

Culture, Media and Sport Committee

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

Tuesday 6 June 2023

Ordered by the House of Commons to be published on 6 June 2023.

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

Questions 286 - 416

Witnesses

I: Rt Hon Lucy Frazer KC MP, Secretary of State for Culture, Media and Sport; and Ruth Hannant, interim Permanent Secretary (job share), Department for Culture, Media and Sport.



Examination of witnesses

Witnesses: Rt Hon Lucy Frazer KC MP and Ruth Hannant.

Q286 **Chair:** Good afternoon. Welcome to this afternoon's meeting of the Culture, Media and Sport Select Committee. This is our first session with Lucy Frazer as the Secretary of State for Culture, Media and Sport to discuss the work of her Department. She is joined by Ruth Hannant, who is the joint interim Permanent Secretary. Welcome to you both. When we come to each of the members, if they have an interest that they need to declare they will mention it at that stage, to save us going through all that at the beginning.

I will start the questions. First, Secretary of State, I want to talk to you about the machinery of government changes that we saw earlier in the year. The changes are quite significant. You are responsible for a Department that not only contributes a vast amount to the national economy—huge sectors for our finances—but has a massive a role to play in the soft power that we generate around the world, yet the reshuffle has resulted in you having a vastly reduced ministerial team. Of the ministerial team you have left, two of them have joint roles in other Government Departments. What message do you think that sends to stakeholders in the culture, media and sport sectors?

Lucy Frazer: First of all, it is a pleasure to be here and thanks very much for having me. I am hugely honoured and proud to be in the Department. You are right to say that I represent a Department that contributes significantly to the economy, whether that is through tourism, the creative industries or, obviously, sport. We are world leading in each of them and it is an incredibly powerful Department from an economic perspective. Not just that, but I think it is a Department that enhances people's lives. Part of it, which I would like to ensure that we focus on—it is not always focused on in DCMS—is youth. It is a tremendously important Department on every level, and it really has the opportunity to maximise the potential of those industries and the growth and the world-leading status that we have in them.

The Prime Minister has identified where our sectors of growth are, and he has identified culture, media and sport—particularly the creative industries—as an area of growth for the economy. He has identified five sectors of growth, and I am incredibly proud, and the sector should be very pleased, that we are one of those five sectors of growth. In a more streamlined Department we have the opportunity to focus on an area that is an economic powerhouse. You are right to say that, because there has been a split in the Department and digital has moved, there has been a reduction in our staff, but actually there has been only a 25% reduction in our budget, and it enables us to focus on a really important sector.

Q287 **Chair:** Streamlined is one way of putting it, but you are currently working with a ministerial team of, effectively, two part-time Ministers and one full-time Minister who is a Member of the House of Lords. How



does that restate the Government commitment to being serious about these sectors that are so fundamental to our national image and our national economy?

Lucy Frazer: Thank you for giving me an opportunity to say what an amazing job I think my junior ministerial team are doing. We have a Minister who has a huge amount of experience in the charity sector, who is in charge of charities, youth and sport. Julia, who is now on maternity leave, has been replaced by an extremely experienced Minister in John Whittingdale, who has been the Secretary of State for Culture, Media and Sport and brings a massive amount of expertise to the table. Lord Parkinson has been in the role for a considerable time. The splitting of the role enables a little bit of continuity with the Department, which is critical to ours as well, in terms of digital. I must say that I am very pleased with my ministerial team.

Q288 **Chair:** I am sure they are an excellent ministerial team, but there is no doubt that your team has been hollowed out and it does not show a huge amount of commitment from the Government to these sectors that are so vital to us. I am also interested to know how it will work in practice. For example, what about the pre-appointment of the Ofcom chair when you now have three different Committees that it answers to? Do you think this will command confidence in things like broadcasting regulation?

Lucy Frazer: Can I push back slightly on what my Department has managed to do since the machinery of government changes, just to illustrate how we are still able to deliver with what I think is an effective team both at junior ministerial level and as the Department as a whole from the civil service? I have been in post for around three months and in that time we have delivered a football White Paper, a gambling White Paper and a draft Media Bill; we have led on the international stage in pushing back on the IOC on the participation of Russia and Belarus in the Olympic games; along with others, my Department was responsible for delivering on the coronation and Eurovision, and we are putting together a sector vision that we will deliver, which you will hear about in the coming weeks. I hope we can show that, however many people we have in the Department, we are delivering for the country and supporting the sectors that we represent.

On public bodies, Ofcom will be overseen by DSIT now, but we will retain a role in matters that concern us. In fact, I was talking yesterday to the chair of Ofcom, as I have done in the past, on a number of issues. I think it is really important that no Government Department and no regulator should operate in a silo when they are working on things that affect a whole range of issues. DCMS is actually incapable of working as a silo. It is our role to work across Government. As you will know, tourism is within my portfolio but we cannot deliver without the support of the Foreign Office and the Home Office, and we cannot deliver on the creative industries without co-operation from DSIT and DBT and the support of the Treasury. I think that it is important to work across Government, and that is what we are doing.



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Q289 Chair: I have no doubt that you are right—it is really important to work across Government—but the experience of very many people is that Government works in silos not only between Departments but within them too. As Secretary of State, what is your aspiration to try to break down those silos?

Lucy Frazer: I am working very much across Government. You will see in the creative sector vision work with DFE, with DBT and with the Chancellor. I mentioned youth as an example, and its importance in my Department. I would like to put together a youth policy that crosses the Department. We can only have empowered young people who get the best opportunities and chances in life if we support them at every stage, whether that is through education, working with DFE, or in my Department with the National Citizen Service and the volunteering opportunities and all that offers—but also, how do they get into the workplace? Those are the things that I will be looking at, and we are doing that particular strand of work cross-departmentally.

Chair: We will come back and speak to you about skills a bit later on, Secretary of State. Thank you.

Q290 Damian Green: Welcome, Secretary of State, to what I suppose is still a new-ish role. You have rightly mentioned tourism a couple of times. It is a hugely important industry to this country, which your Department sponsors. The picture is pretty bad. Obviously, we can only compare things pre and post-covid, but comparing last year with 2019—the last normal year—the number of overseas visitors was down every month except one, and at the peak in the summer it was down 20% from 2019. Are you worried about that?

Lucy Frazer: Tourism is a really important sector—you will know that in 2019 it contributed £74 billion to the economy, and it supports 1.7 million jobs—and I am concerned to ensure that we do everything that we can to support it. To do that, we need to do a number of things. We need to make it easier for people to get here and make sure it is an attractive destination that people are talking about for both tourism and business tourism.

You will know that we published our tourism recovery plan in 2021 and that we are doing international marketing in areas of destination like the Gulf, the US and Europe. The Chair was talking about silos within my Department. I think that you might find that the major events that we have put on or worked on as a Department—including the coronation and Eurovision—contribute to our soft power and people recognising this as an important destination.

Q291 Damian Green: I think that is right, but the figures I just quoted just don't bear that out. I am sure that everyone is working hard, but VisitBritain does not expect it to improve. Its forecasts expect inbound visitor numbers and spending to be about 12% below 2019 levels during this year. In practical terms, what is the Department doing to try to



reverse what is a really damaging trend to a very important industry?

Lucy Frazer: As I said, all the levers are not in my Department, but we need to work with other Departments. You will know, from a Home Office perspective, for instance, of the ETA process, which will in some respects make it easier for people to come in, in terms of the process that they have to adopt. There is also making sure that we make it easier for people to enter the country. You will know that, with France, we are developing an ID scheme for children to come here. That has come about following the Macron summit and we hope to have it in place later this year. Nick de Bois put together some very interesting recommendations in relation to DMOs, and we will be enhancing each area's ability to promote its area for tourism. We need to ensure that people do not just come to London but go elsewhere as well.

Q292 **Damian Green:** I want to ask about the de Bois report in a second. On the point you make about other Departments, you have just said implicitly that the visa system is not helping inbound tourism and you are trying to improve that. I suggest that, if you are going to let children from France in on identity cards rather than needing full passports, that should apply across the EU. That would do wonders for that bit of tourism.

When this Committee produced its "Promoting Britain abroad" report last November, one of the recommendations was that removing the VAT relief on shopping for inbound tourists was an own goal of spectacular proportions by this country, particularly emphasised by other European countries energetically promoting their own shopping. As you say, there are levers that are not in your Department. That one is inside the Treasury. I say that to save you the trouble of telling me it is for the Chancellor to take taxation decisions—we know that. Can I be assured that the Department is arguing tourism's case with the Treasury?

Lucy Frazer: As I am sure you are aware, I know about the sector's concerns. They have been raised with me in a number of different forums, and some of them when I have been in meetings with the Chancellor, so the Chancellor is also aware of these points, as is the Prime Minister. I have discussed them at a number of roundtables.

The key to this is to look at the evidence, and there is a discrepancy in bits of evidence that are currently around. It is really important that we get as clear evidence as we can from the sector—they have produced various reports, which I have read—about the impact of the VAT changes and what would happen if we reversed them. There is a question about whether that would increase the number of visitors that come to the UK and, therefore, have indirect beneficial effects on the economy. I am encouraging the sector to collate that evidence and will help them and support them in that. But of course—I am going to have to say it, Damian—tax is a matter for the Treasury.

Q293 **Damian Green:** Indeed. It is a constitutional requirement that that



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should be said at some stage by Ministers in spending Departments, but I think addressing the gap between people's understandings of the economic effects is key. We have all seen, flatly, different reports. The Treasury claims it is a £2 billion loss. From what I have seen of its evidence, that appears not to acknowledge any increase in economic activity if you have more tourism here, so I would say that the Treasury is starting from a base that is clearly nonsense.

Lucy Frazer: And the sector say it is a £350 million gain. I encourage the sector—I am very happy to work with them—to drill down on that evidence and to assess and scrutinise it as far as possible.

Q294 **Damian Green:** One last thing. You mentioned the de Bois review, which our report commended, and we heard from him. It seems to be a very practical way of reorganising the various bodies that encourage tourism. Is it the Department's plan to implement it in full? I think he made 12 recommendations altogether. What is going to happen?

Lucy Frazer: The Department's position is that it is extremely beneficial to arrange the country in DMOs and we have put together a pilot. There is the NewcastleGateshead Initiative in the north-east, which has been chosen to lead a destination development partnership pilot with Visit Northumberland and Visit County Durham. That is working across seven local authority areas and will receive £2.25 million over three years. We are in discussions with west mids about a possible second pilot. There are 15 partnerships overall and our aim is to have 40 accredited by the end of the year.

Q295 **Damian Green:** So in an ideal world you would want to expand that across the country.

Lucy Frazer: We would like to roll it out, but let's see how the pilot goes and then the second pilot. Obviously, if these are tools to encourage and promote tourism and they work and bring benefits to the economy, and it is the join-up that the Chair was talking about—that we should not all work in silos, which is what is happening at the moment in various areas across the country—then brilliant. Let's adopt it if it works.

Q296 **Chair:** Do you think there is a little bit of complacency in the Government about how much tourism generates for the UK economy? We have heard of hotel and tourism organisations around the country having to turn away bookings because they cannot recruit the staff. We have heard of the Youth Hostels Association selling off assets. We have heard of school groups finding it difficult to book their tours because of these issues. Tourism is named as one of the top five generators of finances for the UK economy. Do you think that there is a degree of complacency about the value of it?

Lucy Frazer: I don't think there is any complacency—certainly not in my Department and I don't think in the Government as a whole—about the importance of the tourism industry. It is not only because it brings in significant revenues; it is really important to our soft power and how we



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are seen in the world. I know that there are workforce challenges in tourism. There are workforce challenges in many sectors and the Government are looking very carefully at workforce as a whole. I know that the Migration Advisory Committee consultation is ongoing. It is due to report later this year and we will be looking very closely at it.

Q297 **Chair:** Back to my little theme of working in silos: to what extent have you been able to feed in your concerns to that work?

Lucy Frazer: In terms of cross-Government work?

Chair: In terms of the workforce work, bearing in mind that we have massive issues with things like visas and staffing.

Lucy Frazer: My plan is to set out—I have not worked out how many points there are going to be in it but let's say a six-point plan—

Chair: Five is very popular at the moment.

Lucy Frazer: Five is popular; 10 is also popular—I think the BBC's plans are always 10.

My plan is to work out exactly what things we need to change. I have mentioned some of them. They are about borders, they are about things that happen locally that we support, such as DMOs, but there is a range of things that we need to do. Then, together with John Whittingdale, I will work cross-departmentally to implement those. We have an inter-ministerial group on tourism, which I chair. Through that mechanism and the bilateral discussions that we have, I hope I will be able to report some success when I next come to you.

Q298 **Dr Huq:** I suppose my only vague declaration of interest is that the Secretary of State was in the year below me at university in the same college. She has flown much higher than me. I remember being lobbied for her vote as a teenager.

Lucy Frazer: Did I get it, Rupa?

Dr Huq: It was the union society—was that it?

Lucy Frazer: Yes.

Dr Huq: I think you wanted my vote—anyway. I will ask my question.

As the daughter of an Indian restaurant owner, back in the day—he is not here any more; he is looking down fondly from above—I want to ask about hospitality. I remember coining the words “curry crisis” but it is not just Indian restaurants that are having this issue. In every pub I visit in my constituency there is a real need for chefs and kitchen porters. Post Brexit, they cannot get the staff any more. There are figures showing how hospitality businesses are reporting restricted hours and restricted occupancy. A lot of people are going to the wall, going out of business. Is there any scope to reclassify these as shortage occupations? That list



seems to be a lot of scientists plus care workers. Surely it is time for a rethink from MAC.

Lucy Frazer: As I was just saying, there are workforce challenges in the hospitality sector and there are some workforce challenges across Government. The Migration Advisory Committee consultation is ongoing. It is going to report later this year and I will look very carefully at that. We are also working with the sector through the Hospitality and Tourism Skills Board on what more we can do to support using youth mobility scheme routes. This is something that we will look at but, as you know, it is something that the Home Office also has a very keen interest in.

Q299 **Dr Huq:** You mentioned skills. There is also the eligible jobs list route. That was a Theresa May thing. Certain professions were classified as skilled so you could come in via that route. It seems that there is a bit of snobbery there. We all know that there has been a shortage of HGV drivers nationally; they are not on that list. In hotels and restaurants, for example, only managerial jobs are eligible, but for a sommelier, it is quite a skilled, detailed thing to have the knowledge of all those different wines, and to be a receptionist in a hotel you might have to have lots of different languages. That would elevate you above—I don't know—the security man who presses a button. We need to think a bit more creatively about what skills are. Could you put in a good word, Secretary of State?

Lucy Frazer: As I said, we of course need to keep this under review and look at it, but it is also really important to identify that there are 2 million people in the UK who are not in employment. There are various routes to work and to upskill, which I know the Department for Education is working on, whether that is skills boot camps or apprenticeships or T-levels. It is really important—this is something that you will see in the sector vision for the creative industries—that we ensure that the people who are not currently in work, or want to move work or reskill or upskill, are given the opportunity to do so.

Q300 **Dr Huq:** At the time I was asking that curry question, there were curry colleges that were earmarked for our own young people that just were not pulling in the numbers. The Indian restaurant trade traditionally gets people from overseas. I think that sometimes these solutions can look good on paper but if they are not working—I mean, there are some shocking figures from Kate Nicholls of UKHospitality, who is my constituent, on how much we are losing. Apparently it is £25 billion a year in this reduced hospitality industry that cannot get the staff, and £7 billion a year in taxes. I will just make the plea again. There is a sense that the shortage occupation list looks a little bit snobby. It looks like it is lots of scientists, then care workers and health workers have been added, but there are not HGV drivers or chefs or anything else. I think there is a very strong case for redoing the shortage occupation list, which is very pertinent to your Department.

Lucy Frazer: Thank you.



Q301 **Dr Huq:** On something that Damian Green was talking about, as a London MP, I agree that we are losing out due to the London sales tax. It is a global competitiveness thing. This Government is meant to be into global Britain and international competitiveness. You hear stories—again, I was talking to Kate Nicholls about this—that before, high-value tourists would say, “Book me into the Ritz and I’ll have a couple of days shopping.” When they are told there is not the VAT exemption any more, they say, “Oh, hang it, I’ll go to Paris instead.” I reiterate what he said: that was a good thing that came out of the Liz Truss Government. I hope you can see the logic in our having that back, as we recommended.

Lucy Frazer: Rupa, I have spoken to a lot of people about this. I hear what they say and I understand the point. It is important that we remain an attractive destination. As I said, the question is one of evidence. That is what we are looking at and I am encouraging the sector to put materials my way.

Q302 **Dr Huq:** Okay. I was also interested to hear what you said about the new route for French kids coming in on ID cards. The other thing that I have noticed—I had a Westminster Hall debate on it at the end of last year, about three Prime Ministers ago, I think—is to do with English language teaching in temporary summer schools. Kevin spoke in the debate; he is familiar with the phenomenon, and we have it in Ealing. Many coastal towns have these language schools, where children from France and across the EU come in the summer months. They stay with a host family—

Clive Efford: Seaside towns? My constituency, too.

Dr Huq: Yes, everywhere—my constituency is not a seaside town either. There is no beach in Ealing or Acton—Costa del Acton.

Traditionally, with a lot of these language schools, in the summer you see these kids in really trendy Benetton clothes. Those schools are closing at a rate of knots—many of them have gone under—and it is because of the new regime. Before, the whole group of them could come in on ID cards. Lumping them in with immigrants, when they are nine years old or whatever, is wrong. Could you have a word, Minister, with your colleagues in the Home Office, DFE—wherever it is? There is a tourism aspect as well. Sometimes they work in pubs; if they are teenagers, they do a few shifts pulling pints. This used to make us very attractive. People are going to Ireland, where they are in Schengen and in the euro, or to Malta instead. If you could have a word in the right ear about that, that would be good.

Lucy Frazer: I mentioned the scheme with France, which we hope to have in place later this year. We are very keen to expand that to other countries. We will explore that bilaterally, and of course, if there is an opportunity to explore these things in a wider sense, we will do so. Yesterday I was talking to the Minister-President of Flanders and encouraging him to look at these issues and, in particular, the subject—



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which I am sure you are all very interested in—of touring. I think we need to look at that again with the Home Office.

Dr Huq: Yes, that is the other thing I wrote down: touring musicians. You might know of the case of Trigger Cut, the German band who had letters of invitation and a whole booked tour and were turned away at the border. We have to sort that out.

Q303 **Steve Brine:** Can I ask you, Secretary of State, about grassroots music venues? Many of us have them in our constituencies. I have the Railway Inn in mine. This Saturday night, if you happened to be in Winchester, you could see Wild Horse, £10 on the door. “Wild Horse sound like what putting on a new suit and lighting a cigarette to go on a night out feels like”—that is their briefing. Smoking’s bad, folks, but I am just telling you. They are handsome young lads from Sussex and you can see them on Saturday night at the Railway Inn in Winchester.

My serious point is that the Railway Inn is there—it had a band called Fleetingwood Mac last month, which I understand was very good—and able to put on those bands because it still exists, but it is struggling. Research that we have from the Music Venue Trust, which I am sure you are aware of, says that on average these grassroots music venues have a profit margin of just 0.2%. They generally make a loss, but it is balanced by food and drink sales. About one a week has closed so far this year. On the other hand, there are eight new large-scale arenas being built across the UK. There is the Co-op Live arena due to open in Manchester and there is huge investment going into that. I want to understand where you are on this subject. Do you see this as something that you can help with?

Lucy Frazer: I have done a roundtable with the music industry, which included those representing the grassroots music industry. They made very clear their arguments about the points you make about how people are dropping out. They made very clearly their point about pipeline. It was a music roundtable, so there were others in the industry present, and they made it very clear that they are looking to industry as a whole to support them and were having discussions. I know that those discussions are ongoing. The Government do support grassroot venues and I am looking at that.

Q304 **Steve Brine:** Okay. The Railway and many grassroot music events will do this: if you were to buy a ticket to Wild Horse, you would pay an 11% booking fee for each order, which goes to “maintaining the venue”. The point that they would make, and that I suspect was made to you at the roundtable—the Music Venue Trust has certainly made it to us many times—is that they want you to look at the football model, where real financial support from tickets to big arenas such as the new Co-op arena, where it is certainly not £10 in on the door, is reinvested into the grassroots live music industry. Was that point made to you and do you have sympathy with it?

Lucy Frazer: I said that they are talking to the industry, and I suspect



that is what they are talking to the industry about, because that is about industry supporting industry. You will know that we have intervened with football, because—well, the starting point is that these are industries and it is not for the Government to keep interfering in industry. Industry needs to work together with its sector. I hope that that happens, because it is a pipeline. Grassroots music is a pipeline to Adele and Elton John and all those other brilliant talents that we have had. As I said, Steve, we have separately supported grassroots venues and I am looking carefully at that.

Q305 Steve Brine: Adele came through BRIT School, which was because George Martin put his passion and his money where his mouth was. I am glad that you mentioned that we have intervened in football. To the nub of the question—you have hinted that you think that it is more the former than the latter—is it your view that these grassroots live music venues are all very well and they are very nice and we enjoy having them and hearing about them but, ultimately, it is not something for the Government to get involved in? Are we interventionist or are we laissez-faire? We are being interventionist in football. The Prime Minister is talking about interfering with food prices in the supermarkets—controversial. Are we interventionist or laissez-faire when it comes to this? The pipeline is what creates those acts that sell this country around the world. Are we interventionist or laissez-faire?

Lucy Frazer: I think that the industry understands that the grassroots venues are its pipeline, and I welcome discussions at an industry level to ensure that that pipeline continues. Separately, we have had grassroots music support as a Government. We are supporting—have supported—grassroots music venues.

Q306 Steve Brine: Yes, the covid recovery fund did support some grassroots venues—you are right. The one that I am talking about was not a recipient of that and many were not. I will have a final go: is there a strong message being sent from you to the arenas and the stadiums that you would like to see them do more to trickle money down to the grassroots venues? Are they getting that message from you?

Lucy Frazer: Yes. I think they are, yes.

Q307 Steve Brine: Excellent. Secondly from me, you know about the issue of artists touring in the EU. According to your Department there are now some 21 member states that allow some form—I am not sure exactly what that means—of music touring without a work permit or a visa. We have discussed this many times with several of your predecessors and the Liaison Committee has discussed it with the Prime Minister's predecessor but one, and this is still not fixed. What do you understand the current situation to be in respect of touring artists?

Lucy Frazer: The current position is that the vast majority of member states—23 out of 27—offer visa and work permit-free routes for musicians and creative performers. The four remaining member states



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that do not are Greece, Portugal, Malta and Cyprus. But the way that they can come over here is that they can only stay for a period of time—90 days. I think there are things that we ought to continue to look at, not only to encourage the four remaining countries to have a bilateral arrangement but I would like to see whether it is possible to have a better relationship with the EU to enable people to go and stay in—to facilitate that and to facilitate better touring.

I mentioned this to the Minister-President of Flanders, whom I met yesterday, and I have spoken to the Foreign Secretary about it. I know that the Foreign Secretary raised the issue at the UK-EU Partnership Council. When Minister Lopez was with me in the Department, she raised it with her counterpart. I know that there have been a lot of bilateral discussions.

Q308 Steve Brine: That is good to hear, but the industry wants to know that it has a battler in this sector.

Lucy Frazer: It has a battler—I can assure them of that.

Q309 Steve Brine: I said that there was “some form” of music touring without a work permit or visa. In France, for instance, there are additional restrictions. It requires musicians to be employed by a registered venue. Anyone with any understanding of touring artists—who do sometimes move from pillar to post to try to build their craft—knows that that is not how it works.

Finally from me, UK Music, which I am sure you know, wants the Government to create a music export office, as in Australia and Canada, that provides advice on export logistics and strategy to artists and helps them to expand into new markets, I guess in the way that UKVI used to do for businesses. Is that something that has been put to you, and is it something that you are interested in, to try to get on the side of these artists and help them? The promise of Brexit was not to make it harder for British bands to go and tour around the EU, was it?

Lucy Frazer: I think this is something that was put in a report that the APPG put together. I do not think it is the answer to the issue. We have a music export growth scheme and I noticed that one of your witnesses from the music industry—I think it was Mr Taylor—said that he thought that expansion of the music export growth scheme would be more favourable than an export office. Sometimes in Government we change structures and actually what we need to do is just deliver. We have a Department for Trade, which has export schemes, and what we need to do is to make sure that musicians can access it well and that we continue to support them to go abroad and do their work.

Steve Brine: Thank you. I am glad that we have started on this; I think we may continue with it.

Q310 Giles Watling: Thank you so much, Lucy, for coming in today. I am afraid it is more of the same from me, but on a slightly different angle.



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Following on immediately from Steve Brine's comments, while we are talking about touring of Europe and theatrical productions there, the supply services must not be forgotten. Transport companies, like Luckings and Paul Mathew, can no longer take major tours from this country and tour Europe in its entirety as they used to. Those companies are losing out to German and other businesses that are coming here and, understandably, are dealing with the logistics of such an enterprise. That is something that should be brought up on your screen in a very large way, because we need to kick some doors down there.

Further to that, with regard to theatre and theatre touring, theatre by its very nature was one of the first industries to close down at the beginning of the pandemic, and by its very nature of close contact was one of the last to get going again. I think the whole cultural sector welcomed the CRF of £1.57 billion that Rishi introduced when he was Chancellor. We are left with a recovering theatre, which is doing rather well in the conurbations, but I want to make a plea for the regions—the grassroots of our theatre.

We must not forget that, since the time of Shakespeare, theatre has exported the British way of life and British values around the world. We have done that so brilliantly and we are now at a crossroads where we are at risk of losing that. It is all supported by our grassroots theatre. We had a talent drain during the pandemic, when people went off to do other things, so recruitment is one of the issues that we have to deal with, and now we are looking at energy costs. Small theatres have seen their energy costs triple and even more in some cases. Is the Department focused on these issues?

Lucy Frazer: Yes.

Giles Watling: That is a lovely quick answer. Can you elucidate further, please?

Lucy Frazer: Yes. I am pleased that you mentioned the £1.5 billion, because I do not think that the Government have had sufficient credit for ensuring that these sectors survived through what was an extremely difficult period for them. I think it is because of the CRF that they have survived. I have spoken to them and they are so grateful for what the Government did. We should continue to remind ourselves that we, the Government, kept those performers and performances, and the ability to continue them, alive.

One of the first things that I did as Secretary of State was to raise with the Treasury the importance of continuing the theatre and music and orchestra tax reliefs. That is a benefit of £350 million to the sector overall and was again hugely welcomed by the theatre industry. Not only did we help them survive through covid, but we have shown that our support for them is unwavering and will continue.

You mentioned funding going to the regions. You will know that the Arts



Council has made some decisions where funding has gone more to the regions than to London and the regions around London in the south-east.

You also mentioned the talent drain and recruitment. I am really keen—I touched on this in my first answer, I think—to ensure that children, from a very early age, get experience of the creative industries and the performing arts that they can take with them through their adult life. It is a long journey. One of the things that I will be talking in the creative industry's moment in our sector vision is how we inspire young people right from primary school to get performance skills and build confidence. Hopefully—we have just been talking about pipeline—we will build that pipeline.

Q311 Giles Watling: Does the Department understand and appreciate the soft power that our British theatre export gives the UK across the world? I have been very fortunate to tour the world with British theatre in many venues and I have lived and worked everywhere from Guam to Mexico City. It is something that we need to promote but it all comes from our grassroots theatre in this country. We are in danger of losing it. Does the Department understand that soft power?

Lucy Frazer: I could simply answer “yes” again. It absolutely does. It is a massive export industry. You are talking about performing arts and, in particular, theatre, but when I go around the country and talk to people in the industry, they also talk about that as a pipeline to film. Film is one of our biggest exports. That is also a massive piece of our soft power, because we are exporting into people's homes as well as when they come over here. I do not think for one moment that I or the Government underestimate the importance of this in terms of our position on the world stage.

Q312 Giles Watling: We have been very good on tax breaks on films for many years in this country; we have supported film hugely. I would suggest that we have not done quite the same for theatre. I am glad to see that it is now coming into focus.

I would like to move on to the gambling White Paper, very briefly. Between December 2020 and April 2021 the Government conducted a review of the Gambling Act 2005. There was a massive response—over 16,000 responses. Bearing that in mind, was it necessary to put the gambling White Paper out for further consultation after that massive volume of responses in the first place?

Lucy Frazer: What we are doing is the biggest reform of gambling since 2005. As you identified, 16,000 people have responded. We are not just bringing in policy changes; we are updating gambling into the online age. Everyone now has a smartphone in their pocket and gambling is available to them. That involves a significant amount of work to make sure that we get it right. Some people have criticised us for the delay. I think it is really important that we get it right, because this is the next stage of regulation around gambling. The consultations that are coming out and



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will be coming out soon—we are doing this at speed—are technical consultations to ensure that we get the law right.

Q313 Giles Watling: You are not giving a detailed timeline for delivery but you intend the measures to be in force by the summer of 2024. Given the limited time left in the current Parliament, which of the proposals in the White Paper is your priority?

Lucy Frazer: By the summer, or in the summer, you will see consultations by my Department in online slots stake limit, land-based measures and the statutory levy. You will also see Gambling Commission consultations on financial risk checks, remote game design, cross-selling and tightening of age verification, as well as a number of other steps.

Q314 Giles Watling: There is a lot more to do.

Lucy Frazer: Yes, but I can assure you that I am holding my Department's feet to the fire. I have a very effective junior Minister and we are making sure that we get out quite a lot before the summer. There is a very tight timetable to respond to that and then we will be putting forward statutory instruments. Thankfully, a lot of this we can do by way of statutory instrument rather than by primary legislation, so I am very confident that we will be able to keep to that timetable that you mentioned.

Q315 Giles Watling: But a lot of it will require primary and secondary legislation.

Lucy Frazer: Most of it requires secondary legislation. Some of it can be done without either. There are a few bits that require primary, but not many.

Q316 Kevin Brennan: Because of some of the questions that I am going to ask, I should declare that I am a member of the Musicians' Union and the Ivors Academy and chair the APPG on music. I have various entries in the register in relation to that, attending music industry events.

Before I get on to that, I noticed when looking at our brief that since you were first made a Minister on 9 January 2018, this is your ninth role in Government. That is an average of 219 days per job. You are 119 days into this job. Can we expect you to last a bit longer than another 100 days as Secretary of State?

Lucy Frazer: Kevin, as I mentioned—well, I don't know whether I did mention it before—the experience that I have had in Government has been beneficial to my taking up the role of Secretary of State. I have been very lucky to serve as Financial Secretary to the Treasury, which I think—

Q317 Kevin Brennan: Would you describe this as your dream job in Government?

Lucy Frazer: I feel hugely honoured to be doing a really important job,



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which is a fantastic area to work in. I mentioned youth. I have been the Minister for youth in the Ministry of Justice. I have been the Housing Minister. This is a job that is all about place. We have talked about cultural recovery and the importance of place. The thing that people identify as the third most important in their area is cultural heritage. Yes, I have moved around Government quite a lot. I think that gives me the skills to do this job.

Q318 Kevin Brennan: That is not necessarily a bad thing, but you know why I am asking. You are the 13th Secretary of State for this Department since 2010.

Lucy Frazer: Yes, and isn't it brilliant, Kevin, that there are four people around the Cabinet table who have been or are Culture Secretary? We have the Chancellor of the Exchequer, who understands the creative—

Kevin Brennan: That is what we used to call spin, but it is very good spin.

Lucy Frazer: If I could just finish the answer, because you did raise it. The Chancellor gets and understands creative industries. In fact, he said to me today that that is why we have the creative industries as one of our five sectors. The Deputy Prime Minister, whom I was also talking to today about the creative industries, also understands the creative industries. The Secretary of State for Science, Innovation and Technology, which massively interrelates—I do not know whether you will ask about AI, but AI is really important to the creative industries. It is essential that she—although she is on maternity leave, it is short—understands the importance of creative rights when thinking about AI. I think, actually, the creative industries have a fantastic amount of support around the Cabinet table.

Q319 Kevin Brennan: I am not picking on you, because I asked the Deputy Prime Minister the same questions several years ago—five Secretaries of State ago, I think—when he was first appointed.

I want to ask you a bit about music. Did you learn a musical instrument when you were in school?

Lucy Frazer: I shall admit that I learned the piano and I gave up the night before my grade 1 exam. I was not very musical.

Q320 Kevin Brennan: I am sorry to hear that. Did you get lessons in school?

Lucy Frazer: I did a lot of drama throughout school and beyond but I am not a musician, I admit.

Q321 Kevin Brennan: I liked what you said earlier on about young people and the importance of creativity and all of that in education, but isn't it a fact that one of the depressing aspects of the last decade or so is the decline, in state schools—not in private schools, which have incredible facilities and really understand the importance of creative subjects—in the number



of children doing music and other creative subjects in school?

Lucy Frazer: Music is really valuable to young people, whether that is to enhance their confidence or their mental health. I was told by Baroness Fleet yesterday that it also enhances the scientific brain and that Albert Einstein was a very experienced musician—I cannot remember if he was a cellist or something else. I was talking to Baroness Fleet about the music education plan and I have spoken to the Secretary of State for Education about the music plan. It is a really important part of our cross-departmental working and I am looking forward to working with her to implement it to ensure that more children have access to music through school.

Q322 **Kevin Brennan:** I hope that is how it turns out, because we have had a lot of plans and it is the implementation that has been the issue over the years.

I also want to ask you about streaming and the work that this Select Committee has done, and to praise the Government for some of the follow-up work that they have done following our report. I very much welcome the announcement of the creation of a working group on creator remuneration, which was announced by the Intellectual Property Office recently. That was one of the things that this Committee called for in one of its follow-ups on that inquiry. I thank the Government for continuing to focus on this issue. Are you able to confirm to the Committee that, under your leadership of the Department, the Government will continue to fulfil the commitments that they have made in response to our report on the economics of music streaming?

Lucy Frazer: Like you, I am really pleased with the work that the industry has done to ensure that the right answers are reached. You mentioned the IPO and the announcement last week both in terms of the metadata agreement and the progress on transparency. Steve was pushing me on what my role is in Government. It is important in all these subsectors that organisations within industry work together to resolve the issues of the industry. I am really pleased that music has done that. You will have seen that we are composing representatives and experts across the sector to explore and develop industry-led actions that support fair remuneration and a number of other things through an industry working group.

Q323 **Kevin Brennan:** Yes, and that is very good, but there is some concern; of course, it is always the terms of reference that count in relation to these sorts of groups. It has come to my attention that there are some in the industry saying privately that they would like to water down the Government's intentions for this remuneration group by making sure that the terms of reference are sufficiently diluted or wide and so on, so that it cannot focus down on the central issue here, which is creator remuneration. Will you commit to the Committee that you will not let that happen—that you will not let the terms of reference be diluted to such an extent that it becomes a meaningless talking shop, rather than a working



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group aiming to drill down into the issues and resolve them for our creators?

Lucy Frazer: I reiterate that I do think that the industry has done a lot. We have both just mentioned that. I am not interested in working groups that are not there for a purpose. I am not going to set out here what the terms of reference are going to be, but I am happy to update you on those terms of reference.

Q324 **Kevin Brennan:** That would be very helpful. I do not expect you to outline them here and now. Obviously, AI is very important, as we have just said, but, as I understand it, this group is intended to focus on the issues that this Committee raised about remuneration across the industry. Who are you planning to consult about the terms of reference, or who is the Government planning to consult about the terms of reference?

Lucy Frazer: We will talk to industry about them.

Q325 **Kevin Brennan:** Right across the piece, from representative creators to the labels and so on, everybody will be consulted properly.

Lucy Frazer: Yes.

Q326 **Kevin Brennan:** Okay. How do you intend to monitor the progress of the working group? The Government have always said—very helpfully, because it has given some traction to the process—that, although they do not want to, and I understand that, they would ultimately be prepared to legislate on some of these issues if they had to. Can you continue to commit to the position that the Government have committed to in that regard?

Lucy Frazer: You are pressing me to commit to terms of reference—

Q327 **Kevin Brennan:** I am actually pressing you to commit to what the Government have already committed to, to be honest with you, which shouldn't be that difficult, should it?

Lucy Frazer: We will consult on the terms of reference and we will put them together and then I am happy to share them with you. I hope that you have seen that, since I have been in office, my aim is to deliver and not just to mess around. If we are going to have a working group, it is going to do something and be effective.

Q328 **Kevin Brennan:** I absolutely take that in good faith. You have made it clear that you want it to be a working group and not just a talking shop that is going nowhere.

Can I return to the issue of touring, which was mentioned by colleagues earlier? In one of your answers you referenced the APPG report. Did I remember to make my declaration that I chair the APPG? Yes, I did, didn't I? I sent that report the Government some months ago, and I ultimately got an answer from Julia Lopez as the Minister in relation to this. I do not think this was ever intended to be the situation that we got



into. Certainly, when Nigel Adams, as an arts Minister, answered a Westminster Hall debate that I attended before we left the European Union, he made it clear that the Government's intention was that there should be free movement of musicians touring across Europe. That was absolutely the Government's stated position at that time. Isn't the only way out of this, ultimately—we can have all the small gains that have been made—to negotiate a comprehensive cultural touring agreement as part of the review of the trade and co-operation agreement? Is that what the Government is on a journey towards achieving? Otherwise, it is just these little piecemeal deals.

Lucy Frazer: I saw the recommendations that you put out in the report and I know that that is one of them. I am not going to say what I think is the mechanism to achieve the outcome or the form it needs to take. When I was FST I spent quite a lot of time looking at the Northern Ireland protocol and the VAT changes that needed to be made. I do not think it is helpful to start saying that there needs to be a change to a TCA or this, that or the other. What we need to do is get the outcome that we need to achieve. The outcome that I would like to work towards is greater flexibility for musicians to travel to the EU. I am committed to trying to do that. I need to work across Government to do it and, of course, with the other side, which is the EU. But I am not going to say that the outcome is necessarily the one that you have set out in the report.

Kevin Brennan: I hear what you say. I will just say to you that I think and predict that the only way that you will be able to resolve this, ultimately, will be when the TCA is reviewed in 2025, by negotiating a comprehensive cultural touring agreement. I think that is negotiable with the EU, but it will not happen unless the Government prepare for that. I put it to you that the Government should be doing that work, even if they are not telling us that they are doing that work now. I will leave it at that.

Q329 **Jane Stevenson:** Good afternoon, Secretary of State. First, let me say, as a state-educated girl from Wolverhampton, that I am delighted that you have been speaking to the Department for Education about early years and the cultural offer to pupils very early. There are many studies showing that learning to read music has a positive effect on lots of other subjects, including maths, geography and all sorts of things. I am very supportive of that.

I am also for levelling up access to the arts and culture. Do you think that the direction from a former Secretary of State to redistribute £75 million out of London is the best way to level up arts access for people in my constituency?

Lucy Frazer: The decisions of the Arts Council have been made. It is really important that we maintain areas of excellence where there are areas of excellence, but that we also ensure that the whole country benefits from the Government's resources. It is really important that we have culture spread across the country, into the north.



Q330 Jane Stevenson: Thank you. One of the most controversial decisions was to strip ENO of all its funding and demand that it moves out of London as a base. There has been a slight change to that proposal now. Do you think that it was correct to invite one of our major opera companies to relocate out of the capital?

Lucy Frazer: I will pick up where we are at the moment rather than focus on the past. The ENO has been awarded £11.46 million for 2023-24. You will know that it is in discussions with the Arts Council as to increased funding. It is able to get an additional £24 million, subject to the business case, which I know that it is discussing at the moment with the Arts Council. I think that process is going to run until mid-July. My Department has helped to convene those discussions.

The ENO obviously plays a critical role in ensuring that opera is available to everybody. I understand that in the revised arrangement it will still be able to operate from the Coliseum in London as well as doing work further afield in the north. I will continue to have discussions with ENO and ACE.

Q331 Jane Stevenson: This Committee questioned the Arts Council about the impact that a decision of that magnitude would have. With such a specialised area of culture, such as opera or classical music or, in some cases, theatre, do you accept that it is easier to move people to that place rather than trying to spread something? With that many performers and that many specialisms, it is impossible to give people in Wolverhampton, Cumbria or Cornwall the experience that a large-scale opera company can offer them. Isn't it easier to move people and give travel grants or to allow people access in a different way, or by education outreach or residencies? Do you think those kinds of decisions are slightly misguided?

Lucy Frazer: Look, a decision has been made. The position now is that the ENO has over £11 million of funding plus the possibility of getting the £24 million, which would put it in the same position in terms of funding that it was in before the decision was made, so it is very likely to have significant funding. We also have the Royal Opera House, which has got £22 million from the Arts Council. As I said at the outset, we must ensure that those institutions that are world renowned for creative excellence can continue to provide their creative excellence.

One of the things that people have talked to me about, which I am very much in favour of, is touring. When the National puts something on, it is important that that can be seen across the country. Sam Mendes said to me that there is a thrill that you get when you see something new and exciting for the first time. Theatres like the National can produce that sort of exciting work. I do think that the point that you make about other people travelling to it, or its travelling around, is an important one.

Q332 Jane Stevenson: Do you think that the Government need to have more capacity to intervene if the decisions of arm's length bodies seem



evidently strange or damaging to the arts as a whole? Would you like to intervene more than you currently can?

Lucy Frazer: Ministers will set, in this case, a strategic direction, and then the Arts Council is an arm's length body and it is right that it does its job in that way. But the Government have relationships with their arm's length bodies. I think, actually, that we need to formalise a little. I am not talking about the Arts Council but more broadly. We need to ensure that Government money is spent well. We give our arm's length bodies about £14 billion and we always need to ensure that Government money is spent well.

Q333 **Jane Stevenson:** In the new financial constraints post-pandemic, do you think that classical music and opera—things like the BBC Singers—are an easy target to be attacking or withdrawing funding from, not for you but for the Arts Council or other decision makers?

Lucy Frazer: Classical music in the round should be supported. I think, actually, that it is: 80% of ACE's investment in music went to orchestra, opera or other classical music. It is a misconception if there is a conception that ACE funding is not going to those areas. The number of orchestral music organisations funded by the ACE fund has increased to 23 from 19 in the last round. Again, the overall money went up to £21 million per annum from £19 million. It is a question of where it is going rather than the type of music that it is funding.

Q334 **Jane Stevenson:** I want to briefly touch on funding for museums and our cultural heritage in that direction. The British Museum has had a fair old chop from its funding. Do you think that that is valuing our nation's assets?

Lucy Frazer: The British Museum has not had any chop. Museums overall have had a 2% increase in funding and the British Museum has not had a decrease in funding.

Q335 **Jane Stevenson:** I have an £85.8 million decrease in funding for the British Museum.

Lucy Frazer: I think you are looking at a document from the House of Commons Library, which suggests that there has been a £85.8 million decrease in funding for the British Museum. I think that the Library is mistaken and that relates to the supplemental estimates that have been put forward. The British Museum has not had a decrease in funding from the Department.

Q336 **Jane Stevenson:** So museums are pretty well served on your watch.

Lucy Frazer: We have increased museums' funding by 2%.

Jane Stevenson: Okay. Apologies if our figures are skewed.

Ruth Hannant: The £85.8 million was the funding that the British Museum got in the supplementary estimate last year, reflecting its self-



financed income. It is the spend that it makes via its commercially generated income. In the supplementary estimate this year, museums will again ask us to make provision for that same spending. It is a timing thing. This relates to the museum's own funds, not the money that it is given by the Government. In the supplementary estimate for this coming year—the year that we are in—you will see a similar amount. We provide whatever the museums ask us to. That is the amount the British Museum requested and we will do the same this year.

Jane Stevenson: Thank you. So none of our museums should be feeling concerned.

Lucy Frazer: None of our museums should be unduly worried.

Q337 **Jane Stevenson:** Thank you. Let me ask a final question, which I asked a previous Secretary of State, about statues being covered up or vanishing. Should we keep them there, remove them or let them remain and educate people? What about contested heritage items? Are we going to see, on your watch, statues in docks and the Elgin marbles flying off to Athens?

Lucy Frazer: My position on controversial objects is that we should retain them and explain them. It is really important that we do not whitewash history. I don't think you learn if you just say, "Everything's okay; nothing to see here." It is really important that we explain decisions that we have made as a country and why we have made them, and that we educate people about that.

On sending things back to other countries, the position is that the trustees of a museum hold the decision on what to do with the objects under their care. There are some circumstances in which it is not legal for the trustees of a museum to return things. They can only return them in two circumstances, and we do not have any intention to change the law. But they can do things around the parameters of whether they return them or not. For example, they may wish to loan them or they may not be bound by that legal restriction and then it is a matter for them. That is the position.

Q338 **Jane Stevenson:** And that is the current position.

Lucy Frazer: That is the current position and that is the position that I maintain.

Q339 **Jane Stevenson:** And you don't have any desire to see that change.

Lucy Frazer: I do not have any desire to change the position at all.

Q340 **Dr Huq:** A small postscript to some of these questions about London versus the rest. Wasn't that funding formula a bit perverse when the Oldham Coliseum is going under? It is easy to characterise those as north versus south and big bad London scoops up all the money, but what happened there?



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Lucy Frazer: I don't think that is a right characterisation. A lot of money has gone to the north, but a third of the total portfolio, which is £143 million, still goes to London. In fact, 61 London organisations joined the portfolio for the first time. I cannot comment on a particular decision that was made about a particular thing in your constituency.

Q341 **Dr Huq:** No, in Oldham—in Greater Manchester. There is sometimes a bit of a suspicion that these are done on what are marginal seats and not. A lot of famous actors—Richard Briers and people like that—trained at the Oldham Coliseum. Anyway, it was under a previous Secretary of State and it is a funding round that is finished now.

You said that London did get some money. It is often said that you do not level up by levelling down London. There is also a thing about pitting not just regions, but areas within regions, against each other. Clive Efford's seat and mine are suburban London and they always feel like the losers to your opera houses and so on. In a future funding round, could outer London get something?

Lucy Frazer: I don't make the decisions about where ACE spends its money and that is not going to change.

Dr Huq: Well, just levelling up generally as a Government priority.

Lucy Frazer: As I have said a few times—I don't like repeating myself—it is really important that where we have creative excellence and we are world class, we maintain it while also ensuring that the money is distributed around the country.

Dr Huq: And that new, disruptive venues can also get something.

Lucy Frazer: Yes. We have talked about grassroots music, which is really important.

Q342 **Clive Efford:** We have made the point to previous Secretaries of State on this Committee—well, I certainly have—that London suffers from having the headquarters of a lot of artistic institutions, such as the Royal Opera House, the Royal Ballet and the London Coliseum, which detracts from the smaller grants that Rupa is talking about. We need to come up with a formula that does not lump all that in with London and say, "Look how much London gets." You need to disaggregate that somehow in order to be fair to those smaller organisations in London looking for arts funding.

Lucy Frazer: Looking at the figures, I don't think that is the case. The Royal Opera House gets £22 million, the Southbank gets £16 million and the National Theatre get £16 million, but London gets £143 million, so there is a significant chunk that is not going to those—

Clive Efford: My quick maths says that is half to those three institutions alone.



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Lucy Frazer: I don't think that is half. Anyway, it is still significant: tens of millions of pounds is going overall to London.

Q343 **Chair:** Secretary of State, I want to move on and talk about the media. Before I do, can I ask you about the new powers and wider remit of Ofcom? It will be taking on the Online Safety Bill measures, and it will be taking on responsibilities under the draft Media Bill. Are those responsibilities making it too large for one regulator?

Lucy Frazer: I don't think so. I have met Michael Grade twice and he has not suggested that that is a problem. Obviously, if there is a problem, I will be very happy to look at it together with the Secretary of State for DSIT.

Q344 **Chair:** This is now a regulator that effectively sits under three different Government Departments. How will the management of the relationship go with that?

Lucy Frazer: I hope very well. I hope that we will all work very well together to achieve good outcomes. To date there has not been any issue that I can identify. I have worked in a Department where I was responsible for the courts service, which answered both to the Department and to the judiciary. I just think you have to work these things through.

Q345 **Chair:** The Online Safety Bill, as you know, is a massive piece of legislation that is putting a huge amount of extra responsibility on Ofcom's shoulders. You don't have any fear that the media aspect of what Ofcom does will be in some way drowned out by the new online work.

Lucy Frazer: If it is then we need to address it, but that has not been raised with me as an issue so far.

Q346 **Chair:** So this is something that you would seek to address after it happened; you are not seeking to put in place any pre-emptive work.

Lucy Frazer: Well, if it is raised that this is likely to be an issue, then of course we will address it, whether that is with resource or in some other way.

Q347 **Chair:** Okay. What expectations should we have of a public service broadcaster in terms of safeguarding?

Lucy Frazer: If you are speaking in general terms about what is the responsibility, all employers have a responsibility to their employees in terms of safeguarding. That is not special to public service broadcasters. All employers have such a duty.

Q348 **Chair:** But public service broadcasters have a unique relationship with the Government. What should happen to broadcasters who fail to meet those basic standards of safeguarding?

Lucy Frazer: The relationship that public service broadcasters have with Government, which is regulated by Ofcom, as you say, relates to the



content of what they put out on their service. That is the governmental relationship. We have a number of public service broadcasters. Obviously, we have a very close relationship with the BBC, which has specific duties and responsibilities, which we hold it to account on and take very seriously. Then we have a range of public service broadcasters—Channel 4, ITV—that do not fall within the same category of relationship with the Government that the BBC does.

Q349 Chair: For full disclosure—you may have read it in the papers—we have the boss of ITV in front of our Committee next Wednesday. What conversations have you had with her about its recent troubles?

Lucy Frazer: She has written to me and I have responded to her on that. I know that she is coming before your Committee. I also know, and this is really important—we talked about the responsibility of various sectors—that the creative industries take the responsibility of employment, bullying, harassment and discrimination particularly seriously. That is being looked at by Caroline Norbury on behalf of the creative industries; she is putting together a number of measures. That work has been ongoing for some time. In fact, I think you were responsible, Chair, for setting that committee up. It is an important committee that is doing work to ensure that there are safe practices, that employers sign up to codes of conduct, and a number of other matters to make sure that they are taking their responsibilities as employers very seriously.

I understand they plan to have a consultation over summer to gather views on the funding structure governance, with the aim of having a particular programme in place by early 2024. That is not something that has arisen as a result of what I think you are referring to. This is ongoing work by the creative industries sector.

Q350 Chair: We know that across the creative industries there are various concerns about how incidents of sexual harassment and inappropriate sexual behaviour have been dealt with over the years, so that committee is very important and its work is crucial.

Going back to the circumstances that ITV has been dealing with over the last few weeks, what is the most concerning part of that for you, Secretary of State?

Lucy Frazer: I don't think it is appropriate for me to go into a particular incident. In its letter to me and to you, ITV made us both aware that it had instructed a silk to look into establishing the facts. I wrote back to identify that I look forward to understanding the detail of that review and its timing. When I see that, I will consider it very carefully. I do not think it is appropriate at this stage to talk about a particular instance but, as I said, it is important that all companies—whether they are public service broadcasters or purely private companies that have no relationship with Government—have a responsibility to the people who work within them.



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Q351 **Chair:** Briefly before we move on from that, if you were me, sitting in this chair next week with the boss of ITV in front of our Committee, what is the first question that you would ask her?

Lucy Frazer: That is a question for you and not for me. I shall ask her my own questions when I see her.

Q352 **Steve Brine:** You must have views on this. We all have views on it. The more that I have seen that story in the last week, the more I like Phillip Schofield and the less I like everybody else involved. Do you think everybody is being kind?

Lucy Frazer: As I said, it is important that the KC who has been instructed is allowed to establish the facts. When the facts have been established I will consider the report, which I am sure will be sent to me.

Q353 **Steve Brine:** Do you think that ITV has had a good two weeks? Do you think that it has had a good fortnight?

Lucy Frazer: There is an obvious answer to that question but I am not sure where it takes us.

Steve Brine: Your opinion?

Lucy Frazer: I think I have been really clear. There is an incident that has happened. I am very pleased that ITV is taking it seriously. I am very pleased that it wrote to me and to the Committee. I am very pleased that it has appointed a KC to investigate the position. In its letter to me, it said that there were some facts that were not true and that is what it wanted to establish—

Steve Brine: We have seen the same.

Lucy Frazer: It is really important that we establish the facts. I do think there is a broader issue, and I know that the Committee is interested in that. I think that broader issue is being considered; it is something that is being considered by the committee that I mentioned. Over the course of the last year and even before that, it has taken this issue very seriously. As I have mentioned a few times, I will be setting out the creative industries sector vision. Within that, we will be highlighting the importance of dealing with matters such as these.

Chair: Secretary of State, you will be delighted that, having talked about ITV, we are now going to talk about the BBC.

Q354 **John Nicolson:** Good afternoon, Secretary of State and Ms Hannant. Thank you for joining us. Secretary of State, you are the seventh Secretary of State I have had the pleasure of sitting opposite since I joined the Committee. Some have lasted more than 10 or 11 months, at a stretch—all saying that it is their dream job, before they get whisked off in a reshuffle.

Could we look at the BBC and the disaster that was Richard Sharp, the



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disaster that was the appointments process, and the ongoing pain as he was slowly dragged out of Broadcasting House backwards with his fingernails digging into the tiles, not wanting to leave? What are the lessons to learn from that whole appointment process and how badly it went?

Lucy Frazer: I am not sure that I agree with your characterisation, John—

John Nicolson: He certainly didn't want to go.

Lucy Frazer: —with the colour. What I am looking at is the next appointment. That is where my focus is. You will have seen that I have appointed Dame Elan Closs Stephens to be the interim chair. She will take up that post on 27 June. My focus now is on ensuring that we follow the process in the charter. It is set out. I am repeatedly asked whether I am going to do this, that and the other.

Q355 **John Nicolson:** Did you follow the process last time?

Lucy Frazer: As you have highlighted, I was not in post last time.

Q356 **John Nicolson:** No, I mean collectively as a Government. Did you not follow the process last time?

Lucy Frazer: There is a report by another KC into the process that was followed. You will have seen that it was stated that my Department did follow the process. It was also stated that there were some minor errors, which we are addressing.

Q357 **John Nicolson:** Every Government Department and all of us, in life, want to learn from our mistakes. Clearly Mr Sharp was a mistake; that is obvious. What were the mistakes that led to his appointment and how can they be avoided next time around?

Lucy Frazer: The process that I am following at the moment is set—

Q358 **John Nicolson:** I mean looking back, previously. What were the problems? You must have looked at his appointment—the mistakes that were made—and worked out that you do not want to repeat those mistakes. I am interested in knowing what the mistakes are so that we know what they are collectively.

Lucy Frazer: I have read the report that the KC put forward. If you want to understand what he says, you might also want to read it, but he says that DCMS followed the process and followed it well. There were a few minor errors—I think we referred to something that was out of date. We will obviously not make those minor errors again. He sets out a wider process and there are some recommendations for the Cabinet Office, and the Government will be responding to those as well.

Q359 **John Nicolson:** Do you think it might be an idea in the future to have a chair of the BBC who knows something about broadcasting, as a general



principle?

Lucy Frazer: Let me tell you what I am going to do as Secretary of State. I am going to set out the process in the charter. There will be a fair and open competition. The process in the charter says that the governance code on public appointments applies. I will be following that. I will make sure that there is the broadest field possible and I will be recommending the appointment of the best possible person to the job.

Q360 **John Nicolson:** Do you think that it is a mistake to give plum public service jobs to folk who give your party large amounts of money?

Lucy Frazer: I will be appointing the best person to the job and I will not be taking into account their political persuasions one way or the other.

John Nicolson: Really?

Lucy Frazer: I will be making sure that we appoint the best person to the job.

Q361 **John Nicolson:** You will know, of course, that Mr Sharp applied for a job previously and was not interviewed. Then he gave several hundred thousand pounds to the Conservative party and, lo and behold, he became the chair of the BBC. I have made the point before—it is the Mrs Merton point: what was the possible difference between the first unsuccessful application and the post-multi-hundred-thousand-pound donation application? People outside this country look at this and they really think it is shoddy, the idea that you can give hundreds of thousands of pounds to a political party and end up getting a plum public service job, even if—as in the case of Mr Sharp—you have no experience whatsoever of broadcasting.

Lucy Frazer: I was not aware of the fact that you have just identified, so I do not know whether it is accurate or not.

John Nicolson: The thing about the donation or the lack of experience?

Lucy Frazer: That he applied for a job that he didn't get. I was not involved in the process so I cannot answer a point on that. I can say that I have only met Richard Sharp in person once. I have spoken to him on the phone in addition to that, since I have been appointed as Secretary of State. That in-person meeting took place after he resigned, and he shared his thoughts with me about the direction of the BBC. I thought that he came over as very knowledgeable about the matters that he was talking about. I spoke to the BBC board about him before he resigned and I can assure you that the BBC board holds him in the highest of regards.

Q362 **John Nicolson:** Some do and some don't. I am sure that he is a perfectly nice guy; he is certainly confident—until he gets cross, when he tends to bang the table a bit. But he is confident. That is why he moves from one plum job to another.



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I notice that you are not ruling out giving the job in the future to somebody who gives a lot of money to your party. Going forward, I think it would be a good idea if Labour and the Conservatives both said that they will never give plum public service jobs to people who give large amounts to their respective parties. It would clean up public service appointments and lead to a much healthier system. The problem at the moment is that when Labour criticise you, you say, in the Conservatives, "Well, you did the same," and you end up with a stalemate. I do not think that helps to get a broad cross-section of able candidates. It becomes a very small talent pool. That is what we saw, alas, with that appointment.

Your predecessor said a number of times that this Committee had endorsed Mr Sharp and therefore we bore some responsibility. To put it on record, this Committee did not have the available information about him when we endorsed him and therefore that is an unfair thing to say about us. Often we do not get the chance to respond when Cabinet Ministers say that, so let's put that on the record.

Lucy Frazer: Before you go on—I don't think you asked me a question, but I think it is important that I respond to you on the point that you made. The BBC is an excellent institution that we should be proud of. We have talked about soft power this afternoon. The BBC is part of that. It is really important that we get the best person for the job, whatever else. It is inappropriate to disqualify people from public office because they happen to be interested in political life.

Q363 **John Nicolson:** Absolutely. You should be interested in political life, but you are conflating two things: being interested in political life—a good thing—and giving hundreds of thousands of pounds to a political party. That may be a good thing; it may be not a good thing, but it obviously runs the danger of clouding the judgment of the Prime Minister who then makes the appointment.

Would you like to see a broader social demographic when it comes to choosing the chair of the BBC? We often see appointments appear before us at this Committee for us to rubber-stamp—because we can never reject them—and they tend to be very samey. It would be good, wouldn't it, to be getting more people from a broader range of backgrounds?

Lucy Frazer: Definitely. You might have heard me say, when I went through what I was aiming to do, that I would like the broadest possible field. I would like everyone to consider whether they are suitable to be appointed, if they have the appropriate qualifications and experience, whatever their background and whatever else about them.

Q364 **John Nicolson:** Could I touch on the question about ITV and the stooshie that we are seeing there? I know it has been covered before, I realise the controversy and I realise that you are cautious about what you say, but I have had a lot of people contacting me who are concerned about bullying in the workplace. How do you feel about the issue of bullying in the workplace and, as a Minister, what can you do to help



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people who perhaps feel that they are voiceless when it comes to their employers—particularly in television, since that is your responsibility?

Lucy Frazer: As I stressed before, it is really important that we ensure that employers take their responsibilities for these issues very seriously. I think I have identified that the creative industries, which include TV, obviously, are taking this issue very seriously, in terms of putting forward strategies and identifying good practices. These organisations are now putting in place codes of conduct, support hotlines and safe spaces for people. As I understand it, all sub-sectors have established and published codes of conduct, and collated and published information on training, and they are going further, which I welcome.

Q365 **John Nicolson:** This is great in theory, of course, but I wonder how you felt—I raised this with the ITV executive who was here earlier—when you turned on the telly, just as a viewer, and saw the editor of this particular programme, when asked about bullying in the workplace, start talking about aubergines. As a viewer and, as you have said, as somebody concerned about bullying in the workplace, did that make you as uncomfortable as it made me?

Lucy Frazer: I think you put that to Magnus Brooke, and—

John Nicolson: Yes, I did.

Lucy Frazer: I think he said that it was inappropriate.

John Nicolson: And you would endorse that.

Lucy Frazer: Well, this is an internal matter with relation to ITV, and you have ITV's very clear comments on it.

Q366 **John Nicolson:** May I turn to Scotland? I think you have had a meeting with your opposite number, Angus Robertson, which I understand went well; apparently you had lots to talk about and there were issues that you agreed upon, which is always good in the cultural sector. Can I find out where you have taken those issues subsequently? Could you update us on your working relationship with the Scottish Government and, in particular, the issues of agreement with the Scottish Culture Secretary?

Lucy Frazer: I had a very good meeting with Angus Robertson. We discussed a range of matters. We will be setting up an inter-ministerial devolved Administrations committee, and I look forward to working very closely with him and the other devolved Administrations. As you know, culture is devolved but it is very important to ensure that we work together and share best practice.

Q367 **John Nicolson:** Is there anything from the meeting that you are taking forward and working on that you think is important and worth sharing?

Lucy Frazer: I will be taking forward everything that we discussed in the meeting.



John Nicolson: That's a bit general.

Lucy Frazer: In general.

John Nicolson: I said, "That is a bit general."

Lucy Frazer: Oh—that is general. You are right.

John Nicolson: There is nothing specific you want to remind us of.

Lucy Frazer: We had the meeting a number of weeks ago and I have been involved in a range of matters since then. I know we will be taking them all forward because I do ask my officials to follow up, but if you want to raise anything specific with me, I will be very happy to deal with it.

Q368 **John Nicolson:** Well, yes. I liked your answer, "I'm taking forward what we're taking forward." I think that was well put.

Just to remind you, I think one of the things that you talked about was the way in which cuts in cultural budgets cross-border could perhaps be resisted. Obviously, you have common cause against Treasuries in both countries that want to cut budgets, and obviously, the sector in both countries is crying out for more spending, as my colleague here has pointed out. I think that was one of the issues that you covered with Angus Robertson.

Lucy Frazer: I am very pleased that, although the Scottish Government didn't fund the Fringe in Scotland, we did.

John Nicolson: I'm sorry? The Scottish Government—

Lucy Frazer: Didn't fund the Fringe in Scotland. But at the Budget, the UK Government did. I am very pleased about that. You mentioned cuts, so I am talking about funding.

Q369 **John Nicolson:** Absolutely—as much funding from as many sources as possible for the Fringe is excellent.

One final question, picking up on the issue of statues, which I am interested in. I think your position is different from one of your predecessors, Oliver Dowden. I agree with you that keeping statues in situ, learning from history and contextualising is exactly the right thing to do. The Museum of the Home in London wanted to do precisely that after a public consultation. It was a quite recent statue; it was not contemporary with the building. It wanted to bring the statue indoors, as the British Museum has done, and contextualise it, after a consultation. Mr Dowden said if it did that, he would cut some of its budget as a punishment. Obviously, the director of the Museum of the Home was deeply unhappy about that because she felt that the local people who had expressed an opinion should be listened to. Clearly, you disagree with that—local people should have a voice and statues should be contextualised.



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Lucy Frazer: I am not expressing an opinion on a decision that predated me and about which I do not have all the facts. But as a general principle, I have set out that I do think it is important to retain and explain. I should say that I have visited that museum and I think it is excellent.

John Nicolson: Good. I am glad, because I think that is an improved position. Of course, in Scotland, as in Wales, Secretaries of State are not allowed to pressurise museum directors into decisions that they take. That is entirely an independent operational matter for both countries. Thank you.

Q370 **Julie Elliott:** Welcome, Secretary of State. I have a quick question. I want to go back to something you said about Richard Sharp to make sure that I heard what you said correctly. Richard Sharp is a man who has been completely discredited in this area. You said that you had met with him after he resigned and had his input on what happens next at the BBC. Is that really what you said?

Lucy Frazer: That is correct. He is currently the chair of the BBC, and I—

Q371 **Julie Elliott:** Do you think that is wise?

Lucy Frazer: He is currently the chair of the BBC and I welcome the experience that he has had. I speak to a range of people because I think it is really important—

Julie Elliott: But—

Lucy Frazer: Shall I just finish what I am saying?

Q372 **Julie Elliott:** But do you think that speaking to a man who has not told the truth to this Committee—did not expand on the truth at all—and has been completely discredited in everybody's view, and asking for his input on the future of the BBC is an appropriate thing for the Secretary of State to do?

Lucy Frazer: I think it is really important for the Secretary of State in any Department to liaise with important people who hold office within either the ALBs that report to the Department or the BBC, which has a relationship with the Department, and Richard Sharp is currently the chair of the BBC.

Q373 **Julie Elliott:** A completely discredited person who did not tell the truth to this Committee and was not open and frank with this Committee—or anybody else, for that matter. As Secretary of State, you think it is appropriate to take into account his view of what happens next to the BBC when he has caused absolute chaos for the BBC, if we are being honest. It is a simple question. You clearly think that is appropriate.

Lucy Frazer: I asked Richard Sharp his views on the BBC. He has been the chair of the BBC for some time, he has experience of the BBC, and I think it is really valuable to hear what that experience is.



Julie Elliott: I will take that as a yes. Thank you.

Q374 **Simon Jupp:** For the record, I think it is quite a good idea to have an exit interview with the current BBC chair after the experience that he has gained in that role.

I want to focus on the BBC too. I also want to make it very clear, before I begin my questioning, that I am a former employee of the BBC.

The mid-term review was launched last May and said that it wanted to resolve and conclude at pace, within 12 months. When will it be published?

Lucy Frazer: It will be published by the deadline. We have to do it by early 2024 and we will have done it before then.

Q375 **Simon Jupp:** Is there anything that you want to tell us about that process so far? Obviously, since that process began, we have gone through several Secretaries of State and a fair bit of turmoil. As it stands, is it progressing at the pace you would want?

Lucy Frazer: It is progressing. So far we have liaised with and taken evidence from a number of stakeholders. We are now consulting on those recommendations with the BBC, Ofcom and the devolved Administrations.

Q376 **Simon Jupp:** A key question, then, which obviously goes into the mid-term review and looking at everything to do with the BBC: in your view, Secretary of State, is the BBC biased?

Lucy Frazer: I think that the BBC on occasion is biased, yes.

Q377 **Simon Jupp:** Can you give me an example of why you think that?

Lucy Frazer: I am not going to give any specific examples of bias but there are often complaints about the BBC, some of which have been taken up by Ofcom and have been shown to be bias. I think that it is really important that the BBC takes its responsibility for editorial standards and impartiality very seriously. We mentioned 10-point plans before, and the BBC has a 10-point plan in relation to this. I think Tim Davie takes that responsibility very seriously and I think that we should ensure that the BBC, as a public service broadcaster and an organisation that is meant to provide impartial news to the public, fulfils that duty. I think that, unfortunately, it does not always get that right.

Q378 **Simon Jupp:** How much interest are you taking in the BBC's social media guidelines review? We know that ITV has had a dodgy two weeks but, in the last couple of months, the BBC has also come under fire for having a split approach to social media. We know that the review will look at whether the guidelines apply to staff and stars. Should the same guidelines on social media apply to a journalist working in the newsroom and to someone who used to be a footballer?



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Lucy Frazer: I suspect that there will be different views in this room about the answer to that question, and I am really pleased that the BBC is doing its own report on it. I will await the outcome of that report.

Q379 **Simon Jupp:** Do you have a view?

Lucy Frazer: I have lots of views, but I am going to await the outcome of that report.

Q380 **Simon Jupp:** I would be delighted to hear them, Secretary of State. I think that it somewhat jars among BBC staff that a high-profile star on its programming could tweet something quite so controversial as Gary Lineker did and yet seem to get away with it, whereas if I, as a BBC staff member, had tweeted something similar—I would not, by the way, because it was nonsense—I would have been hauled over the coals. That is not fair, is it?

Lucy Frazer: The BBC is looking into this and I will await its report.

Simon Jupp: I look forward to quizzing you next time, when the report is out.

Lucy Frazer: I very much look forward to answering your questions, Simon.

Q381 **Simon Jupp:** You were recently on the Laura Kuenssberg programme on Sunday morning, and you stated that the licence fee is not the only way to fund the BBC. What are the other ways of funding the BBC that would protect something that we should be proud of, as you have said today?

Lucy Frazer: I am pleased you listen to Laura Kuenssberg.

Simon Jupp: Every Sunday.

Lucy Frazer: The licence fee is not the only way to fund it. One issue facing the BBC is that the number of households with a TV licence has fallen by 1.2 million since 2017-18. Not only are there a number of ways, but there is an issue with how much the licence fee can and does raise. If you had listened to the whole of the Laura Kuenssberg show, Simon, you would also know that I said that I was not going to get into all the different ways and that we were looking at this in the Department. We are looking at issues around the future sustainability of the BBC. I will be very happy to come back to this Committee and discuss it at an appropriate time when we are further forward.

Q382 **Simon Jupp:** A previous Secretary of State basically signalled the end of the BBC licence fee. Can you see that happening during your tenure in your position?

Lucy Frazer: This is the third previous Secretary of State you have quoted back at me.

Simon Jupp: We have had quite a few. I really hope you do stay, for the



record.

Lucy Frazer: As I have mentioned, there are issues about the future sustainability of the BBC. My Department is looking at those issues. There are a number of ways of funding the BBC. The licence fee is one of them but there are others. I think I mentioned on the Kuenssberg show that you could look at a variety of measures to fund the BBC at the same time. I am happy to come back and discuss this in more detail when we are further forward.

Q383 **Simon Jupp:** I am asking you for your opinion. You wouldn't put yourself in the view of the "defund the BBC" brigade.

Lucy Frazer: I am definitely not in the defund—well, I am definitely in favour of a vibrant BBC. How that is funded is something that we need to look into very carefully. I am happy to come back and discuss that. I am definitely a supporter of the BBC and the content it produces, but it does need to understand its duties in relation to impartiality.

Q384 **Simon Jupp:** Understood. Moving a little bit closer to home, your local radio station, BBC Radio Cambridgeshire, is about to undergo quite significant changes to its output because the BBC is slashing local radio programming across England, going regional after 2 pm in many cases. Are you disappointed by this?

Lucy Frazer: Yes, I am disappointed. I think a lot of MPs are disappointed by the cuts. I think the BBC has heard that MPs are disappointed, but of course the BBC is operationally independent so I cannot tell the BBC what it should and should not be doing. But I think it has heard various Members of Parliament's disappointment with those decisions.

Q385 **Simon Jupp:** We have just been discussing how some people don't see the point in the licence fee and don't see the point in the BBC. These decisions about BBC local radio strike at the heart of the services closest to the communities that pay for them. I am sure you fed back about the changes to BBC Radio Cambridgeshire, but BBC Radio Devon, BBC Radio Cornwall and other stations are undergoing the same level of cuts. The BBC surely has a role to play in protecting that unique part of its operating remit: local services—local radio, local television; stuff that the commercial has largely left behind.

Lucy Frazer: Yes, and as I said, I think the BBC understands the disappointment. I have mentioned to the director-general that MPs have raised their disappointment about the cuts and that these are valued services. What the BBC is providing, what services it is cutting and the role it is playing—and the role it is playing vis-à-vis other services, in terms of competitiveness—are issues that Ofcom can look at.

Chair: We will move on to sport, because we are running out of time.

Q386 **Julie Elliott:** Thank you again for coming in, Secretary of State. As the



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longest serving member of this Committee, I have had so many Secretaries of State in front of me that I have lost count of them—but we move on to football. The football White Paper has happened. There is relatively little time left in this Parliament. When will you be bringing forward the Bill?

Lucy Frazer: As soon as parliamentary time allows.

Julie Elliott: When is that?

Lucy Frazer: As soon as parliamentary time allows. Actually, this was the first thing I did as Secretary of State. I think it was two weeks—it could have been three weeks—into the job that we published the White Paper. It is a priority for me. It is a priority for the Government. We are working on it very closely. We have already had extensive consultation with the football authorities, supporters' groups and football clubs to discuss the White Paper. We have had multiple roundtables with experts. We have liaised with UEFA. We have had two roundtables—maybe three now—with MPs to discuss the proposals. We are planning to get the consultation response in before the summer.

Q387 **Julie Elliott:** Before the summer. Have you considered whether you will set up a non-statutory regulator in the meantime, while we are waiting for the whole thing to be done?

Lucy Frazer: We want to work at pace to put the regulator in place.

Q388 **Julie Elliott:** I want to move on quickly to women's football. We have the women's World cup this summer—in a matter of weeks now, starting on 20 July—yet there is still no agreement on a TV rights deal for us to be able to see the Lionesses play in the World cup. I know you, along with equivalent Ministers in a number of European countries, wrote to FIFA about this. Where do think that is? Is time running out on it?

Lucy Frazer: As you highlighted, it is really important that these matches are broadcast. With the women's Euros, we saw a huge splurge of support for women's football. Unfortunately, there is a disparity between men and women playing sport and being active, so seeing things like that is not only important for the professional game and for supporting our team, but vital for getting women involved in sport. As you mentioned, Julie, with my counterparts in other European countries, I wrote to stress the importance of the relevant parties coming to a deal. I hope they will.

Q389 **Julie Elliott:** Do you think we are any closer to that deal?

Lucy Frazer: I am not involved in the minutiae of the negotiations. All I can do is put pressure, and I hope that they come to an arrangement.

Q390 **Julie Elliott:** When should we expect the review into women's football governance to report?

Lucy Frazer: I think that is before the summer as well.



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Julie Elliott: Could you be more specific?

Lucy Frazer: I think it will be before the recess.

Julie Elliott: Ruth Hannant is nodding. Before recess?

Ruth Hannant: Yes.

Julie Elliott: That is more specific than we have had so far, so thank you.

Q391 **Clive Efford:** Very briefly, before I come to questions about football, you say you think the BBC is biased but you have not given an example. If you are going to make a statement like that, you have to back it up.

Lucy Frazer: Well, I think it has been found—that is what I said. I said it has been biased, and it has been found to have been biased on—

Q392 **Clive Efford:** Where? I just did a quick google, and I came up with criticism of the BBC for unquestioningly broadcasting something that Ruth Davidson said about bias in Scotland—nothing about bias in the other direction. I don't understand—

Lucy Frazer: I didn't say which way it had been biased, nor did I point to any particular part of the country.

Q393 **Clive Efford:** Okay, so what is the bias that you are talking about?

Lucy Frazer: I don't think this is the forum for me to go into the particular details of—

Q394 **Clive Efford:** Where else would you go into it?

Lucy Frazer: If I think the BBC has been biased and I want to raise it with them, I will speak to the director-general about it.

Q395 **Clive Efford:** You don't think you should be publicly accountable to this Committee for your views on the BBC.

Lucy Frazer: I think I have been really clear about my views on the BBC. I am happy to restate them if you would like me to. The BBC is a fantastic institution, which I support, and it is a huge provider of our soft power. I back them. I have said that in two speeches I have made publicly so far.

Q396 **Clive Efford:** But you think they are biased and you are not prepared to say how.

Lucy Frazer: At the moment, we are doing a mid-term review into five things, one of which is impartiality and another of which is complaints. We will look at the governance around those things and a number of others, including competition and transparency. Those are the things that we are looking at in the mid-term review. I will be very happy to report to the Committee on how that review progresses.



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Q397 **Clive Efford:** I will look forward to questioning you again on that. Going back to football, since the fan-led review, a number of things have happened in football. In the White Paper, the football regulator is looking more like a financial regulator of football. What lessons do you think need to be learned from the example of Manchester City?

Lucy Frazer: You are right to highlight that the powers of the regulator are going to be—it will be a licensing system modelled on the FCA. This is about financial sustainability. That is what the regulator will be focusing on.

Q398 **Clive Efford:** Are you happy with the way the Premier League handled the Man City case?

Lucy Frazer: Well, there is an ongoing investigation in relation to Man City.

Q399 **Clive Efford:** Okay. There are issues throughout the football pyramid, which are highlighted, I suppose, by Wigan Athletic and Reading, both of which have had financial difficulties. What do you think was behind those clubs getting into financial difficulties?

Lucy Frazer: There is a whole range of different reasons. A number of clubs are in financial difficulty at the moment, and there is a range of reasons. Some clubs have issues with their chairman or owner being found guilty of fraud. Others are facing a misconduct charge because they have not paid their staff—that is Wigan. There is a range of issues in football. The reason that we brought forward the White Paper, and the reason that we are bringing forward legislation, is to ensure that clubs like these and others have financial sustainability going forward, that their directors pass the fit and proper test, and that the owners have proper sources of income.

Q400 **Clive Efford:** You are right that there is a variety of reasons why clubs get into financial difficulties. Virtually all the clubs in the Championship have been in financial difficulties at some time. None the less, what distorts the bid to get into the Premier League, which is what everyone in the Championship wants to do, is the fact that there are clubs in the Championship that benefit from parachute payments. This is a bone of contention between the Premier League and the English Football League. The football league calls them “trampoline payments” rather than “parachute payments” because, over the last four seasons, two of the clubs that have gone back up are clubs that are in receipt of parachute payments. It is really distorting the competition in the Championship and I think they are right to highlight it. What is your view?

Lucy Frazer: I know this is a really important issue for the EFL. I also understand the Premier League’s position in relation to ensuring that clubs that are relegated maintain financial stability. The EFL and the Premier League are talking about how the Premier League can support the clubs in the EFL. I understand the arguments very clearly, because I



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was talking to both of them yesterday. I hope they reach a resolution on money coming through the pyramid.

Q401 **Clive Efford:** So your position is that it is up to them to sort it out. You have not expressed a view one way or the other to either of them.

Lucy Frazer: Well, I express lots of views to them, both together and individually, but my position is that we have said that this is a question for football to sort out. I hope that the EFL and the Premier League can come to some arrangement. We have been very clear from the outset that if they do not, the Government will step in. We have talked about this in a number of contexts before. I hope that football sorts it out; it is for the industry to sort out the issues within it. If it does not, we have said that, as a backstop, the regulator can step in, but I have encouraged them in very strong terms to come to some arrangement between themselves.

Q402 **Clive Efford:** Could you clarify that? You said two things there. You said at first that the Government will step in and then you said—

Lucy Frazer: The regulator.

Clive Efford: You mean the regulator, yes. I thought that was what you meant.

Lucy Frazer: I mean the regulator.

Q403 **Clive Efford:** By the time we have set up the regulator, we could be two or three seasons down the line before it gets resolved, yet clearly it is creating financial difficulties and this distortion now.

Lucy Frazer: It is in the interests of both EFL and the Premier League to come to an agreement as soon as possible.

Q404 **Clive Efford:** Okay. I don't think I am going to get any further on that, so can I move on to cricket? The Government agreed with this Committee's recommendations in our report on racism in the game of cricket. One of those recommendations was "that the Government ensures that any future public funds for cricket are dependent on continuous, demonstrable progress in getting rid of racism in both the dressing rooms and on the stands." As it stands, they have a botched disciplinary process and heaven knows what is happening with their independent commission for equity in cricket. Isn't it time we had question marks about public funding for cricket?

Lucy Frazer: Can I say at the outset that there is no place for racism anywhere, including cricket? You mentioned the independent commission and I understand it will soon be publishing its report. There is an issue about withdrawing public funding in that ECB public funding does not go into the elite sport; it goes into the grassroots sport. If we withdraw public funding, we will just be cutting off grassroots sport. I talked before with Steve about the importance of grassroots music; grassroots sport is also important. The UK Sport and Sport England code sets out



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requirements for sports organisations to have diversity and inclusion action plans in place, and all public funding is linked to sports bodies that align with the code.

Q405 Clive Efford: I agree with what you are saying about grassroots cricket but they cannot live behind that forever. You are confident that the independent commission will report soon and that there will be conclusions that will take this matter forward.

Lucy Frazer: It will report soon. I am not privy to what is in the report, but it will be reporting soon. When I see the ECB—I am looking forward to going to the Ashes—I will be raising it with them.

Q406 Clive Efford: One other issue: did you have any dealings with the counter-disinformation unit in your time as Secretary of State, and can you confirm that the Government engage companies that use artificial intelligence to scour people's social media accounts?

Lucy Frazer: The position is that the disinformation unit sits in DSIT, so I have had no dealings with the—

Clive Efford: So when you took over as Secretary of State—

Lucy Frazer: When I took over, that was part of the machinery of government changes; it went to DSIT.

Q407 Clive Efford: Ruth, did you have any dealings with it in your time?

Ruth Hannant: No, I didn't. It wasn't part of my part of the Department, I am afraid.

Q408 Clive Efford: But in your position in Government, are you aware of any other unit that carries out similar sorts of investigations to the counter-disinformation unit—searching out people's social media accounts and finding out whether they oppose Government policy or what information they are disseminating? Is there any other unit, apart from the CDU?

Ruth Hannant: I think those are questions mainly for DSIT to answer, but as far as I am aware from conversations with colleagues in DSIT, the unit has never tracked the activity of individuals—

Q409 Clive Efford: Are you reading that answer?

Ruth Hannant: I am, yes, because I've got—

Q410 Clive Efford: You prepared an answer about the CDU before you came here.

Ruth Hannant: Absolutely. It is one of the areas that I think it is important that we across Government are on, so absolutely.

Q411 Clive Efford: So you have dealt with the CDU.

Ruth Hannant: My colleagues from the digital and media part of DCMS, as was, included the counter-disinformation unit, but that transferred to



DSIT as part of the machinery of government changes. Personally, I did not have dealings with the CDU because I was responsible for the other part of the Department.

Q412 **Clive Efford:** Right, but within the machinery of government, are you aware of any other unit other than the CDU that carries out that sort of investigative work?

Ruth Hannant: I personally am not aware, no.

Q413 **Clive Efford:** The reason I ask—let me explain—is that Mr Dan Kaszeta, a defence expert, was disinvited from the chemical weapons demilitarisation conference, an area in which he is an expert, because of his social media account. He was told that they had checked his social media account and it had criticised Government officials and policy. That goes beyond what we have been told in the past about what the CDU exists for. If there is no other unit carrying out that sort of investigation, the CDU must have been the reason why this man was disinvited from the conference, mustn't it?

Ruth Hannant: I would not be able to comment on that because I don't know the specifics, I am afraid.

Clive Efford: Okay. Thank you.

Q414 **Damian Green:** I want to ask one question about rugby but, before that, just to illustrate a football regulation problem. We have idly been talking about Wigan and Reading having problems in the Championship. As far as I can see as an outsider, Wigan's problem was that it was not paying the wages, which is why they it has had its latest fine. So it was short of money.

Reading—I speak as a season-ticket holder, so I should declare an interest—has an owner who, over a period of years, broke all the financial fair play regulations and spent all the money on inadequate players and managers. It is an interesting challenge for the regulator: this ownership regime certainly has enough money but broke the rules. There is a range of problems that the regulator will have to deal with. I think one of the issues for you will be to ensure that the regulator has a full set of powers and capacity to deal with things other than just people coming into asset-strip or something like that. There are owners whom people can have views about—to put it politely—who do have the financial resources to do things, so the FCA analogy does not quite work.

Anyway, the one last sport that we have not discussed while going through this parade of regulatory issues is rugby. We have seen that elite club rugby, in particular, is a shambles. We have had three of the top teams in the country all but collapse in the course of one season. Is the Department doing anything about it? This is clearly a huge regulatory failure.

Lucy Frazer: Yes, it is. We recently—I think on Saturday—appointed Chris Pilling and Ralph Rimmer, two independent experts, both with



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considerable expertise, to work with the Government, the RFU and the rugby premier league to find a sustainable way forward for the finances of rugby union as a whole, recognising that we are now down to 10 clubs and that is a critical stage for rugby.

Q415 **Damian Green:** What powers do they have? Can they order the RFU to do things in a different way?

Lucy Frazer: I think that, rather than ordering them to do anything, they will be working with them to try to find a suitable and sustainable way forward.

Q416 **Damian Green:** How long have they got?

Lucy Frazer: We have appointed them for two months and they will report by the end of July.

Chair: Thank you both so much for your time and all your answers this afternoon. It has been a great pleasure to spend these hours with you. We are grateful for your attendance this afternoon.