

Public Accounts Committee

Oral evidence: DCMS Recall: Broadband, Gambling and Unboxed, HC 1052

Monday 23 January 2023

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Members present: Dame Meg Hillier (Chair); Olivia Blake; Sir Geoffrey CliftonBrown; Mrs Flick Drummond; Mr Louie French; Peter Grant; Sarah Olney; Nick Smith.

Justice Committee member also present: Sir Robert Neill.

APPG on Gambling Related Harm member also present: Carolyn Harris.

Marius Gallaher, Alternate Treasury Officer of Accounts, was in attendance.

Questions 1 - 109

Witnesses

I: Sarah Healey, Permanent Secretary, DCMS; Susannah Storey, Director General for Digital and Media, DCMS; Polly Payne, Director General for Culture, Sport and Civil Society, DCMS; and Paul Norris, Chief Executive, Building Digital UK.

Examination of Witnesses

Witnesses: Sarah Healey, Susannah Storey, Polly Payne and Paul Norris.

Chair: Welcome to the Public Accounts Committee on Monday 23 January 2023. Today, we have called two Government Departments back for what we call recall sessions. These are sessions where we go back to Departments on issues that we have raised with them before through work, thanks to the National Audit Office major Reports, but sometimes these issues are ones that we just need to go back to more regularly than the National Audit Office looks at them to see whether the progress that has been promised is being made.

We are starting off with the Department for Digital, Culture, Media and Sport. We are going to cover areas that include, although not exclusively, the roll-out of gigabit broadband, which we have looked at in detail, the gambling review, which is a regular topic of ours, and the Unboxed festival.

I would like to welcome our witnesses from DCMS. We have Sarah Healey, the Permanent Secretary, Susannah Storey, who is the director general for digital and media, and Polly Payne, who is the director general for culture, sport and civil society. These titles do get longer every year; I do not know if you get a pay rise for every word that is added. From Building Digital UK, usually known as BDUK, we have Paul Norris, who is the chief executive.

I would especially like to welcome, guesting on our Committee today from other Select Committees, Sir Bob Neill, the chair of the Justice Committee. We also have Carolyn Harris with us as well. They will be coming in on their areas of specialist interest and knowledge. Does any Member have any declarations of interest that they would like to record? If not, I am going to ask Sir Bob Neill to kick off.

Q1 **Sir Robert Neill:** I ought to mention my interest as chair of the All-Party Parliamentary Group for Opera. I am going to ask you about Arts Council funding decisions, if I may, because they have attracted some attention, it is fair to say, Ms Healey. Arts Council England is an arm's length body, but it would be fair to say that, as the sponsoring Department, you have a duty and a responsibility to ensure that your arm's length bodies follow due process.

Sarah Healey: Yes.

Sir Robert Neill: What do you do to monitor that?

Sarah Healey: We have regular discussions with the Arts Council. We have a team that acts as the sponsoring team for Arts Council England. They come in and speak directly to Ministers to go through what they



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have done. We also appoint members of a board in order to oversee the decisions of the Arts Council.

Sir Robert Neill: If funding decisions made by an arm's length body such as Arts Council England are likely to have some national impact, for example, affecting their national portfolio, would you expect there to be some discussion with the Department about that, or some advance notice?



Q2 **Sir Robert Neill:** It is also fair to say that the Secretary of State and Ministers have power to give strategic instructions.

Sarah Healey: That is correct and, indeed, they did so recently.

Q3 **Sir Robert Neill:** Yes, in relation to the latest round of Arts Council funding decisions. What happens if a Minister is not satisfied that the arm's length body has acted in accordance with their instructions or believes it has departed from their intention in some way?

Sarah Healey: Just to be clear, I do not think that we are in that position with the Arts Council.

Sir Robert Neill: But that is what the former Secretary of State thinks.

Sarah Healey: Yes, but, in everything I have seen, the Arts Council has followed the process and the criteria that it normally follows. There are a number of actions that could be taken with an arm's length body, depending on what the particular issue was that had arisen. Individual recipients of funding could make a complaint against that body; they are perfectly legitimately able to do that and, indeed, to bring legal action, if they feel that it has not followed due process in the right way. Those options are always available to funding recipients, or those who have not received funding, who feel that the decision has been unfair or unreasonable.

If evidence came to light of wrongdoing or not following due process within an organisation, there are a number of steps that we could take. We could ask our internal audit to look at it, and then, if anything more serious was discovered, we could ask others to look at it, including the National Audit Office. There are a number of escalating steps that we would be able to take, if evidence came to light.

Q4

Q5 **Sir Robert Neill:** Would you expect the arm's length principle to follow the same standards that you would expect yourselves as a Department to follow in relation to consultation?

Sarah Healey: Consultation is appropriate in some circumstances, but not necessarily in all. I know that there has been some question raised about why the specific set of funding distributional decisions that the Arts Council made in regard to the most recent national portfolio organisation round were not subject to consultation. We would not normally expect that individual funding decisions between organisations would be subject to consultation. That would not be part of a normal process. Instead, the thing

Sarah Healey: Subject to specific trials to keep the Arts Council funding decisions strategy that the Arts Council is very much at arms length from the Department, as well as the Secretary of State might be briefed on them.

Q6

Sir Robert Neill: What the Department attempts to influence because that would not be proper within the arm's length principle organisation adheres to and meets all the criteria under the Let's Create strategy, you would imagine that it would not be a candidate for being removed from the national portfolio.

Sarah Healey: We rely on the Arts Council to make decisions on the basis of its own criteria, assessing them against those criteria. That is what we expect it to do.



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Sarah Healey: Yes.

Q9

Sir Robert Neill: Would you expect, therefore, there to be economic impact assessments?

Sarah Healey: I would expect that they would go through whatever process they had set out and assess the impact of what they were doing. Of course, they have a range of things that they are assessing and, in this particular instance, they were also specifically instructed on the distribution of funding around the country.

Q10 **Sir Robert Neill:** Therefore, you would particularly expect them to do some regional impact assessments, given that they were talking about distribution.

Sarah Healey: Yes. I am not familiar with the detail of exactly what process the Arts Council goes through, because it operates that at arm's length, but it makes those decisions through its councils, and I would expect it to look at a range of analysis in making that decision.

Q11 **Sir Robert Neill:** Are you surprised to know that a freedom of information request revealed that they did not carry out either an economic or a regional distribution impact assessment?

Sarah Healey: I would be surprised if they did not do any analysis, because we would expect that they had been through quite a rigorous process in deciding how they distributed that funding. I know that they involve their councils, who have a series of members appointed, to understand the regional impacts in doing so.

Q12

Sir Robert Neill: Would you regard 24 hours' notice as adequate consultation, if you were taking the decision to remove funding from an organisation that you deal with directly?

Sarah Healey: It depends entirely on the circumstances as to how much notice is given of funding decisions. I do not want to comment on that particular instance, because that was a decision made by the Arts Council.

Sir Robert Neill: And because it is embarrassing.

Sarah Healey: No, because that was a decision made by the Arts Council.

Q13

Sir Robert Neill: Would you take the step to remove funding that might cause some hundreds of redundancies without more than 24 hours' notice?

Sarah Healey: In the instance that you are talking about, which is the ENO decision taken by the Arts Council, it is worth reflecting that the way the national portfolio organisation round works is that each round is done afresh, so no organisation is necessarily guaranteed funding from round to round. There is a fixed period for which each round operates, and that



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organisation is guaranteed funding for that particular period, not necessarily on an ongoing basis.

In this instance, while I am in no way suggesting that we are blasé at all about the situation of the English National Opera, as Polly pointed out, there were a number of organisations that were disappointed because this round was so oversubscribed. As you will be aware, the Arts Council has been in discussion with English National Opera for the last few weeks and, as a result of those conversations, has confirmed funding for this financial year upcoming, in order for it to be able to sustain its programme as planned and continue to consider plans for moving its base outside of London.

Q14 Sir Robert Neill: Just on that point, there was £17 million originally, which was transition funding over three years. There is £11 million and a bit in funding for next year, as you say, Ms Healey; is that out of the £17 million package or is there any new money?

Sarah Healey: Those discussions continue between the Arts Council and ENO. This is an Arts Council budget question, so I cannot answer exactly.

Q15 Sir Robert Neill: So you do not know whether they have taken it from there or not.

Polly Payne: The £17 million was ringfenced, which was announced in November, and this £11.4 million comes out of that £17 million.

Chair: It is front-loaded, basically.

Polly Payne: It is front-loaded, but it is also worth saying, just so that everyone understands, that all the organisations that are leaving the portfolio are getting the opportunity to apply for transition funding. Playing back to your 24 hours' notice, they are all getting up to seven months' funding, which they have to apply for. That is for the next financial year, and the announcement was made in November, so they have had a year's notice before the funding runs out. It is not that the Arts Council is making announcements and then, 24 hours later, the funding stops. They do get this year of transition money.

Q16 Sir Robert Neill: Do you set any standards for your arm's length bodies around publication of board minutes and papers, and levels of transparency?

Sarah Healey: I cannot answer that specifically. We expect a degree of transparency from our arm's length bodies. It would be inappropriate for them to publish details that are potentially commercially sensitive for those that they fund.

Q17

Sir Robert Neill: Otherwise, you would expect them, since it is public money, to be as transparent as a Government Department would be.



Sarah Healey: As transparent as possible, yes.

Q18

Sir Robert Neill: Would you expect them to maintain the model publication scheme under Freedom of Information Act requests in the same way as you would?

Sarah Healey: I am not super familiar with the model publications aspect of the Freedom of Information Act, I am afraid, but we would generally expect all of our public bodies to follow all of the things that they are supposed to follow.

Q19 **Sir Robert Neill:** So you will be disappointed to know that they do not, according to the Information Commissioner's Office.

Sarah Healey: It would be excellent if you could follow up by just giving us some more details of that.

Sir Robert Neill: Of course, we will happily do that.

Q20

Chair: Perhaps we need to have the Sir Bob Neill inquiry into governance of arts organisations, maybe as a retirement prospect. Just to raise this point about the short notice, one of my constituents is in the chorus of the English National Opera. It is such a well-established institution that you cannot just create a chorus out of new people overnight. It is not as simple as that with something that is so well established. There was 24 hours' notice for people to learn about their future livelihoods. For people who may have to make a decision about leaving their job or relocating, this is very short notice, and you seem to be defending that 24-hour notice, Ms Healey.

Sarah Healey: I said that I was not going to comment on it. Also, the point that Polly made is a very relevant one, which is that, in fact, while the funding decision over the long term was announced 24 hours before it was made public, for a whole host of reasons to do with fairness to all of those organisations that had applied to the portfolio and treating everybody evenly, the impact of that funding decision does not take effect for some time.

Q21 **Chair:** It depends on whether you are having to think about moving house or moving your family, potentially, because your whole livelihood is at stake.

Sarah Healey: That was the purpose of the transition funding that was announced by the Arts Council alongside, which it has been in discussion with the English National Opera about.

Chair: Sir Bob has covered the economics, and this is something that will be explored further. Sir Bob and other Members have been particularly persistent on this, and we will be continuing to work on that.

Q22 **Nick Smith:** Hello, everybody. I am not an opera buff, but I am interested in regional distribution of arts activities. I understand that the Welsh



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National Opera has had a cut of just over £2 million. It used to do a fantastic tour up the western side of England, doing great stuff, particularly in Liverpool, I hear. Can you tell me if you have done a regional analysis of this cut and how it would impact those places up the western side of England?

Sarah Healey: I am really sorry about this, but the individual funding decisions are the responsibility of the Arts Council, so DCMS would not undertake that kind of analysis.

Q23 **Nick Smith:** Do you look at the regional impact of your spending across your arts organisations?

Sarah Healey: Of all spending that we do?

Nick Smith: Yes. Do you have you a big picture of where your money is spent across the country and how well you are doing?

Polly Payne: In terms of ACE funding, we had, as you know, an instruction at the beginning of this NPO round, which is about redistributing some money out of London. That was taken partly on the basis of us looking at the regional distribution, and £21 per capita was being spent by ACE in London and only £6 per capita in the regions.

There are good reasons for some variation, but that seemed a very strong variation. That was part of the analysis behind the instruction that the previous Secretary of State made in February 2022, which was linked to the levelling-up White Paper, and that is why the instruction came. We do look at regional distribution in big terms.

Q24 **Nick Smith:** At face value, that is a very powerful case. I am just wondering if there has been an unintended consequence, in that good stuff that was going on in the western side of the English regions has been cut along the way. I was just wondering if you have noticed and if it might be worth looking at again.

Polly Payne: It is worth saying, as I said before, that this round was heavily oversubscribed. Overall, we have given out money to more organisations than ever before. There are 990 bodies receiving funding from ACE in this NPO round, which is 276 new organisations, of which 215 are outside London. Overall, there is a good picture for organisations outside London and for culture outside London.

Q25 **Chair:** We want to move on to gigabit broadband. When we last met with you, there had been an increase in coverage, but we put that down largely to Virgin Media's upgrades—because of the pace at which it had happened, it had been down to them. Coverage seems to have slowed since. Ms Healey, what has happened?

Sarah Healey: As we discussed at the last hearing, the Virgin switchover was going to account for a certain amount of the percentage of rollout and is a rapid process in comparison to building completely new



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connections. What has happened is entirely as we would have expected it to have happened, considering where those connections are coming from.

It is probably worth saying that 1.5 million households have been passed through the gigabit connection since the last time that we were before you, in June 2022. That is 250,000 homes and businesses a month. Indeed, BDUK, specifically in terms of the connections that it has been responsible for in the mix of vouchers, superfast and so on, has exceeded the target that it had for the last period. It is true that the rate of increase has slowed as we would have expected it to do, considering the source of those new connections.

Q26 **Chair:** Mr Norris, you have four new contracts signed. Is that right?

Paul Norris: We have six new contracts signed.

Q27

Chair: When will you see delivery on those new contracts begin?

Paul Norris: The first two are already in delivery.

Q28

Chair: When you say "in delivery", just talk through what that means for people who might be getting their gigabit broadband.

Paul Norris: These are Fibrus in Cumbria and Wessex in north Dorset. Those suppliers are already digging and are passing their first hundreds of premises. We have discussed before that there is a lag. These companies

have to get the essential infrastructure and the spine of the fibre network out there.

Q29 **Chair:** What about the other four? Where are they at in the pipeline? They have been agreed.

Paul Norris: The other four are all suppliers that have chosen to do additional on-the-ground survey work before they put spades in the ground. There are two arrangements for us: one is where suppliers get digging immediately and, in the other, they opt for the further survey.

Q30 **Chair:** Is that their choice? How do you negotiate that?

Paul Norris: It is their choice when they bid for one of our contracts at auction. That is one of the things we assess for.

Q31

Chair: When will the last of those six see spades in the ground?

Paul Norris: The survey is for up to six months. Q32

Chair: So it is still some time.

Paul Norris: It is. For context, we have now launched 18 procurements in total, of which the first six have been signed. Last time we were sitting



here in June, we had launched 10 contracts in total and were yet to sign our first contract, which we did in August as planned. Those 18 contracts represent a book of business worth about £1 billion. You will have seen from our quarterly updates and the procurement timetable that we published that there is a steady stream expected, so you will continue to see, more or less weekly or monthly, a stream of new procurement launches.

Q33 **Chair:** Whether they do a survey or not must affect the price that they bid for it. How do you work that through?

Paul Norris: It changes the risk profile slightly from a supplier's perspective. Where suppliers have chosen not to do the full on-the-ground survey, they have sufficient local knowledge to feel that they can price the contract precisely and get moving.

Q34

Chair: They take on all the risk; if they pick the wrong place, they have to fix that.

Paul Norris: They take on all the risk.

Q35 **Peter Grant:** Good afternoon. How effectively does the relationship work? My understanding is that the funding is reserved, but that parts of the implementation are within the remit of the Scottish Government. How effectively does that work in practice?

Paul Norris: The partnership works very well. We offer strong support to Scotland, Northern Ireland and Wales. Those devolveds lead the process. In Scotland, the Scottish Government are leading that process, with our support. DCMS Ministers are in close contact with their counterparts. It is Ivan McKee in Scotland. We now stand behind, in the case of Scotland, a completed open market review, and are taking that to public review in March. We will then be considering their intervention area strategy later this year. Scotland, as you will know, has been very focused on the Reaching 100% programme, and that has now started to deliver in decent volume.

Q36 **Peter Grant:** Are there still outstanding issues with regard to funding, or have they all been agreed on both sides?

Paul Norris: I am not aware that there were outstanding issues on funding. The funding decision is all about which premises need our subsidy. Step 1 is to complete open market, public review, to determine which premises in Scotland are likely to be non-commercial and needing our subsidy, and then to determine intervention areas, price those up and lay them out for supplier competition. That is ultimately the way that the funding will be determined.

Q37 **Peter Grant:** If I am understanding what you are saying, it is a process that will be used to identify which areas in Scotland are never going to be profitable for the private sector just to go in itself, so there needs to be public sector intervention. If they are remote and very sparsely populated



areas, they are never going to be attractive for private sector investment on their own. Is that what you are saying?

Paul Norris: That is exactly right. The gigabit rollout in Scotland is moving ahead at pace, as it is in the rest of the UK. Scotland has 67% total penetration as of today for gigabit. That is again significant progress since we last met.

Q38

Peter Grant: Is that 67% of premises?

Paul Norris: Of total premises, yes. For Scotland, as for the rest of the UK, we are expecting that commercial proportion to push still higher.

Q39

Nick Smith: Mr Norris, it is nice to see you again. Thank you for coming to Blaenau Gwent last year; it was kind of you.

Chair: This is how to schmooze the Public Accounts Committee. There is a series of invitations to follow.

Nick Smith: Mr Norris saw how badly we needed gigabit investment in Blaenau Gwent for our tech industries, and it was terrific that you came, Mr Norris. It really helped the local college, so thank you.

Blaenau Gwent still has just over 10% gigabit coverage. This pales in comparison with the 70% UK national average. Tell us more about how you are going to prioritise those rural areas and get this suppliercompetition element of your work to really make an impact for areas like mine.

Paul Norris: I would be delighted to. Thanks so much for hosting me for a day, especially the Cyber Hub in Ebbw Vale and the digital skills centre. My numbers are probably a little different to yours, but the story for Blaenau Gwent is still the same. We have you at 13% total gigabit currently. That is nine percentage points higher than it was at the last Public Accounts Committee in June, so you can see that it is starting to happen.

I will have mentioned that Openreach, just over a year ago, first laid out its plans for your part of the world, and the evidence is that it is starting to build. As we have mapped this area, there are two others—Netomnia and Ogi—that are also very active. We are supporting the Welsh Government, who have completed their public review. For your constituency, in total, it is about 5,000 premises that we and the Welsh Government believe are going to require a subsidy and are not going to be commercial. That is in the context of some 32,000 premises in your constituency that we think will be commercial.

Those 5,000 premises will be part of the Welsh Government's procurement strategy. The Welsh Government, with our support, are just at the final stages of the supplier conversations leading up to that procurement. They are likely to select four regions, which they are



consulting on with suppliers. You would be in the south-east of Wales, and we expect that procurement from the Welsh Government to be roughly in the springtime. I hope that is a strong message. The procurement and the preparations are well under way and we think we have a good grasp on what is going on in your constituency.

Q40 Mrs Drummond: Mr Norris, as you know, I also have some pockets of people who do not have it at all and are getting very frustrated. Thank you for your letter of the 20th, but it is not until April or June 2023 that we are going to hear what is going on. We also hear frustration from residents who see it going past their house to somebody else's house, but cannot tap into it.

I know that there are technical things about that, but what I really want to ask you about is the workforce pressures. Openreach and others say that they cannot find enough staff and that that is what is holding them back. What evaluation have you made of the workforce pressures in the industry in order to enable you to deliver your targets on time?

Paul Norris: We share that concern about capacity pressures generally in the industry. That has always been an issue for us. On the DCMS side—Susannah might want to comment—there have been numerous studies. There has been significant job creation in this industry in recent years, with about 20,000 jobs in total. I would say that, just in recent months, the industry on the ground is saying that some of those pressures have now alleviated, so there is less pressure on the supply chain today than there was six or 12 months ago.

You are probably aware—and you have mentioned it—that we are not far now from awarding the contract for Hampshire. We are also just a few weeks away from awarding a local contract for the New Forest. Your constituency falls into the Hampshire piece and it is some 2,000 premises in total. Again, we expect that to be a positive outcome for Hampshire and for your area.

Q41 Sir Geoffrey Clifton-Brown: Mr Norris, following Mr Smith's example, you are, very kindly, coming to my constituency in a month or so. We will give you an equally informative visit, and I hope to get equally informative results from that visit as Mr Smith has had.

I want to ask you one or two things. First, and probably most importantly, Ofcom had its wholesale fixed telecoms market review. Everybody's bills will rise in April by 11.1%; this is a huge increase. It was set when, in March 2021, inflation was 1.5%, so they have a total windfall gain. Ofcom has scope, I gather, to enforce a reasonable adjustment. Have you any plans to ask Ofcom to review this? On top of everybody else struggling to pay their bills, this is a huge increase.

Susannah Storey: You are absolutely right. We and our Ministers are very focused on the cost of living and what inflation means. Ofcom regulates the industry, particularly Openreach at the wholesale level. It



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has the ability to intervene in retail pricing, if it determines consumer harm. I note today that Ofcom has announced an investigation into BT in relation to terms and conditions. That is a matter for Ofcom.

As we have discussed before at this Committee, our Ministers have been very actively engaged with all of the telcos, both fixed and mobile, in relation to social tariffs. They want to make sure that as many as possible of the operators are providing those social tariffs, so that those individuals and families who find it hardest to afford telecoms can have affordable tariffs. I am pleased to say that, since we were last here, when 10 operators were providing them, 17 operators are now providing them. As a Department, we have really worked hard to increase the communications around those social tariffs, because we want to make sure that those who are eligible are aware of them. More needs to be done, and our Ministers remain very focused on that.

Q42 **Chair:** Do you know what the take-up is?

Susannah Storey: The awareness is at around 30% of those eligible. The take-up, unfortunately, is at 3.6% of those eligible, so it is still a very low number. It has increased from around 1.5%, or 55,000, when we were last here, and it is now 136,000, but we would still like all those who are eligible to be able to take them up. Ofcom is also very focused on this and is looking at whether it is awareness or perception. Ofcom has a good part of its website that promotes the social tariffs. Some publications have been really great. There is a publication called *Quids in!* that helps people understand. There are a lot of different routes.

Q43 **Chair:** But if you are poor, you are still poor. It might be a luxury too far for some people.

Susannah Storey: We want to make sure that those who are eligible feel that they can, and we want to encourage all of the telcos to offer them. Some of the companies are doing interesting things with free data. There is a lot happening in the market but, to your point, we do want to make sure that those social tariffs are available and then are taken up.

Q44 **Sir Geoffrey Clifton-Brown:** You read my mind. I was going to come on to social tariffs. Should all companies and providers not be required to provide them?

Susannah Storey: Both our previous Secretary of State and our Minister of State did a roundtable in November. They have been encouraging them to bring forward social tariffs.

Q45 **Sir Geoffrey Clifton-Brown:** Encouraging is one thing; compulsion is another.

Susannah Storey: At this stage, they feel that it is a very competitive market. We want the companies to invest in the infrastructure that Mr Norris has described. There are quite competitive prices in the UK, but we



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do feel that they should be prepared to think about the most vulnerable in society.

Sarah Healey: That would be a policy change, so would be something to raise with Ministers.

Q46 **Sir Geoffrey Clifton-Brown:** I understand that, Ms Healey, but I am sure you would admit that Ms Storey's answer to the Chair of 3% take-up is pathetically low. I am wondering whether Government could not do more in an information campaign.

Sarah Healey: That is precisely what Susannah just mentioned.

Susannah Storey: That is exactly what we have been doing. We have partnered with 15 providers. We have information in libraries and with charities. DCMS communications is promoting these products on social media. There has been a very active campaign to increase the information but, to your point, this is exactly what our Ministers have been talking to the telcos about.

Q47 **Sir Geoffrey Clifton-Brown:** We have an awful lot to cover today. I do not know whether you have seen it, but we have had a note from TalkTalk saying that the Frontier Economics central forecast, which it commissioned, is that, by 2030, 25% of all households that were passed by full fibre to the cabinet network could still be using copper. That is still a staggering number. I come across this a lot in my rural areas. People either do not realise the benefits of full fibre or cannot afford it. Is there anything more, again, perhaps via an information campaign, that the Government could do to encourage people to want to connect up to the fibre that is outside their door?

Susannah Storey: We have always been clear that with this programme of infrastructure build, we are trying to build ahead of demand. We want to make sure that the infrastructure is there, so that people can use it as digital infrastructure in the UK advances. Take-up at the moment of superfast is over 70%. You are absolutely right that the numbers on full fibre are lower. The companies do quite a lot of promotion. We have worked with industry to make sure that people are aware of the benefits but, in a competitive market, there are a lot of different products that people will take. Sometimes there might be price reasons why people go for a lower speed. We want to make sure that the infrastructure is there, and that is the approach we have taken.

Q48 **Sir Geoffrey Clifton-Brown:** In a highly rural area like mine, it is going to be much higher than the national average of those properties that are not going to benefit from the 85% by 2025. Do you have any data on that? Are you specifically targeting any other methods for those very hardto reach properties, of which I have a significant number?

Susannah Storey: As we have discussed before, the idea of our programme is to promote the commercial build in the commercial areas and to remove all the barriers to do that. Paul and his team are very



focused on what we call the hard-to-reach areas—the uncommercial bits of the market. We do expect that there will be some very hard-to-reach areas, although it may be only about 100,000 premises in the end. When I was last here, we talked a bit about that. In December, we announced that we were running an alpha trial in relation to satellite technology. We do not want to wait to find out what technologies might work for those most remote places.

Chair: We are going to come to that in a minute.

Q49 **Sir Geoffrey Clifton-Brown:** I was just going to ask exactly that. How are you getting on with these new technologies—Elon Musk’s satellites and the alpha trial?

Susannah Storey: It launched only in December, so it is early days, and it will run for up to two years. We are going to have trials at 15 sites. We have started with four so far—one in Yorkshire, one in the Lake District, and two in Snowdonia. The idea is to test this low-earth orbit satellite technology to see how it works and how reliable it is. At the moment, as we have discussed before, it is relatively expensive. It is a £460 upfront cost for the dish, and then £75 a month for the service, although that price is coming down. Really, what we are testing is the technical capability, just to see if it could be a solution for those very hard-to-reach areas. We will continue to monitor that for up to two years of this trial and then come forward, I am sure, with further policy thinking in that space.

Sir Geoffrey Clifton-Brown: I would love to offer the Cotswolds as a trial.

Q50 **Chair:** There is an issue about second homes in rural areas— **Sir Geoffrey Clifton-Brown:** Like mine.

Chair: They could be anywhere, but particularly in rural areas where, if a property is not being used regularly, it cannot get a voucher. On one level, that makes sense but, on the other hand, that can leave some smaller communities that have large second-home ownership with orphan properties. I do not know if that is something that you are looking at, Mr Norris. Can we take that offline?

Paul Norris: Perhaps we can look at that and come back to you. It does not ring bells as being a big issue.

Q51 **Chair:** The right hon. Anne-Marie Trevelyan, who is the Member for Berwick, has raised this with us very specifically and given us some very detailed information, so perhaps we could pass that on to you and she may want to then talk to you about it.

Paul Norris: Yes, it would be nice to look at.



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Chair: Second home owners may not be in need of broadband as much as first-time homeowners, and we could have a long debate about that, but if it leaves orphan properties, that could be quite challenging.

Sarah Healey: Paul will book his ticket to Berwick.

Chair: There you go. Anne-Marie Trevelyan will be a very happy woman if you do that.

Sir Geoffrey Clifton-Brown: The Cotswolds first.

Q52

Nick Smith: Ms Storey, you are the best person to help me with these questions. I am interested in satellite connectivity. We all remember back in 2020-21, when you, as a Government, bought a share in OneWeb, which cost \$500 million. I understand that there were some governance changes, but it seems to be stopped now, because its launches were based in Russiaallied Kazakhstan, and that is now redundant. What is going on? Is our \$500 million down the drain? Is this system going to work in the future?

Susannah Storey: I cannot comment on the detail of that situation, because it is a BEIS situation. All I can comment on is our trial, where we have, so far, used Starlink, because it operates business-to-consumer services. As I understand it, OneWeb offers business-to-business services at this point, so I am afraid that I cannot give you more information on the background and specifics of the OneWeb acquisition or its operations in different geographies.

Q53

Nick Smith: I can see that you are responsible for a part of it, but it is an important part of it, and it was a very chunky investment of \$500 million.

Susannah Storey: We are not responsible.

Sarah Healey: I am really sorry, but we are not responsible for OneWeb. It was a BEIS transaction.

Nick Smith: But you have an interest in it.

Sarah Healey: We do have an interest in it, but we just cannot give you very much information about the specific point that you raise.

Q54

Nick Smith: Can you write back to us?

Susannah Storey: We can talk to our colleagues in BEIS.

Chair: We need to raise it with BEIS.

Q55

Nick Smith: We need to dig at this. It cost an awful lot of money back then. It was not so long ago, and now this system looks not to be working at all. I can see why you have a relationship with the system, but we need to understand what is going on here.

Susannah Storey: We can certainly take it offline and talk to BEIS. It is a matter for them, not for us. We, in this situation of the alpha trial, have



looked in the market to see which satellite companies could offer potential technical solutions to consumers. At the moment, Starlink offers services to consumers. My understanding is that OneWeb offers services to businesses and, therefore, would not work. The team is working to see if it could, in the future, use OneWeb, potentially in an islands trial, but at this stage we do not have any specifics on that.

Nick Smith: Did you say an islands trial?

Susannah Storey: Yes, the Scottish islands, so the most remote areas.

Q56 **Nick Smith:** How is the Starlink stuff going then?

Susannah Storey: As I was just saying to your colleague, it was launched in December. We are now in January, so it is relatively early days in a twoyear trial, but the team is gathering information and we are more than happy to give more information further into that trial. One month's data is perhaps not quite enough to give a good picture.

Chair: We will tuck that one behind our ear for the future.

Q57

Mrs Drummond: Just going back to the satellites, I can see why you are looking at them, because they are the provider of last resort, but they are very expensive and there are no economies of scale like there are with the fibre or terrestrial wireless. Would it not be better to do the 5G connectivity to fill in the gaps and start to focus on that rather than going down the satellite route?

Susannah Storey: We have always, in a sense, been technology agnostic in our programme. We want to get the fibre built as far and as fast as possible in the country, which is what Mr Norris has been referring to. In addition, for the hardest-to-reach premises, we are looking at satellites as a possible opportunity. In parallel, of course, the market is delivering 5G, and we have our shared rural network programme, which is continuing to deliver further 4G. You are absolutely right: we want to make sure that there are a multitude of solutions for consumers across the country.

Q58



Mrs Drummond: It seems to me that it is a much quicker way of doing it. You put up a 5G mast, so that they can get instant access.

Sarah Healey: The challenge is that it may not work in all locations. In some very hard-to-reach premises and areas, 5G masts might be a really good solution. In other areas, just because of the geographical nature of it, you might need to use something like satellites. That is why it is sensible, as Susannah says, to be technology agnostic and to do everything that we can to trial different options, so that we can get as far as possible with coverage.

Susannah Storey: We are certainly supporting the deployment of 5G. We have made some planning changes to make sure that we can get the coverage. We are absolutely trying to progress on all fronts in this area.

Q59 **Sarah Olney:** I would like to pick up on that point. I have a development of flats in my constituency, and the residents contacted me recently. A telecoms company wants to put a 5G mast on their roof. They are not very keen, but they have been told that there is no option, because if they do not agree consensually to have the mast on the roof of their flats, the courts will just impose that. Is that right? Do property owners not really have any rights to refuse a 5G mast on their roof?

Susannah Storey: I would probably need to know a bit more about the specifics. I would be more than happy to pick that up offline.

Q60 **Sarah Olney:** I would be really grateful. The bit that they are more concerned about is that this is a development of three blocks of flats, with mostly elderly, vulnerable residents, who choose to live there because it is a very secure development. Now they are being told that anybody can come in and maintain that mast once it is on their roof, and they have no control. Under the telecommunications code, they can install and keep, which implies maintenance, and they really have no control over anyone at all coming on to their property. Again, is that correct? Is that what you have intended?

Susannah Storey: What would be helpful is if we could come back offline with the specifics of your local situation. I am more than happy to come back on the detail.

Q61 **Sarah Olney:** I will write to you. I would be really grateful for a response on that.

Sarah Healey: It is true that access for maintenance has been a challenge in the past in sustaining the quality of connections, so there have been some changes there, but we would need to understand the specific situation in order to answer your question.

Chair: If Ms Olney can take that offline with your office, Ms Healey, that would be fantastic.

Q62 **Sir Geoffrey Clifton-Brown:** I have a very quick last question on the issue of market competition and Virgin. You make great play of the upgrade of the Virgin contract, so that its networks are able to provide gigabit broadband. It is a lot easier to upgrade a cable than it is fibre, I



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understand. Whereas Openreach, which is one of the biggest providers of fibre, has to have an agreement where it lets out some of its capacity to providers like TalkTalk, Virgin does not. It seems to me that it almost has a monopoly position. Is there any thought that Virgin should have to let out some of its capacity to outside providers?

Sarah Healey: I will ask Susannah to pick up on more here, but fundamentally that is a competition issue in the market. We would expect Ofcom to pick that up if it felt that there was a monopolistic presence in the market that was making things difficult and not competitive for consumers. As you know, our statement of strategic priorities for Ofcom balances investment against consumer choice and reasonable cost.

Q63 **Sir Geoffrey Clifton-Brown:** If the taxpayer is contributing to a monopoly situation by allowing Virgin to upgrade its cable as opposed to— **Sarah Healey:** We are not funding Virgin to upgrade its cable.

Q64 **Sir Geoffrey Clifton-Brown:** At all? Is there no taxpayer money going to Virgin?

Paul Norris: No, we are not. It might be worth saying that, for the BDUK contracts, where we are offering a subsidy, there is a requirement for the supplier to offer what is called a wholesale service.

Q65 **Sir Geoffrey Clifton-Brown:** But Virgin does not, does it?

Paul Norris: We are not subsidising Virgin.

Sir Geoffrey Clifton-Brown: At all?

Paul Norris: At all. We have done a handful of vouchers with Virgin. The vouchers product has different requirements. For the volume business and the contracts that we are doing, there is a requirement that the supplier offers wholesale as Openreach does.

Q66

Chair: In the last week, we have heard a lot about the appointment of the chair of the BBC. Of course, your Department was overseeing that appointment. The public appointments process is well crafted or long in the tooth, but would you have had officials from the Department on that appointment panel?

Sarah Healey: I chaired it.



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Q67

Can you tell us who else was on the panel?

Sarah Healey: Sir William Fittall was the senior independent panel member. Sadly, he passed away last year. There was also Blondel Cluff, the chair of the National Lottery Community Fund, and Catherine Baxendale, an HR consultant.

Q68 **Chair:** How many names did you put up to the Prime Minister? Would it have been a ministerial agreement?

Sarah Healey: We do not always comment on the number of names, but in this instance we put forward five names. We interviewed eight candidates.

Q69 **Chair:** You put forward five names to No. 10. That is quite a large number to put forward. Usually, it is two or three.

Sarah Healey: You will probably be aware that the Commissioner for Public Appointments has launched an investigation. It is worth just reflecting that the previous Commissioner for Public Appointments did, in fact, do a detailed monitoring of this particular campaign and wrote to the DCMS Select Committee to set out his conclusions, which included the fact that he was comfortable with the way that the competition had been run. In fact, he praised the DCMS officials for the way that they had conducted it.

The job of the appointments panel is not to come up with a specific number of names, to hit any form of target or anything like that. It is to identify the names that are appointable and then pass those forward to Ministers for a decision.

Q70 **Chair:** In other public appointments, either one name goes forward, or maybe a couple, so that there is a bit of choice for Ministers, but not all are ministerial appointments.

Sarah Healey: Under the governance code for public appointments, it is beholden on the panel to identify who is appointable and to put forward all appointable candidates, unranked, to Ministers for choice.

Q71

Chair: The ones I have been on are perhaps those that are slightly more peculiar, where we can appoint one person.

Sarah Healey: It could be. I am very familiar with the governance code on public appointments.

Q72

Chair: There are a lot of public appointments, but it is interesting to note that you put up five names. What is the outfall for your Department on this latest commissioner's inquiry? Will you be interviewed as part of that?



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Sarah Healey: I am not sure how Mr Shawcross is intending to pursue this investigation. We have already received a request for documentation, which we will happily provide, because it is documentation that we also shared with the previous Commissioner for Public Appointments. We will happily share this.

Q73 How long do you keep those documents? What is the holding time for documents for an appointment of this level?

Sarah Healey: Goodness, I think we keep documents on an ongoing basis. I have seen appointment documents pulled out of the archives from some time ago. We keep all of our formal documentation, which is clearly available for the commissioner to look at.

Q74 **Chair:** So you do not have a destruction policy. This was only fairly recently.

Sarah Healey: Handwritten notes would be destroyed, but the formal records of the appointments would have been kept in our files in the normal way.

Q75 **Chair:** Formal records can be very sparse compared with the handwritten notes.

Sarah Healey: In this instance, the previous Commissioner for Public Appointments was provided with all of the formal records. He was comfortable with the material he received and felt it was full and complete.

Q76 **Chair:** Are some of those handwritten notes that you would make during a meeting transcribed?

Sarah Healey: There is somebody who sits in the interviews and records what took place.

Q77 **Chair:** Okay, at that level of detail. Do you have any idea of the timeframe for this inquiry?

Sarah Healey: I cannot speak for Mr Shawcross on the timeframe.

Chair: I just wondered if you had had any tipoff from the Department about what you are expected to do.

Sarah Healey: No. I cannot say anything about the timescale. All I know is that we have been given a very short timescale to come back with documents, but it is not a timescale that I foresee any issue with.

Q78



Chair: What is that timescale?

Sarah Healey: Maybe a timescale is required, but I just glanced at the request before I came over here. We are providing documentation within 10 days, but we will have no issue with meeting that deadline.

Q79

Chair: Then it is a matter for him what he does with it.

Sarah Healey: It is entirely a matter for him as to whether he then wants to do interviews or to speak to a range of people.

Q80

What you are telling us, Ms Healey, is that your Department is not going to be a brake on speed on this. It is a matter for the commissioner to take his time, as he sees fit, but you are getting it to him as quickly as you can.

Sarah Healey: Absolutely, and if he wants to interview me, for instance, as chair of the panel, and talk through the process that we followed, I will make myself available immediately to speak to him.

Q81

Chair: It is possible that the problem was not at your point of the recruitment process. Did you ask any of the candidates questions about what might embarrass the BBC if it came to light?

Sarah Healey: We have a standard form of questions that we ask candidates at interview. They are asked to fill in a conflicts form, and then we ask them whether there is any update that they would like to make to that form subsequently to application. We then ask them if there is anything else that they have not declared in their conflicts that they would like to raise. Typically, we then ask them about adherence to the Nolan principles and whether there is anything else that we ought to be aware of which, if it came to light, might embarrass either the Government or the organisation responsible. That tends to be the pattern of three questions that we ask candidates in an interview.

Q82

Chair: Have you ever done appointments where you have subsequently found out that people have not been as forthright as they should have been?

Sarah Healey: You will be aware that there was an appointment of chair of the Charity Commission, where it subsequently came to light that the candidate who was originally appointed had been subject to an investigation by the Charity Commission, or that the Charity Commission was notified of that investigation. In that instance, yes, that did come to light subsequently.

Q83

Chair: Is that the only one? I am trying to be circumspect in my questioning.



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Sarah Healey: That is the only one that I can remember, and certainly that I was aware of.

Q84

Chair: There is a degree of confidentiality about process, but now there is somebody in an appointed post being investigated. Did you ask them directly any questions or did they reveal any information about their relationship with the Prime Minister of the day?

Sarah Healey: It is well documented that Mr Sharp revealed that he had made previous donations to the Conservative party, but no other declarations of conflicts were made.



Q85 Chair: Thank you very much for your candour on that. We appreciate that it is at an early stage and that you will possibly be a contributor to the inquiry. We had the BBC visiting us—well, they did not have a choice. They were in front of us last week. Of course, the Director-General has been very clear about plans for complete switchover to digital for the BBC, but that relies a lot on broadband being available for people. What conversations are you having with the BBC? Are you really cognisant of that as you are doing the rollout?

Sarah Healey: The rollout is completely critical to a digital switchover. We are very aware of that. In fact, we have had conversations with the BBC about our plans—about timescales and so on. I should just say that the

BBC charter requires it to continue to broadcast via Freeview until the end of the charter. We would expect to have more detailed planning conversations about the future when it comes to charter renewal later this decade.

Q86 Chair: But you are very cognisant of the fact and making sure that you are in lockstep with them.

Sarah Healey: Totally, and I really understand where Tim Davie's thinking is about their digital strategy, but we will also be very conscious of the need for everybody to be able to receive those services, and of the points that you made earlier on cost, take-up and so on. I understand entirely what their strategy is and why they are thinking this through in this way. It is something that we will want to have detailed discussions with them on as part of charter renewal.

Q87 Chair: I just want to touch on Channel 4. You have been on a bit of a journey with Channel 4. It was going to be privatised, then it was not, and now it is definitely not. Can you tell us now—or perhaps you could write to us—about what the whole programme to try to privatise Channel 4 has cost the taxpayer?

Sarah Healey: I believe that we have answered questions about this and been clear that we spent—Susannah will correct me if I get this number wrong—£600,000 on staff and adviser costs last year. Up until the point of the recent decision, we spent £1.4 million this year, because we had engaged advisers on that. We have been quite clear about those costs.

Q88

Chair: So that is all costs for the Department—financial and staff.

Susannah Storey: That is right: external advice and our staff costs.

Q89 Carolyn Harris: I declare an interest as chair of the APPG on Gambling Related Harm. This Committee's 2020 report recommended that the DCMS and the Gambling Commission set up, by September 2020, an action plan that would allow the Government to better understand problem gambling. What is the update on this?

Polly Payne: There has been a lot of work on the evidence and the data, which was one particular aspect of this. Then there have been various other actions taken since that report in 2020. In terms of the evidence



and research, and also looking at the use of big data, which was an element of that report, the Gambling Commission has increased the range of data that it has used. It published a report in May 2020 that shared the findings. We have been working very hard with them on a new methodology for measuring participation and harm. That was tested and piloted between October 2021 and in March 2022. It is a new way of collecting the data and has some new questions, and from a much larger group, so we are getting better and better data. We are doing a full rollout of that, which will be in place by summer 2023. They are aiming for that to be legitimate enough to be an official statistic by 2025. That is on the data and evidence, which I know was a big bit of your report.

In terms of actions taken, there are a number. In particular, there has been a banning of nearly all gambling on credit cards, which was a big issue for problem. Credit card gambling was a particular issue with vulnerable groups. There has been a tightening of restrictions on VIP schemes, which has led to reduction of 70% in those VIPs. There has been a strengthening of rules on how online operators identify and interact with those at harm, and that has been brought into force since we last appeared before this Committee, which was in June.

All online providers have been required to take part in GAMSTOP, which is the self-exclusion scheme that can exclude you from all operators simultaneously. There has been safer design of online slots and a ban on reverse withdrawals. There has also been an update on gambling advertising codes, which, in particular, is to look after children and young vulnerable people. Again, that is something that has come into force since we last appeared before this Committee in June 2020.

Finally, there is work being done on the single customer view. That is when different operators work together rather than in isolation to pool information.

Q90 Carolyn Harris: It seems to me as if you have picked up my APPG report and done everything that I would like to see. A statutory levy is something that would fund all the work that needs to be done. How proactive is the Department in introducing this?

Sarah Healey: That will be picked up in the gambling review White Paper when it is published. It is not something that we can pre-empt by talking about it today.

Q91 Carolyn Harris: That brings me to my next question. When will the White Paper be published?

Sarah Healey: You will all know that the last time I appeared before you I said it would be published in the coming weeks. Some issues intervened, which meant that it was unable to be published as promptly as we wanted. We continue to work hard with Ministers to reach a final version of that White Paper and to launch it as soon as we can.

Q92 Carolyn Harris: One of the recommendations of this Committee was that there be an independent arbitrator to deal with issues between the



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customer and the industry. How close are you to introducing an independent arbitrator to deal with that problem?

Polly Payne: Again, this will be picked up when we publish our White Paper, which we very much hope will be in the coming weeks.

Sir Geoffrey Clifton-Brown: What else is going to intervene?

Q93 **Chair:** I just wanted to pick up on the lottery licence. I am wondering if Ms Payne could give us an update on Allwyn's acquisition of Camelot and whether that has an impact on competition.

Polly Payne: We are really pleased that, since we last saw you, Allwyn has been awarded the licence; it was awarded in September 2022. As you will know, a legal process had to be gone through in order to allow the Gambling Commission to make that award, and Camelot withdrew its appeal against that. We are very pleased that that has happened, and the transition is now under way.

As you will know, in November Allwyn also announced that it was planning to take over Camelot's UK business. BEIS had to look at that to think about national security grounds and whether to call it in. It has decided not to, which means that the only thing that has to happen now is regulatory approval by the Gambling Commission. They have been looking at it and we expect the outcome of that imminently.

Q94 **Chair:** It seems a bit odd. Traditionally, there have been very few rivals for this, because the incumbent has often benefited, until now, and then along comes Allwyn and just buys out its rival anyway. Are you confident that there will be a competition for the next round? Does it affect competition in the market?

Polly Payne: We very much hope so. As you will know, one of the objectives for this, the fourth competition, was to increase competition. We had more bidders than ever before. The result of that was a really competitive process and a result that is going to give more money to good causes, which will be a really great outcome. It is worth saying that the next licence would not start until 2034. We very much hope there will be other competitors in the market before then.

Chair: It seems like a million years away after what has happened over the last couple of years. We will now move on to the Unboxed festival.

Q95

Nick Smith: I would like to look at audience figures, if we could. Ms Healey, why did it take until late 2022, when the festival was almost finished, to prepare proper audience estimates for the festival as a whole?

Sarah Healey: Do you want to take this one for me, Polly?

Polly Payne: It is important to be clear that you have to set KPIs at the right time so they are realistic enough. You need to know enough about the particular projects so they can be used to hold the providers of those

projects properly to account. As you will know, Unboxed was a very innovative, new and bold way of doing a festival of this kind.

We have set increasingly detailed KPIs during the process. In October 2020 we had a grant letter with nine strategic parameters. That was very clear that detailed performance indicators would come later, once we understood more about the different projects within the programme. In April 2022, we had some more detailed strategic indicators, which are set out in the NAO's recent review. Between March and August 2022, as the projects became clearer, we set the detailed numbers.

It was really important that we did that because the projects are incredibly different. For instance, out of the 10 there were two projects where they had no live visitors at all—it was all digital engagement—whereas there were other projects where over 50% were live visitors. It was really important that we set the individual KPIs for the individual type of project. Q96 **Nick Smith:** It was reported that by November 2022, 18.1 million had engaged with the festival. The festival's 2022 data showed that, of these, 2.8 million attended live events, 13.6 million engaged with the festival's broadcast and digital content, and 1.7 million children and their families took part in the festival's learning activities.

One thing that has been emphasised—it took a very big chunk of the audience engagement—was the figures for the "Countryfile" special episode, which was broadcast in October. Is it fair to say that, of the 18 million people who engaged, about a third of your audience, the 6 million to 7 million who would normally watch "Countryfile", came from that single programme?

Polly Payne: Gosh, I am afraid I do not have the figures. You are completely right: of the 18.1 million, 13.5 million were digital and broadcast content. I am afraid I do not have the figure for "Countryfile" itself. We can get that for you.

Q97 **Nick Smith:** I did a bit of research. "Countryfile" normally gets 6 million to 8 million people watching it every week. It is a fantastic programme; we all love it. If a third of your numbers for total engagement were on the basis of a one-hour special TV programme, that is a pretty chunky number, is it not, for one hour of TV?

Sarah Healey: Polly could talk about exactly how we judge that engagement, because you do have to be a consistent viewer and not somebody who is turning on and off in order to register it.

From our perspective, it is really important that the aim of Unboxed is not simply number generation. It mattered to us how far the engagement went but, equally, we were involved in a set of projects that, in many cases, in terms of physical engagement with them, were spread far and wide across the country to areas that do not normally have access to cultural events of this kind.

That was inevitably going to affect the numbers that engaged, but it was actually part of the purpose of the festival. If we had been chasing



audiences alone, we would probably have staged more in areas that have very large pre-existing audiences for arts and culture.

It is also important to note that engaging with something via television or digital does not mean it is not a real engagement. That is a great way to reach people who might not go to an event but who will watch something on TV or engage with something online.

Polly Payne: It is important to say that, while watching a long television programme is an engagement, if you watched "The Now Show" for 10

minutes or listened to the "Today" programme talking about Unboxed, that did not count. I know some people have questioned that.

Q98 **Nick Smith:** This is not a Committee that knows the cost of everything and the value of nothing. We appreciate the importance of art across our country. Nevertheless, we also want to know where the public's money is spent. If you could please come back to us and let us know how many people watched that special programme and what that was as a percentage of the overall appreciation of the work, we would be grateful.

Sarah Healey: Okay.

Polly Payne: It is worth saying that in March we are expecting a full evaluation from KPMG. That will have even more detail.

Nick Smith: I saw that.

Chair: I know that our sister Committee, which asked the NAO to look at this in the first place, will be interested in that.

Q99 **Nick Smith:** I want to take a deeper dive on one more issue. It is See Monster, which was off Weston for a while. Ms Healey, you talked about it the last time you came before the Committee. I understand that there has been an audience engagement number of 500,000 from it, which includes 70,000 people who saw it, mostly children, through the learning programme, 6,000 through a think-tank programme, and another estimated 70,000 who attended the drone light shows. That is about 150,000; could you let us know, if you know, please, about the balance—the 350,000 or so there is no detail on?

Polly Payne: For See Monster, the actual audience numbers as at November 2022 were a little higher than that. They were 810,000, of which 64% were live and 36% were digital or broadcast.

Q100 **Nick Smith:** How many actual visitors went to the site?

Polly Payne: It was 64% of 810,000. That must be around 500,000.

Q101 **Nick Smith:** I did ask the local paper about this. They said about 4,000 to 8,000 people were visiting a day. I just could not understand the difference between their figures locally and the figures you have given us now. Could you give us more detail, please?



Polly Payne: The figure I read out is from the NAO report. It might be because they extended the time that See Monster was open. That could be an explanation for that. We outperformed because the target for live visitors was around 300,000. It managed to achieve over 500,000. Banksy's Dismaland, which was on the same site, got a third of that. We were very pleased with that level of live audience.

Q102 **Nick Smith:** I still do not understand the difference between the local figures produced by the newspaper and the figures you have given us there.

Polly Payne: I am afraid I do not have the local figures. If you send them to us, we would be very happy to—

Nick Smith: I will send them to you by way of correspondence. If you could please get back to us, I would be very grateful.

Q103 **Mrs Drummond:** I also want to ask about a particular one called Tour de Moon, which was a big part of Unboxed, but I only became aware of it when I was preparing for this meeting today even though it was in my neighbouring constituency of Southampton. Southampton has quite a lot of culture—including the Welsh National Opera, Nick. It is not a place that does not have lots of culture.

I spoke to councillors, and they said it was not really a success. Part of the festival was getting two Italian radio hams to bounce broadcasts of dance music off the moon. Has this festival promoted culture or has it just been a load of gimmicks?

Sarah Healey: You will forgive us for saying this, but we did not deliver it directly. It is quite right that Government do not deliver these kinds of cultural activities directly. We had an arm's length body, the Unboxed company, which was responsible for the overall co-ordination of the festival. In any cultural activity, not all of the content is going to be to everybody's taste.

Unboxed specifically had a remit to bring together culture with technology and innovation, and to try new things that had not been done before with groups of people who had not necessarily worked together before. Not everyone will like all of it. The evaluation will go into the value for money overall of the festival and what the conclusions of that are. Our business case beforehand was clear that it would be a value-for-money event and we will look forward to the conclusions of the evaluation on that.

Mrs Drummond: We will too.

Q104 **Peter Grant:** Ms Healey, I see that Carolyn Harris has had to leave us, unfortunately. I want to come back to the question of the long, long overdue gambling White Paper.

In the transparency information your Department publishes, there are details of meetings that Ministers have had with various outside



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organisations. For the last one that was published, which covered July to September last year, I found maybe half a dozen, maybe more, examples where Ministers had met representatives of the gambling industry. I did not find any where they had met representatives of families whose lives have been torn apart by the gambling industry. Why is that? Did I just pick the wrong period to look at?

Sarah Healey: I do not have a copy of that transparency return in front of me, but Ministers engage with a wide range of stakeholders and have done throughout the development of the gambling White Paper.

Q105 **Peter Grant:** In one meeting that was referred to, one of the Ministers met with a company called Omaze, a new and very aggressive entrant into the gambling market. According to the official record, they did not talk about gambling reform; they only talked about charitable fundraising. Who decides how to describe what was talked about in the published information? Is it the Minister who decides that for themselves? Or does the civil servant look at it as well?

Sarah Healey: You have the benefit of having this in front of you; I am afraid I do not have it in front of me. The transparency return is developed by Ministers' offices.

Q106 **Peter Grant:** Over the last few days, the Betting and Gaming Council has been very excited at the fact that one of your Ministers, Paul Scully, will be what it describes as a special guest of honour, delivering a keynote speech at its annual general meeting. Did Mr Scully ask for advice as to whether that was an appropriate invitation to accept?

Sarah Healey: The Betting and Gaming Council is a group that is representative of the industry. It holds an event in order to bring the industry together. He is the Gambling Minister. It is perfectly legitimate for him to make a speech at that event, as long as he engages and listens to a wide range of voices. As I say, our Ministers have engaged with a wide range of voices throughout the development of the gambling White Paper.

Q107 **Peter Grant:** Except that, from the admittedly relatively limited examination I have made of the meetings they have had, they have not been engaging with the other side of the argument. Is that an official ministerial engagement? Does that mean, for example, he will be able to ask civil servants to prepare a speech for him? Is it an entirely private event?

Sarah Healey: It would be part of his responsibilities as Gambling Minister.

Q108 **Peter Grant:** Does it also mean that there will be a civil servant with him during any side meetings that he is invited to attend as part of that?

Sarah Healey: It is always the case that a civil servant is present when Ministers attend events that pertain to their portfolio. If by accident, simply because it takes place in the course of other activity, a civil



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servant happens not to be present, the Minister reports back the content of that discussion to his or her private office as soon as possible afterwards. That is set out in the Ministerial Code.

Q109 Peter Grant: When you appeared before us in June last year, I pointed out that about 200 people had taken their own lives, with gambling being a major contributory factor to that decision, during the delay in the publication of the White Paper. Since that date, another 208 lives have been lost. Why are the Government and your Department not treating this with the urgency it deserves? People are dying.

Sarah Healey: Both my Department and Ministers are keen to get this absolutely right. We have had some changes over the course of the period since the last hearing. We were hopeful of being able to bring the White Paper forward in very short order, but various issues got in the way.

It is right, proper and reasonable for Ministers to want to take their own view about the content of that when they change. The Department has been working hard to give them the advice and information they need, and Ministers have been working hard to reach final positions. We hope it will be published in the coming weeks.

Peter Grant: With respect, we have heard that before. I appreciate it is not your decision.

Chair: We will continue to worry away at this, along with our sister Committees and the all-party group. Can I thank our witnesses very much indeed for our time? The transcript of this will be up on the website uncorrected in the next couple of days. Thank you for your candour and for being such repeat visitors. You are going to get air miles, Ms Healey, for the number of times we have called you back on these issues. As you will gather, they are important to us, to the House and to the country. Thank you very much again.