigating the visa scheme. Obviously, touring productions can have a lot of kit, and orchestras have lots of instruments. Can you give us an update on recent discussions with the EU?

Ms Dorries: It is actually 23 countries. I think the only four countries where it is really problematic at the moment are Portugal, Greece, Malta and Cyprus. Those are the only four with which we still have sticking points. Spain came on board recently; summer is coming, festivals are arriving, and they wanted our musicians and relaxed their visa requirements.

There are a lot of myths around this at the moment. People said in January '21 that you needed visas and work permits in every EU country. Since then, the vast majority of member states offer visa- and work permit-free routes, including Spain recently. There has been the myth that lorries, or a band in a small Sprinter van, cannot move across the European continent. Actually, they can, and that is a myth and has been dispelled. In fact, a lot of bands are in Europe right now; they are in smaller vans, but they have managed to work around the requirements of



HOUSE OF COMMONS

those EU countries. And they all said that artists would be double-charged for social security contributions. They weren't and they haven't been.

Actually, a lot of our musicians are right now on the European continent, touring around, playing at their gigs and festivals, and ready for a great summer. A lot of the problems that we were told—it's been difficult; I'm not going to say it's been easy. We have had a number of conversations in the Department, and I was pleased to see that, I think, the Association of British Orchestras actually came out and congratulated us in the Department on the work that we have been doing. I mention that because you said you were involved in classical music. We have actually had a huge amount of effort put into this—into the negotiations with those individual countries.

My most interesting conversation was with Elton John and David Furnish. He actually, behind the scenes, very quietly, has been working away. He has not been looking for headlines, not been out on Twitter talking about it, but has actually been, behind the scenes, working very hard, representing musicians in a very considered, thoughtful and collegiate way, which helped us, with both advice and information, to work through some of the problems. And I think we are in a very good place now. As I said, the sun is here and I think we are in a very good place. Our musicians are touring, and of course we are open to musicians from the EU. Whoever wants to come here—they have got their three-month visa. They are welcome here for the summer, or however long they want to be here, as well. So I think touring is in a very different place now from what it was pre-pandemic.

Q150 **Jane Stevenson:** I agree there has been a lot of progress, for which I am sure everyone is grateful, but the Musicians' Union, as recently as March, were saying they feel there has been little progress in getting to where they would like to be, in a perfect world. I think we asked your predecessor whether he would give this Committee a monthly update or a regular update on how negotiations were progressing, and he didn't commit to that. Will you commit to updating our Committee—

Ms Dorries: Well, with the amount of work that we have on in our very small Department, with 2,120 employees or thereabouts, I am not going to make a monthly update a regular commitment, because it isn't going to—I don't want to come back and you say to me, "You said a monthly update. It was six weeks," or whatever. But what I will try to reassure you on is that if the Association of British Orchestras think we are in a good place—travelling classical musicians was one of the problem areas, so if they think we are in a good place and they have congratulated us on where we are, I think probably progress is being made.

Jane Stevenson: I am pleased about that, but there are lots of other issues. Obviously, big pop tours have a completely different set of requirements, but I think, Chair—

Q151 **Chair:** Yes, I will very briefly come in on that. What about our position with cabotage? Obviously, as you know, once they are in the EU, UK



HOUSE OF COMMONS

hauliers are only able to carry two additional movements, either cross trade or cabotage, with a maximum of one cabotage movement within a seven-day period. Obviously, there has been relaxation of visa requirements, and that's good—that's fantastic. But what about if the individual got there but their instrument has not, or if it does, it has to go to Holland first and go through a Dutch carrier, rather than the UK industry, which was the biggest in Europe prior to our leaving the EU?

Ms Dorries: I am going to refer you here to Sarah, who is actually working on—Sarah, you explain—who is part of the TCA arrangements.

Chair: I know it is an EU rather than bilateral negotiation, because we have had Lord Frost in on that.

Sarah Healey: Yes, my previous role was obviously in earlier stages of EU exit. On that, the Secretary of State has already set out that a lot of the issues with portable instruments are actually less serious than they were considered to be at the beginning. They are now much better understood. We have also really recognised your point about the fact that people find it difficult to navigate. We have put quite a lot of information online and also set up a helpline so that anybody who is struggling to understand what the arrangements are is able to ring up and get a very clear and easy explanation. On your points about haulage, the Department for Transport have engaged with the sector for new provisions for dual registration, which I think will address a lot of these issues. They will be introduced very soon.

Q152 **Chair:** How far along is that? You said “engaged” and then “very soon”.

Sarah Healey: It is going to come into effect in the summer.

Q153 **Chair:** So the basically EU-wide agreement, which is what this would require—

Sarah Healey: DfT have introduced a provision which will ease haulage in the EU.

Q154 **Chair:** In negotiation with the EU.

Sarah Healey: Yes—well, what they have done is actually made it possible for hauliers to be registered in two places.

Chair: Interesting. We would love some more details on that as we go forward. Now, we are going to move on. We are very short of time, so we are now moving on to online safety, with John Nicolson.

Q155 **John Nicolson:** The Online Safety Bill gives you enormous powers—powers that this cross-party Committee, the Lords and Commons Joint Committee on the Bill and the chair of Ofcom all believe are excessive. Will you listen to us and reduce your proposed excessive powers, which we all believe will interfere with the independence of Ofcom, the regulator?

Ms Dorries: We listen to everybody, but I listen particularly to Parliament.



HOUSE OF COMMONS

John Nicolson: Is that it?

Ms Dorries: That's it.

Q156 **John Nicolson:** So Carnegie UK, Clean up the Internet, IMPRESS, the Index on Censorship, the NSPCC, Demos, the Antisemitism Policy Trust, the Bill Committee, this Committee and Ofcom have all got it wrong.

Ms Dorries: I assume you are referring to the secondary powers within the Bill. Is that what you are referring to?

John Nicolson: I am referring to your overall powers—the powers that give you the opportunity to change priorities and give instructions to Ofcom, which the chief executive of Ofcom said she thought were excessive and difficult to work with.

Q157 **Chair:** Basically, it is the powers you have to assign an online harm and then the plans for that to go through under secondary legislation.

Ms Dorries: As you know, there is a Committee in the House of Lords that is established to look particularly at secondary powers. It is always difficult to move secondary powers forward. Unfortunately, in order for the Online Safety Bill to work effectively, in the landscape that we are working in at the moment, we have a Bill where the main objective is to, via systems and processes, hold online platforms to account for their terms and conditions.

It is very difficult for us not to have those secondary powers in order to react, as the environment changes, or online platforms decide to change their terms and conditions, or new streamers come online. As I have said many times, when the Bill began its progress, TikTok didn't even exist. We require the secondary powers in order to be able to move quickly and effectively.

You quoted a large number of organisations there. I would just like to say that a large number of organisations, not least the Children's Commissioner, are very supportive of the Bill.

Q158 **John Nicolson:** Well, the NSPCC wasn't.

Ms Dorries: I have had many conversations with the NSPCC, and it is not the case that they aren't supportive of the Bill; there are other things that they may like to see added to the Bill.

Q159 **John Nicolson:** No, I didn't say that they were unsupportive of the Bill; I said that they were unsupportive of your powers in this regard.

Piracy costs the UK economy £9 billion and is linked to cyber-crime and IP infringement. You have explicitly excluded intellectual property from the Bill and delayed the digital markets Bill, which has only been introduced in draft form. What effect do you think these exclusions and delay will have on economic harms caused by the infringement of intellectual property rights?

Ms Dorries: As I am sure you will be aware, we didn't need the digital markets Bill in order to begin the work. The digital markets unit was set



HOUSE OF COMMONS

up some considerable time ago, has about 50 employees and is already beginning much of the detailed technical work that we need to put the Bill in place. By the time that happens, the DMU will have around 250 employees. We can't go from zero to fully functioning overnight in such a complex and technical area without doing the technical work first.

The digital markets Bill is very much about dealing with the power of some of those very big online platforms, which are suppressing individual businesses and commercial activity in the UK, resulting in higher costs to consumers. It is a Bill that we need to think through very carefully. We are certainly not going to rush to produce it, but in the recent allocation of Bills we got a very strong allocation. We couldn't get all the Bills; we got some of the Bills. But we certainly got a very strong allocation. That doesn't mean that the digital markets Bill has been delayed or is on a backburner. As a result of the DMU being established, it is going to be ready to go the second we have parliamentary time and we have passed this round of Bills.

Q160 **John Nicolson:** You don't think this delay will have any effect on the economic harms caused by the infringement of intellectual property rights?

Ms Dorries: We and the DMU are already at work, looking at those online platforms and risks—not just intellectual property rights; there are a number of risks. The DMU is already evaluating and working through some of the more difficult problems, such as dominance of the market and other issues we are working on. We cannot say that we are going to have a digital markets Bill and that, in such a complex area, all that work gets done overnight. It is necessary to establish the unit and get much of the work done now, so that we are ready to start on the digital markets Bill when it is ready.

Q161 **Giles Watling:** First, I would like to say that I am glad to hear that the Arts Council is going to survive. I think it did an excellent job distributing the £1.57 billion cultural recovery fund—or great chunks of it. It saved a lot of British theatre, which I have a vested interest in. That is good news. Apart from Liverpool and working for the BBC, I have been fortunate enough to work across the globe. I believe that our cultural offer is so strong and powerful. We are world leaders. We are the country of Dickens and Shakespeare. Of course, by the nature of theatre, it was one of the first to close and the last to go back into business during the pandemic. Is DCMS looking at assisting that global projection of our performing arts?

Ms Dorries: Yes. Thank you for mentioning theatres. One of my favourite elements of my job is working with the theatre industry. The CRF has had such enormous success in ensuring that, to your point, theatres are still standing and able to perform to packed audiences right now. We are one of the few countries in the world with no covid restrictions. We are open, and we are allowing people to come into our theatres, which are doing a fantastic job.



HOUSE OF COMMONS

I want to thank theatre companies. To give an anecdote, I was literally walking down a road in London a few weeks ago and someone shouted my name. I have to say that it does send a frisson of fear down your spine today as a politician when that happens. This man crossed the road. I am not going to say where he was from, but he was the CEO of a major theatre—not in London—and he said, “I just want to thank your Department for the culture recovery fund, because our theatre would not be standing here today were it not for it.” I am very proud of the fact that we have theatres open, booming and still standing and able to put on the shows today.

Q162 Giles Watling: My question was more about the projection across the globe.

Ms Dorries: When you say “projection across the globe”, I don’t know what you mean specifically, but I was in New York recently, and I spoke to a number of people who are supporters of our theatre industry in the UK. In fact, every person at that assembly had their own particular story—“We are friends of the Globe” or “We are friends of the Royal Shakespeare” and so on. It was really informative for me to learn about the connection people have across the world with individual theatres in the UK. It is up to individual theatre producers where they want to take their shows and how they want to take them there. I was speaking to Sonia Friedman recently. She had just gone to the states with “Leopoldstadt”, I think.

Q163 Giles Watling: Perhaps this is a conversation we can have another time.

Ms Dorries: Yes, but I am not actually sure what you mean by global projections.

Q164 Giles Watling: I just wanted to flag it and make sure we are aware. I would like to move on to misinformation. There was a lot of misinformation and disinformation around at the beginning of the pandemic. As a result, there were a lot of people—the young, ethnic minorities, care workers and even NHS staff—refusing vaccination. Do you think the Government lost the information battle over covid?

Ms Dorries: No, I don’t, because we developed the first vaccine. I think we were the first country in the world to give a vaccine. We have an amazing vaccine roll-out programme—I have just had my fourth jab. No, we definitely won that battle. I know there are various communities and groups of people—we have this entire anti-vax movement. But we have a disinformation and misinformation unit in DCMS that works very carefully to ensure that that kind of disinformation, which is incorrect and would persuade people wrongly, does not exist. When we see blatant disinformation online, we talk to the social media platforms about how that information does or does not meet their own terms and conditions, and whether or not it should be there.

Q165 Giles Watling: So we have the online safety regime. Can you make a judgment on whether the online safety regime is effective going forward, or is it changing and evolving?



HOUSE OF COMMONS

Ms Dorries: That is the reason why we have retained the secondary powers, because it will evolve. By the time the Bill receives Royal Assent, there will already be different streaming of other platforms online, and there will already be change taking place in the terms and conditions of the major category A platforms. We need to look at the other categories of platforms moving forward, as they may grow and populations may migrate from the category A platforms to others. There will be lots of work ongoing. I think this Committee will discuss this Bill every time anybody in my position is before it, because it will be ongoing work. That is the world we are living in now—that is where we are.

Q166 **Giles Watling:** Finally, I would like to talk briefly about the future of the counter-disinformation unit that was introduced just over a year ago. I understand that you are recruiting policy advisers to the unit.

Ms Dorries: The war in Ukraine has really tested us and stretched us, and I think the Department has really risen to the challenge on that. You may have seen that the unit was mobilised to respond to, for example, the Russian embassy tweets. I had conversations with Nick Clegg about videos of prisoners of war being shown on platforms, in contravention of the Geneva convention. People in the disinformation unit had to work with those online platforms. It is impossible for a prisoner of war to complain to an online platform that their privacy laws have been broken, so we need to change the conditions so that families or representatives of prisoners of war can do that for them.

Q167 **Giles Watling:** Is the counter-disinformation unit here for good now? Is it semi-permanent?

Ms Dorries: I think it probably is. If we get to world peace, there is no covid, we reach utopia and we have no online platforms spreading disinformation, we may get to a place where we do not need it. I can feel Sarah itching to make a point.

Sarah Healey: As a capability within Government, it is something that has established its worth. I certainly think the team have done a fantastic job in two overlapping circumstances with really efficient and streamlined resource. However, as the Secretary of State says, it is hard to imagine a world in which disinformation and misinformation will not be available, and therefore where that capability is not needed somewhere in Government.

Q168 **Chair:** We are going to discuss football briefly and then we will have a wash-up, but I want to touch on a couple of points that have been raised. In terms of the digital markets unit, we had the News Media Association in front of us, and they were very upset by the fact that the DMU, although it has been set up in shadow form, does not have the legislative elbow yet. They feel that, frankly, they are still being crucified by the social media platforms. Do you commit to ensure that that legislation comes forward in this Session?

Ms Dorries: The point of the DMU is to get us ready to the point where we can bring the legislation forward.



Chair: They need the law in place. That's your job.

Ms Dorries: I am not a business manager, so I cannot give you a guarantee, as you know, and say it will come forward. What I will say is that the investment is there. The point they raised to you, and the fact that online platforms take their journalistic content and distribute it across their platforms with no— In fact, in the Bill itself we are looking at final arbitration between online platforms and those news media outlets. Protecting a free press in the UK and ensuring that it survives, remains standing, and is viable and robust is crucially important. We cannot guarantee that.

Q169 **Chair:** We understand why you need the relationship, but it is not coming forward in a timely fashion. Are you frustrated that countries such as Australia, which obviously had its issue with Facebook, are now much further along this road of ensuring that quality journalism is properly recompensed through social media platforms? Are you frustrated that that is the case?

Ms Dorries: What I have asked for is Australia plus plus plus. I want an even better model than they have in Australia, but that does not happen overnight either; it does take time. I am absolutely committed to this Bill coming forward. Yes, I was frustrated that we could not get that Bill as well, but there are a lot of Bills. Due to covid and the problems we had during two years of covid, every Department has its priority of Bills. I am afraid that we could not get any more than we did, but we are ready to go. The digital Bill—

Q170 **Chair:** One could argue that, before your time, if it had not been for the fact that we spent a year deciding whether Ofcom, which everyone knew was going to be regulator, was going to be the regulator, we could have had the online harms Bill much earlier, but that was well before your time.

Ms Dorries: It certainly was well before my time. I took that Bill in six months and got it to the point where I could say to the business managers, "We are ready to get this Bill before Parliament now." The teams in DCMS worked on that to ensure it was available. To your point, the football regulator and that Bill and the digital markets Bill will be the next two Bills in line.

Q171 **Chair:** And they will be before the election. That is the key, isn't it?

Ms Dorries: Who can say when an election will be? I am not going to say, "before the election".

Q172 **Chair:** Well, two years. Sarah, just on one matter before we move on to Rupa Huq and football. The online harms legislation is going to be amended—whether that amendment passes a vote, who knows?—but there will be a lot of amendments put in place. Have you sufficiently costed those amendments in your analysis of the Bill? Do you have the resource in place, for example, if an amendment comes in on breadcrumbing, which obviously the NSPCC and this Committee would



HOUSE OF COMMONS

like to see happen?

Sarah Healey: As the Secretary of State has reflected, we have an extremely ambitious legislative programme in DCMS for this Session, with a very large number of quite substantial Bills, of which the Online Safety Bill is one. As a result, we have done intensive work to ensure that we have the right resource in place—both legal resource and Bill resource. I don't have any worries on that count.

Q173 **Chair:** Have you costed amendments?

Sarah Healey: I haven't personally done that.

Chair: No, but has your Department done so?

Sarah Healey: We have a fantastic, professional Bill team, and I am sure they have done everything they should have done to get ready for the passage of the Bill.

Q174 **Chair:** Will you write to assure us they have done this costing as well? I understand that this costing has not taken place within the Department.

Sarah Healey: Okay, I am happy to write. I just want to emphasise that I think my Bill team are really good and that they have done some fantastic work.

Q175 **Chair:** I am sure they are, but have they costed the amendments?

Sarah Healey: I think the policy team have been completely superb throughout on online safety, and I am proud of it as a piece of innovative policy work. It is such a fantastic example of taking an issue and thinking about it creatively and carefully for a long period of time and engaging properly and openly on it.

Chair: If you could write to us, that would be great.

Ms Dorries: If I could just add to that, having spent three years now as a Minister, I think Sarah Connolly and her team are the best team I have ever worked with.

Chair: That's lovely. I presume they will survive any sort of civil service cull then, if that is the case.

Q176 **Dr Huq:** What Giles was saying reminded me that, on touring theatre, a month ago we had the Really Useful Group—the Andrew Lloyd Webber outfit. They said that it is cheaper to take a production of the Phantom of the Opera from China into Europe than from the UK because of all the red tape and costs. If the MU is happy, can you make them happy as well?

Ms Dorries: I would imagine that China is a third country for the EU, as we are, and subject to exactly the same—

Q177 **Dr Huq:** I think there is only one Schengen entry, whereas for us it would be for every member of the crew, so that is the difference.

Ms Dorries: Do you mean for touring around Europe?



HOUSE OF COMMONS

Q178 **Dr Huq:** Yes, so it is cheaper. That was the headline the next day, after that session. It would be good if that could have some attention.

My football question is the obvious one about how to avoid football clubs being used for money laundering and football washing by foreign Governments. Also, less than a year ago there was the uproar about the European super league—six breakaway clubs in an elitist, unfair competition. How do we avoid that coming back by the backdoor?

Ms Dorries: Via the football regulator.

Dr Huq: Because there is a lot of suspicion that it will just come back in some other guise.

Ms Dorries: No, because of the football regulator, the “fit and proper person” test and the total of 10 requirements, which are laid down in the fan-led review. Again—I cannot say this clearly enough—the White Paper will be coming out, the football regulator is happening and that piece of legislation will be coming forward very soon—as soon as the work is done. The football regulator is happening, and it will be the responsibility of the regulator to address exactly those points that you have just raised.

Q179 **Dr Huq:** In that case—this is my last question—because you are saying that regional investment and skills will be a precondition for any future buyer of Channel 4, can you do the same for any future BBC funding settlement, because it is a big employer—half a million jobs, more than half of which are outside London—and it works with up to 10,000 schools in its latest scheme? It thinks that it is able to do that because of its current funding model, and things like CBeebies and Bitesize, which are universal. So whatever comes next, put all that in there too.

Chair: Was that a question to the Secretary of State or a statement?

Dr Huq: It was a plea.

Ms Dorries: It was a plea. It was a request.

Dr Huq: If we have it on the record, that is even better.

Ms Dorries: Nice try.

Chair: Clive Efford, to ask about football.

Q180 **Clive Efford:** On sports more generally—before I get to football—and listed events, if digital rights are not listed, do you fear that would undermine the effectiveness of the list?

Ms Dorries: Sorry?

Clive Efford: On listed events, if digital rights are not included, would that undermine it?

Ms Dorries: I don’t know whether it would undermine it—I would say not. In terms of listed events, as we know with public service broadcasting, for many of those events it is important that people can watch free to air. In terms of those listed events and digital rights—I assume you are talking



HOUSE OF COMMONS

about people watching online and in other ways—I think the public service broadcasting model, whereby there is a requirement for those major events to be covered, is important. But, as has always been the case, there also has to be a commercial balance. I know that some people had an issue over the rugby, the Six Nations—which is, by the way, in contract until 2025 as part of the listed events—but that requirement has to stay there, because we have to ensure that people can, via public service broadcasters and via their television sets, watch those major events.

Q181 Clive Efford: I actually did not want to go down that road, because we are short of time. It is actually about digital rights not being included.

Ms Dorries: In the broadcasting White Paper?

Clive Efford: If digital is not included, given this modern age—I think Barbara Slater from the BBC has made this point—then the way people access the media now through digital platforms, rather than through public sector broadcasting, undermines the list. Do you agree? Do you have an opinion?

Ms Dorries: I will take that away, because there is that balance, as I said, between commercial and public sector broadcaster and free to view. When you are talking about digital rights and watching via other platforms, you are talking about subscription platforms or platforms that are paid for in another way. We will take that away and look as to whether we think there would be a real compromise there. We are actually reviewing much around the digital sphere at the moment anyway.

Sarah Healey: It is a perennial issue. You have a scheme that exists in an analogue tv world, and you need to always ensure that it is still relevant in meeting its objectives.

Ms Dorries: We are reviewing digital rights in the White Paper.

Sarah Healey: Yes, we are happy to take that away, but we do not have a specific answer for you right now on the position on digital rights and why they have not been included so far.

Q182 Clive Efford: Will the football regulator be completely independent of the Football Association?

Ms Dorries: Yes. I know there is a lot of discussion around this. When the football regulator is established, it is important that he or she is entirely independent, and that it is an independent organisation. Can I look into the future and say that as that works through it will not sit under a wing of the Football Association? I do not know. Those are discussions for the future. I know this is a conversation that is bubbling along under the surface, and I do not know. What I do know is that, initially, when the regulator is established and set up, it will be independent.

Q183 Clive Efford: Can I just ask you about Chelsea football club?

Ms Dorries: No, I am afraid you can't. Because it is a very live negotiation, I can say absolutely nothing.



HOUSE OF COMMONS

Chair: I am sorry, but I think Clive wants to ask you about the Government's approach and policy on it, because there is a sanctions regime in place. I would not expect you to comment on the deal, but there is a relevant area that is about Government and how it approaches this.

Q184 **Clive Efford:** Let me try, and you can decide whether you want to answer. I think I might guess your answer, but my question is about where the money goes that is finally paid for Chelsea. There seems to be a dispute about that. Why was that not resolved earlier in the process?

Ms Dorries: I am sorry: I cannot answer that question.

Sarah Healey: This is obviously a live issue in the transaction, and I do not think it would be appropriate at the moment to have any impact on that by discussing it in this forum.

Q185 **Clive Efford:** We are short of time, but in other circumstances I would pursue that further.

Ms Dorries: Can I just make one comment? We do not own Chelsea. I will probably leave it at that.

Q186 **Clive Efford:** Effectively you do at the moment though, don't you?

Ms Dorries: No.

Q187 **Clive Efford:** One other important issue, which is live this week—and you may not have an answer because you may not have had a chance to discuss it—is the safety of footballers on football pitches. We saw the incident at the match between Nottingham Forest and Sheffield United when a player was attacked. There is another issue that has arisen from that situation. I have witnessed crowd invasions when I have been at football matches: it happened at Millwall at the last game that I was at. This is not a safe situation for footballers. It is their place of work.

Will you be considering that in the future to see what can be done to ensure that we make football stadiums as safe as possible for footballers in those situations where they are put at risk, when people run on to the pitch, let alone when people are mad enough to attack them physically, as happened this week?

Ms Dorries: A lot of work has taken place in terms of safety in football stadiums, as you will know, including safe standing and other work. What happens on a football pitch is the responsibility of the governing organisations and the clubs themselves. It is down to individual clubs to ensure that there are appropriate levels of safety for their players in place on pitches, and that they put the right measures in place, the right policing—whatever it is they need to do—to ensure that their players are safe.

Q188 **Clive Efford:** But we have taken lots of action through Parliament to make stadiums safer places. You do not think the Government should be looking into this situation to see if regulations need to be brought in to ensure there is a level playing field.



HOUSE OF COMMONS

Ms Dorries: I can take it away and look at it, but I do not believe that would require regulation for regulation's sake. It is absolutely the responsibility of the clubs and the governing bodies in football to ensure that they guarantee the safety of their players on the pitch. I am sure the Health and Safety Executive could look at it if they wanted to, but it is very much the responsibility of the clubs.

Q189 **Chair:** On football concussive injuries, we have seen some horrible and very tragic cases in recent days—almost every day, in fact—of footballers being diagnosed with early-onset dementia, with a strong link to heading the ball. We have seen the same thing in rugby. Do you think that concussion in sport should be an industrial injury?

Ms Dorries: Again, I referred to the Health and Safety Executive a moment ago. Whether it is an industrial injury is not in my remit—that is certainly not a decision that I can take at DCMS. I am trying to think where that would fall.

Q190 **Chair:** BEIS would take the decision but, like many things, there is certainly cross-fertilisation. It is a sport, after all.

Ms Dorries: Yes. The work that you did on this, and the report that the Committee did on concussion, is great to see. Some rugby players are wearing the headgear, but not all are, and there is certainly more to do in football. Our role in DCMS is to ensure that we keep this on the agenda in discussions with sports' governing bodies. It is our role to educate and make sure that this stays a live issue of discussion—that sportspeople and governing bodies have a responsibility to ensure that people within their organisations know the risks and understand what the risks are. Certainly, your recommendations in the report, and the research that has been done, made that clear. There is a lot of research being done, and we have more research that is being done. There is plenty that is quite conclusive, but we are also looking at how some of the recommendations of your report are implemented.

It is also about having conversations with sports' governing bodies and saying, "You have a responsibility to the sportsmen and sportswomen in your organisations to educate, inform and make sure that they know of the risks." Wearing headgear and protecting oneself is probably down to individual choice. At the end of the day, it is down to individual choice, but the governing bodies certainly have a responsibility. As I said a moment ago with regards to the safety of footballers on the pitch, I believe the Health and Safety Executive chose not to get involved in this, but I am very sure we would welcome their involvement.

Q191 **Simon Jupp:** Looking at the media Bill in the Queen's Speech, one of the concerns that came forward as a result of it was from the commercial and BBC radio sector. It was about prominence on digital platforms—smart speakers and things like that—and a lack of clarity on the direction of travel, which is causing quite a lot of concern in the industry. I know that there are further conversations to be had, but can you provide any clarity on where you could be going with that and reassure the industry that



HOUSE OF COMMONS

they are not going to be forgotten in this?

Ms Dorries: Are you talking about the radio industry?

Simon Jupp: Yes.

Ms Dorries: We have those live conversations happening at the moment. It is work in progress.

Q192 **Simon Jupp:** It seems odd that it was missed out, because there is prominence on television but not on radio. Why is that? I know your Department has a lot on at the moment, but clearly the radio industry is quite important.

Ms Dorries: It is very important, and I have had key conversations. We have live discussions going on with the radio industry at the moment. We are looking at ways for that to be included in the Bill—maybe via amendment or other ways—and we are also looking at the work that needs to be done to make that happen. I completely agree. With regards to prominence, it is an issue that we are looking at very seriously.

Q193 **Simon Jupp:** Are we expecting a Government amendment, potentially?

Ms Dorries: No. I probably should not have said that—you can just wipe that.

Q194 **Simon Jupp:** I will put forward an amendment.

Ms Dorries: You may want to, but I couldn't possibly comment.

Sarah Healey: We will look at legislative vehicles for the future to see if we can move forward on this, because we understand that the case has been made here on prominence. It was not possible to include it in the media Bill, but we understand the issue and are looking for legislative vehicles to take that forward.

Q195 **Chair:** Given the fact that the Radio 4 "Today" programme has about 15 times as many listeners as those who watch, for example, "Newsnight", why is it that there was not time to incorporate radio?

Sarah Healey: We had to prioritise and, in the end, that was the decision that was made. But as I say, we will look for other legislative vehicles to take it forward.

Ms Dorries: We are one of the smallest Departments in Whitehall, with a massive allocation of Bills.

Sarah Healey: And the legislative Session is extremely busy.

Q196 **Chair:** Okay, but the argument that I have heard widely from the industry is that, frankly, this would take very little to do. It would not have taken much time, it could have been done, and they have been calling for it. They felt that it was not even an issue that was actually pursued. I understand that everyone is stressed and overworked, but this is a huge industry in our country.



HOUSE OF COMMONS

Sarah Healey: We recognise the importance of radio's position in this. Everybody wants a particular thing in a Bill. We ultimately have to make a judgment about what can and cannot fit into a Bill in a particular Session and what, overall, will fit into the Session. But as I say, we are looking at legislative vehicles to take it forward.

Chair: We are going to write to you on a couple of other areas after this, because we are very mindful of time. They include child influencers, which we wanted to talk about, and transport issues, which we wanted to pursue but cannot due to time. It has been a very long session, and I thank you for your time and patience. Sarah Healey and Nadine Dorries, thank you very much.