

# Digital, Culture, Media and Sport Committee

## Oral evidence: The future of Public Service Broadcasting, HC 156

Tuesday 15 December 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Alex Davies-Jones; Clive Efford; Damian Green; Damian Hinds; John Nicolson; Giles Watling; Heather Wheeler.

Questions 632 - 776

### Witnesses

**I:** Dame Melanie Dawes, Chief Executive, Ofcom; and Kevin Bakhurst, Executive Director of Broadcasting and Online Content, Ofcom.

**II:** Rt Hon John Whittingdale OBE MP, Minister for Media and Data, Department for Digital, Culture, Media and Sport.



## Examination of Witnesses

Witnesses: Dame Melanie Dawes and Kevin Bakhurst.

Q632 **Chair:** This is the Digital, Culture, Media and Sport Select Committee's final hearing into public service broadcasting. Today we will be joined in our first session by Dame Melanie Dawes, chief executive of Ofcom, and Kevin Bakhurst, executive director of broadcasting and online content at Ofcom. Before Kevin Brennan puts the first question, I will go round the Committee to see if members wish to declare any interests. I declare that I was an employee of BBC News from 2002 to 2007 and I am a member of the BBC pension scheme, although, despite appearances, I am not yet in receipt of payment. Giles Watling will declare later. Does anyone else wish to declare anything? No.

**Kevin Brennan:** Dame Melanie, you appeared before us in June. We talked about prominence then and I asked you what you thought. You said it was vital for public service broadcasters. What has happened in the six months since then?

**Dame Melanie Dawes:** Thank you for inviting us today. We have concluded our research, or at least the first phase of our work on public service broadcasting. You will have seen from our work last week that we think the good news is that people still value what they get from the public service broadcasters, but the challenge is that we cannot rely on it continuing to be there in the future unless we make some changes to the underlying regulatory regime. That certainly includes prominences. We also highlight a number of other aspects in the report and we will do some more work on that.

Q633 **Kevin Brennan:** I am sure there will be some more questions on other areas, but I want to explore prominence with you first this morning.

Nothing has happened on prominence, has it, in the last six months? We had good news yesterday that S4C, Sianel Pedwar Cymru, the Welsh-language public service broadcaster, will be at number 104 on the electronic programming guide for Virgin. That is something I have been campaigning on for years, but it is nothing to do with the Government or any particular Ofcom action. Nothing has happened on prominence, really, since you issued your report on prominence, has it?

**Dame Melanie Dawes:** There certainly have not been any formal changes to the underlying regime and, of course, those would be for the Government to determine. If anything, I think the situation has potentially slipped away still further because people are increasingly using smart TVs, smart sticks, and some of the new TVs you can buy do not necessarily have any of the public service broadcasters' apps on the platform, let alone provided in a prominent way where you can find them easily.

Q634 **Kevin Brennan:** That is right. The LG TV 2020 version does not have More4 on it at all. Why would that be?



**Dame Melanie Dawes:** Because there is nothing that requires TV manufacturers and the platform providers to give prominence to public service broadcasters in the way that is required if you are watching digital terrestrial television, Sky or the other more traditional forms of broadcasting. This is one of the facts we identify. Without prominence, it is hard for the audience to find ITV, Channel 4, S4C and so on, and that makes it hard for them to stack their business case together and continue to be public service broadcasters and provide the benefits that I think we all agree are needed.

Q635 **Kevin Brennan:** Do you think Ofcom's recommendations on prominence went far enough? As you said earlier, this extends way beyond just what you are presented with on the electronic programming guide or even on a smart TV, and with the advent and increased use of smart speakers. Lots of people use their Sony PlayStations, which have no PSB apps on them at all. Isn't urgent action needed in a much wider way?

When I asked you six months ago whether you thought that the PSB regime was under threat, you said no. You used what I would describe as a very civil servant word—that is not a criticism; I understand why—and you said it was a challenge. We all recognise that word, those of us who have been Government Ministers, from civil servants when giving advice. For me it is code for saying, "It is really a threat, but I just don't want to use that word."

**Dame Melanie Dawes:** I remember that exchange and I remember using that word. In our report we are, I think, presenting a starker picture than the response I gave to the Committee in June. Why is that? It is because we have concluded our research and engagement. Also, over the last few months, we have only seen the trends continue. I would not say that at the moment this is a crisis or a cliff edge. Advertising revenues, having suffered in quite a difficult way for several months immediately after the pandemic started, have recovered again. None the less, we think action is urgently needed.

As you are hinting, I think, it is not just about prominence. We think there are also other areas of the regulatory framework that need to be updated if we are to continue to stack up the incentives for public service broadcasting and make them work for a digital age.

Q636 **Kevin Brennan:** My concern is that you have done your bit on this, we are doing our bit, the Government have just announced this committee of the great, the good and the friends of Ministers to do their bit on this over the next few months, and it will drag on and on and on, when everybody I speak to who supports the concept of public service broadcasting, or public service media as perhaps we will end up calling it, is desperate to get on with it, yet Government have done absolutely nothing about it since you issued your report. What are you doing, from Ofcom, to say to Ministers that the woods are burning out there and, unless you do something about this, we will lose a precious jewel in our media landscape and something that we are envied for across the world?



**Dame Melanie Dawes:** I think we have set that picture out pretty clearly in last week's report. Some of the areas that need action are, of course, for the broadcasters themselves, and some are for Ofcom. Where we can act, we will act. We will continue to do our work urgently on things like updating the operating licence for the BBC for the future, and Channel 4, so that we reflect digital and online services and not just traditional broadcasting services. But in the end, we have had some good engagement with the Government on this. I know you have John Whittingdale giving evidence to you later this morning.

Q637 **Kevin Brennan:** We have time constraints, so I will make this my last question. When we have the Minister in front of us later, what do we need to press him to get on with now rather than putting it out to a committee for many, many months? What do we need to press the Minister to get on to and act on now that is within the ministerial purview and that could enable us, in this very fast-changing landscape, at least to start doing something about prominence?

**Dame Melanie Dawes:** The direction of travel is important. It obviously does take legislation to fully update all these rules, but a clear direction of travel would also give a signal to the market that this matters and might help to address some of the challenges we are seeing with TVs coming into the UK market now that do not have any prominence on them for our PSBs.

Q638 **Damian Hinds:** I want to ask you about the CMA report and the Digital Markets Unit. First, will you give us your general take on the CMA report and how it moves us on?

**Dame Melanie Dawes:** It is very helpful that the Government have confirmed that they want to set up a Digital Markets Unit under the CMA. I also support the CMA's own report last week, which we contributed to. We worked very closely in partnership with that taskforce and, indeed, seconded some staff to it. It makes a lot of sense to be setting up an economic regime to look across all sectors at the impact of the platforms and their market dominance, alongside setting up a regime for the specific issues around social media and online harms, which will be a statutory regime. Clearly, there will be lots of boundary issues for us to manage. We are used to that. We do it already in a number of different areas, but I think these will be deeper and will require more effort from us as regulators, which we are actively thinking about.

Q639 **Damian Hinds:** I want to probe on this, both on whether this new unit, the Digital Markets Unit, will have the teeth necessary to address some of these issues, but also if the scope is right. The CMA has opined that fundamentally it is a competition body; it is fundamentally about making sure that markets work, primarily to the benefit of their customers. That is what markets are for. Here, of course, the customer is the advertiser. I wonder about the extent to which you think the problems that we have in this marketplace are really about detriment to that customer, or detriment to others, and whether the scope, the remit, of the Digital



Markets Unit will be sufficient in covering those detriments.

**Dame Melanie Dawes:** I think the CMA's focus will be, and indeed should be, on the final consumer and not just the intermediate consumer, which is the advertiser, as you say. One of the problems with these markets is that there is no pricing in the traditional sense. As final consumers, we rarely pay for using social media platforms or search platforms, and so on, and that means the supply chain through from the platform to all of us sitting in our homes is more opaque than usual. That makes market intervention more challenging. Obviously, the Government will need to take this forward and flesh it out. They will need to think about sanctions, and teeth, and so on, but the broad scope of looking at it in a cross-sectoral way, focusing on the big platforms, is sensible and will fit quite well with the online harms regime.

**Damian Hinds:** You know, following Kevin's earlier question, you are not really supposed to say "challenging" for the rest of this session.

**Dame Melanie Dawes:** I apologise for using the word "challenging". Old habits die hard.

Q640 **Damian Hinds:** A repeated issue that we have heard on this Committee is about creators of quality—and here is a word that I should not use—content, like news, entertainment, drama and all the rest of it, and the lack of sufficient recompense for some of those providers in the online space because of the way the advertising market works. That, by the way, goes for newspapers as well; it is not only about broadcasters.

Ultimately, it is an issue about the end consumers and whether they are provided with enough high-quality content, but it is probably not something that a competition authority would think of as its primary responsibility. I am interested to know your thoughts on the extent to which this new unit is equipped to think about that broader picture and to act against detriment.

**Dame Melanie Dawes:** If you are talking about news publishing specifically—

**Damian Hinds:** It is not only news. News is clearly part of it. High cost, high quality—forgive me—"content" does include news, and news is probably the bit that we are most worried about, but it goes across the piece.

**Dame Melanie Dawes:** Taking different sectors, if you are talking about broadcasting, I think we are playing in some of the prominence questions that we set out in our report. I would not envisage that the CMA is best placed to tackle those, and it is not what anyone is proposing, because in the end we just need a new regulatory framework to update the one that we are familiar with.

When it comes to other markets, which are not covered by those broadcasting rules, essentially we are starting with a blank sheet of paper. This is not something where there has been regulation before.



What I think Government intend to do here is to ask the CMA to take forward the general issues around advertising and the dominance of Google and Facebook, and to use that as the first lens through which to address the issues around news publishing. Obviously, there are other countries, including Australia, that have decided on a sectoral approach instead. I have already talked to Andrea Coscelli at the CMA about this. It is a priority and Ofcom will certainly work with it and bring our expertise into play. Of course, the DMU has not been set up yet, so these are quite early days, but I can reassure you that we will try to bring in the sectoral lens. It is a good example of the kind of co-operation that we as regulators will need to do.

**Q641 Damian Hinds:** Another problem that comes up in the advertising market is inappropriate ads, basically through AdSense, when you have a space on your website that is just a space for rent and you do not know what is going to go on it. The fundamental difference now, with AdSense, is that ads are served up depending on who is looking, rather than what they are looking at. The entire history of advertising, whether it is billboards, television, radio or whatever, has been that the advertising goes with the medium. That is no longer the case. Advertising now goes with the customer, so you as the asset owner do not have control over it. What are your worries, if you have any, about that, and what do you think is the appropriate public policy?

**Dame Melanie Dawes:** To be honest, it is not an area where Ofcom has looked deeply. I don't know if Kevin has anything to add on this, either in relation to the broadcasting side or the online side.

One of the balances here in thinking about all these challenges with online regulation is where it is right to take a cross-sectoral approach, which is where the DMU will be in the lead, and where it is right for a sectoral approach. Advertising leans towards that cross-sectoral approach. It is not something that we as a communications regulator lead on, for that reason. I am sorry not to be very helpful. I do not have a lot to add. I don't know if Kevin can add anything.

**Kevin Bakhurst:** Only to say that we are aware the Government will be looking at online advertising in a separate piece of work, and this may well be one of the issues they choose to look at in this area.

**Q642 Damian Hinds:** In a similar vein, and this will be my last question, the flipside of that is you can have high-quality content and a high-quality asset and not know what ads are being served up on it and, in a sense, the ads let down the site. It can also work the other way around. Famously, some Macedonian youngsters in 2016 used advertising revenue for a series of—what is the correct term?—engaging but unhelpful, negative and divisive social media activity driving traffic to these websites that then created funds through AdSense revenues. Is that something that public policy should be troubled by? If so, which bit of public policy: the DMU or Government work looking at online harms, or some other area?



**Dame Melanie Dawes:** If you are talking about activity that is about harmful or concerning content, and people for commercial reasons, perhaps to do with driving people to advertising, which I think is what you are describing, and that being the reason for them promulgating harmful or damaging content, that is the kind of thing the online harms regime would certainly be interested in. There will be some links that we need to make on online harms, on the advertising side. Obviously, Government will be setting out more details of what they are intending later today. It is certainly a relevant question, yes.

Q643 **Damian Hinds:** Having said that was my last question, it turns out to be a fib because I need to follow up. Should the purveyor of an advertising service like AdSense, for example, have to worry about where those ads appear?

**Dame Melanie Dawes:** I am not sure I can answer that. I apologise if I have not quite understood the question. I don't think I have much more to add. It is maybe something we could follow up in writing. It could well be a relevant issue, and I would like to be able to give you a fuller answer.

Q644 **Chair:** To be honest with you, we would prefer an answer during this session. Damian's point is pretty clear. I have seen this on many occasions, where effectively disinformation, misinformation and harmful content is put online in order, basically, to get ad revenue. I would have thought that would be something that as the titular online harms regulator, which you will be very shortly, you would be very interested in and looking to take action about, rather than saying it is something that policymakers may want to do. I think that it is something for you.

**Dame Melanie Dawes:** I certainly think that where this is part of the incentive for people either to permit or, indeed, to be directly promulgating harmful content, absolutely it is something for the online harms regime to look at. What I have not quite been able to answer is your question about understanding the link between AdSense and where ads are placed. I don't know if Kevin can say any more on this.

**Kevin Bakhurst:** I have been involved in quite a lot of discussion about this, and it is a critical area. Mr Hinds is absolutely right to raise it. It is about what the platforms are doing to promote reliable content, particularly news content, and what they are doing to demote content that users should not be exposed to, in appropriate places. They have set out a range of things they say they are doing. This will be the crux of the online harms policy approach, which is to go in there and find out what the tech companies are doing and how we can introduce more incentives so that good content is promoted and poor content is not spread so virally. It is core to the approach we will be taking.

Q645 **Chair:** Should they not be able to take the money back from these gangs that have put out misinformation on online platforms? That, surely, is the solution, isn't it, that the tech companies do not share in this income and



that basically they are able to take back this money in the same way that you would expect to be paid back if, for example, your bank found out that a withdrawal was false or had happened by accident? Surely that is the way. Just hit them in the pocket and make sure the online platforms follow that through.

**Kevin Bakhurst:** It is more robust to stop the money going to people in Macedonian garages in the first place. That is what we need to see. It is much easier to stop it going than to get it back, I would imagine. This is exactly the sort of issue we will be looking to approach, because it does cause harm. You get inappropriate adverts and quite serious misinformation and disinformation spread using some of the powerful tools, algorithms and so on, that the platforms have. This is one of the key things we will be addressing in due course.

**Chair:** So it will be a key thing that you address. Fantastic.

Q646 **Alex Davies-Jones:** I want to build on some of the questions about online platforms, if I may. Do you think that the PSBs should retain greater control over how their content is used on platforms? For example, should they have access to the data relating to their content on platforms such as YouTube?

**Dame Melanie Dawes:** Yes, we do. We think this is one of the critical questions and that PSBs need more control over that to be able to operate commercially in an online environment. Data is an important part of the online business model for the broadcasters and producers. It is one of the questions that we think needs to be addressed as part of the update regime that we are proposing.

Q647 **Alex Davies-Jones:** To what extent do you think the PSBs should be focusing on placing their content on third-party sites? Should more emphasis be placed on distributing their own content?

**Dame Melanie Dawes:** This is one of the big questions for them for the future. They are all prioritising getting as much traffic as they can to their own hubs. It is a question, in the first instance, of making sure those hubs are prominent online and on smart platforms in the way they are if you are looking at channels in the more traditional way.

There is a question for the PSBs, and we open this up in the final chapter of our report, as to whether even with the best will in the world, and if we can manage to update the regime to keep their commercial models successful, they will still be able to reach all audiences and whether there might be other platforms that could come in and through which they could distribute more. It is a trade-off for them, though, because clearly they need to make sure their brands stay strong. There have been issues. For example, for the BBC: everybody thinks *Peaky Blinders* is a Netflix show but it is a BBC show. It is an issue for the BBC when people do not recognise that they are getting licence fee-funded content through Netflix.





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It is not a straightforward issue for the PSBs, but they are really important questions.

**Kevin Bakhurst:** This is a core part of our work on prominence, and of our recommendations, and I want to pick up on what Mr Brennan asked earlier as well.

There is a huge degree of urgency about this and we recognise that. We have been doing a lot of work in the background, talking to the broadcasters, the PSBs and the commercial broadcasters, and also engaging with the platforms and the manufacturers of connected TVs, to look at a regime that would allow this really important public service content to be discovered and also that they get a fair return. How can they get a fair return, in terms of both access and the value they can get out of it? That is an equally important part of our recommendations on prominence. I do not want you to think there has been nothing going on. We have been doing a huge amount of work, and we have also helped to draw up a future-proofed regime, which will cover multiple types of interfaces.

Q648 **Alex Davies-Jones:** It is okay recommending it and saying it should happen, but shouldn't we be introducing a regulatory intervention to mandate the attribution of PSB content within on-demand services?

**Dame Melanie Dawes:** In essence we are saying yes, we do think we need regulatory intervention, but we don't have the powers under the current framework. Where we do have powers, we will use them as much as we possibly can, but we don't, at the moment, have a framework that covers digital platforms in any serious way. That is the problem we are identifying.

Q649 **Alex Davies-Jones:** Some people have called for a levy on video-on-demand services. What is Ofcom's view about that? What would be the risks of such a move?

**Dame Melanie Dawes:** What we have done as part of our work is bring to bear some of the international experience of what people are doing in other countries to bring new funding streams into their broadcasting systems. Levying the platforms is one thing that some countries are doing, but for the most part not on a very big scale, so not in a way that replaces the existing sources of revenue.

In the end, once you start to think about individual levies, you quite quickly get into broader questions of balance and tax policy, so you always have to think about what other taxes you are placing on those same companies and whether they are successful. It can be quite hard to tax and get cash from very large, global companies, so a levy on the activities in the UK through streaming may be one way of addressing that balance, but you quite quickly get into questions that are really about overall fiscal policy.

Q650 **Alex Davies-Jones:** Should platforms have to share more data with



Ofcom?

**Dame Melanie Dawes:** If you are talking about data on things like diversity and their employees, it would be great if they participate in the work we do at the moment. Currently, we focus our efforts only on the core UK broadcasters, as you know. We do not, at the moment, have that transparency.

Q651 **Alex Davies-Jones:** That is really interesting, and it brings me to my next point about your recent report on diversity and equal opportunities in TV and radio. It states that, unsurprisingly, progress is still very slow. Why do you think this is?

**Dame Melanie Dawes:** It is just going to take time to tackle what is quite a long legacy of lack of representation of certain groups in our broadcasting industry, in common with other industries, and we need to speed it up. We are saying, and we are going to focus on this in the coming year, that while we really welcome the commitment that we think is now there—and the work we have done in the last few years to shine a spotlight on the data has really helped people to get that there is a problem and to feel able to stand behind tackling it—what we want to do in the coming year is to get much better at understanding what is making a difference, which are the interventions that move the dial and change the numbers, and let's start to accelerate and back the things that work and maybe pull away from some of the things that are not working.

Q652 **Alex Davies-Jones:** That answers my next question, which was to be how we can speed up the process. It seems like every year figures come out and every year nothing really changes, so something needs to drastically change, whether that is the approach taken by Ofcom and the broadcasters or something else.

**Dame Melanie Dawes:** Yes. It is about real, hard graft on things like how you recruit, how you promote, how you motivate people inside your organisations, but it is also about trust and reaching out to people who may have left. For example, if you look at the number of black people, people from minority ethnic backgrounds, in all of our broadcasters, the numbers are low. The numbers are disproportionately low, and that means there is a generation of people out there who might have come through but were not able to. It is partly about rebuilding trust and reaching out to some of those people and persuading them that they are wanted and you want to bring them back into the industry.

Q653 **Alex Davies-Jones:** My final question on this point: how do the PSBs compare with commercial broadcasters, such as Sky, on this issue? Is there anything they can learn from them about how they recruit, for example?

**Dame Melanie Dawes:** Generally speaking, the PSBs have gone slightly further than most others in setting more challenging targets. They have all done that. We have seen improvements in radio over the last year, particularly on gender representation. But I would say that, at the



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moment, there isn't any company that stands out as having really cracked this. Probably the one that has gone the furthest, so far, is Channel 4, and it has also made a really big move outside London, of course, which we welcome, because regional diversity and thinking about class and your background in that respect is something that we have overlooked in the past but is a really important dimension.

**Q654 Alex Davies-Jones:** Absolutely, I second that. Being a Welsh MP myself, there is no doubt that I champion the regions and nations of the UK. It is vitally important that they are represented.

A final question from me. I hope you don't mind my saying, Dame Melanie, that it seems that you are going to have an awful lot on your plate, both with the PSB issue and also as the Government's preferred regulator for the online harms Bill and for the social media companies. This is going to be a lot to take on. How well equipped do you feel about staffing the potential additional regulatory role, with everything else on your plate at the moment?

**Dame Melanie Dawes:** It is a big responsibility, and I think that is an absolutely fair question.

As we take on additional roles, and we are taking on additional responsibilities on telecoms security as well, we are drawing on things we do already, so I feel confident that we have the right underlying background. For example, on online harms, we already make those judgments around freedom of speech and freedom of expression while protecting people, but we will need to build up into new areas, and in particular we will need to invest in our technology skills, such as data analytics, if we are to work with the big platforms. We take that very seriously, and since I arrived as chief executive in early March we have done a review of our overall, top-level structure. We will be going out to recruit some more people, particularly on the technology side, as we head into the new year, reflecting the decisions on online harms that we are expecting to hear more about today.

**Q655 Alex Davies-Jones:** I know I said that was my last question but I am going to do a Damian and ask one more, based on your answer.

Do you feel supported by the Government in these—buzzword of the day—challenges that are coming your way?

**Dame Melanie Dawes:** Yes, we do. We are very glad to take on the online harms role. It is a welcome recognition that Ofcom is effective and trusted, so that is really good.

We have very constructive working relationships with our Government colleagues. There is a lot of work to do, together, and making sure that we can operate independently and continue to make the decisions we need to make will be very important as part of that. I know the Government are committed to that, and we are looking forward to the next stages of the work.



Q656 **Chair:** I will follow up on a couple of points there, Dame Melanie.

On staff recruitment, how on earth will you be able to compete with the likes of Facebook and Google on salary and offer? Is there a danger that, effectively, you will have people whose skills may be out of date?

**Dame Melanie Dawes:** We successfully recruited two directors from Google in the last few months, one quite recently, one back in the spring. Of course, on salaries we are never going to be able to compete. Nobody in the public sector can compete. If your main aim in life is to maximise your earnings, and you are really good at technology, you are going to go to work in the industry. But we can offer a mission and a sense of being the first regulator to look at these issues and address them. We have Government commitment now to take this forward, and I think that will be very compelling. I am very confident that we can be successful in the market. We will need to lean into it and use all the flexibility we can to recruit, but I think we can do it.

Q657 **Chair:** On another banal expression, we have talked at length here about diversity. The Committee was quite shocked to find that Netflix keeps absolutely no record whatsoever on the diversity of its staff. What do you think of that, first of all, and, secondly, given the fact that Netflix is regulated in Holland and not in the UK, what could you do about that?

**Dame Melanie Dawes:** I think any organisation in the modern world, if it is worth its salt, does need to understand who it employs and the overall diversity of its employees. For me, it is a basic requirement regardless of whether your regulator is asking you for the data or not.

Of course, as you say, Netflix is not regulated by us, but it is a big employer and producer in the UK, increasingly so, and we do talk to it. I hope it may want to join in with the efforts that we make on broadcasting into the future, even though it is not part of our wider regulatory remit on standards.

Q658 **Chair:** Forgive me, you said that you hope that it will do this, like on a wing and a prayer, effectively. The regulator website in Holland is very bare bones. This feels like almost a flag of convenience in terms of the regulation of Netflix. Doesn't that concern you, considering Netflix plays such a massive role in the broadcast and streaming space within the United Kingdom?

**Dame Melanie Dawes:** You may want to ask Kevin to comment on this. As you say, the regime under which Netflix is regulated is a set of European rules and it is much narrower than either the broadcasting code or any of the other regulations that apply in the UK context.

Q659 **Chair:** No, I do not want Kevin to answer this one. It is very specific to you as the chair. Does it concern you that, effectively, Netflix is using Holland almost as a flag of convenience in order, basically, to escape the type of regulation that we have within the United Kingdom, which is a much more robust approach to public service broadcasting and media in



general?

**Dame Melanie Dawes:** I don't think Netflix is based in Holland to avoid a set of UK rules. Netflix is based in Holland because it is its EU headquarters, its European headquarters. Even if it was in the UK, we would not be regulating it under the full set of codes that apply to our terrestrial broadcasters because it is a streaming service, so it would be a different set of rules that applied. I don't think Netflix has gone to the Netherlands to escape Ofcom.

Q660 **Chair:** You are powerless. Dame Melanie, you are completely powerless when it comes to one of the major players in the marketplace right now. Regardless of whether it is broadcast or streaming, it is something that is playing an increasingly important role. We have seen this with the controversy in recent days over *The Crown* and the depiction of the royal family. This is not your responsibility in that respect. You are not the one who has drawn up these powers. But the difficulties come from the fact that, effectively, Netflix is not regulated at all within the UK and you have to hope that they will be good citizens.

**Dame Melanie Dawes:** It is a concern that different standards regimes apply for different content on British TVs, and I think that is confusing for the viewer. If you are looking on YouTube, there is no regulation at all, even from the Netherlands, under the European rules. It has been called a standards lottery before, and I think there is that issue.

As part of our public service broadcast work, though, this has not emerged as one of the things that is material for the commercial and competitive position of our PSBs. What they are not saying to us is that somehow Netflix is managing to drive down costs or compete on low quality, or anything like that. I think it is an issue in some respects, but not one that has particularly come through for the work that we published last week as material, but there is that question of how we keep our public service broadcasters in the market.

Q661 **Clive Efford:** Dame Melanie, in your report, "Small Screen: Big Debate" you say that public sector broadcasting is—*[Inaudible.]* You say that people of all backgrounds have access. What is the future of universality, and how will we deliver that in the future?

**Dame Melanie Dawes:** We think that universality is a core part of what makes public service broadcasting valuable. It is that ability to reach out to many audiences, and the availability of content for all people in the UK, free at the point of coming to air. That is really important, and it is one of the questions we address in our report: how do you preserve that principle that sits at the heart of the system, given the incredibly competitive commercial dynamic from the streamers and from other platforms in mediating content between the viewer and the broadcaster?

Q662 **Clive Efford:** Your report also says that PSBs need to continue to provide linear programmes, linear content, as well as moving into more online content, at the same time as they need to create savings. How do you



propose they do all that?

**Dame Melanie Dawes:** I am sorry. I was not quite able to catch the question because the broadband is not working.

**Clive Efford:** Sorry. Is it mine?

**Chair:** Shall I come back to you shortly? You may want to turn your camera off. That may allow your broadband.

Q663 **John Nicolson:** Thank you, Dame Melanie, for joining us. Can I declare interests? I worked as a journalist and broadcaster for the BBC for a number of years. I also worked for ITV, presenting the excellently named *Live with John Nicolson* programme.

Dame Melanie, can I talk to you a bit more about diversity and equal opportunities in the TV industry? Your most recent report shows that there really has not been the kind of increase in diversity and equal opportunities that all of us hoped for. Why do you think that is?

**Dame Melanie Dawes:** I think these are quite deep-seated problems and they reflect a legacy of a number of decades, where people coming up through the system did not find that they were able to progress and either left or stayed in more junior roles and did not have the opportunities that others had.

It is not straightforward to tackle these things but it does need to be done with urgency. There are some things that we know work, really getting stuck in to improving your recruitment, your promotions, reaching out to those who have left you and trying to bring them back in. I know the broadcasters are trying to do all these things, but we think that by getting everyone together and getting more practical and more focused on outcomes and what is making a difference, we can maybe accelerate the progress, which I think everyone would like to do.

Q664 **John Nicolson:** I notice that people with a disability are among the least represented groups and is the one where there is absolutely no evidence whatsoever that things are improving. What can we do to improve the representation of disabled people? I am trying to think of the number of disabled people that I either see or hear on radio or television, and off the top of my head I can think of only two.

**Dame Melanie Dawes:** You are absolutely right. For disabled people this is an issue both on screen and off screen. It is a question of representation in the broadcasters themselves—who is in what position—and there is a lack of people who are disabled in more senior roles, but it is also one of the really strong confusions that comes up, for example, for the BBC, when you are looking at how people feel portrayed on screen.

Disabled people are one of the groups that is least likely to feel satisfied by the way they are portrayed, certainly for the BBC but also for other broadcasters. Tackling that is about commissioning, it is about making different choices about programmes, but it is also about putting disabled



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people in charge of the writing, the production, and the artistic decision making that goes into our programming. That is what the people we speak to are calling out for, for people to change the way they commission and make those choices for the future.

**Q665 John Nicolson:** The report has data on race, religion, gender, sexual orientation, even on where broadcasters' parents worked, to show something about the social background of folk who work in the industry. I noticed that there is no data at all about trans people. Is that because Ofcom did not ask about trans people or because the broadcasters do not keep any detail on trans people?

**Dame Melanie Dawes:** It is one of the areas where you get into quite small numbers, quite quickly, so it can be quite challenging to collect the data, but none the less it is very important. We will be following up on a number of these points with the broadcasters over the coming year, and I think everybody needs to understand and appreciate that it is about how their working environment is for people from all kinds of backgrounds, and that certainly includes trans people.

**Q666 John Nicolson:** I notice that the BBC seems to be under the impression that it has to balance all its reports about trans issues now by calling in transphobic groups like the so-called LGB Alliance, to give a counter-argument. This is absurd because you would never do a report on racism, for example, and call in a racist organisation to say that they do not think black people have a right to equality. What can the BBC do to address this? Do you think it is buckling under a very well-funded, concerted campaign to attack trans people, which seems to have been given undue prominence recently?

**Dame Melanie Dawes:** I think it is a very good point, and a very good example of something that we have been talking to Stonewall about, about how the broadcasters can, when they feel they need to bring balance into a debate, do it in an appropriate way, rather than in the way that you just described, which can be extremely inappropriate.

I don't think there is a lack of will here, by the BBC or others, but we can do more to give people the information they need to be able to make judgments in areas that can be quite contentious, and where the debate can move quite quickly, to make sure they are doing the right thing.

**Q667 John Nicolson:** I remember making a documentary for the BBC about all the areas in which gay people were discriminated against by law. It was in the 1990s. I took Edwina Currie to Amsterdam and got her engaged in the issue. I remember coming back and my commissioning editor said that he had enjoyed the film, but he wanted to know why I did not have more anti-gay voices in the film. Can you imagine anybody saying that now? They would not, of course, yet the way the BBC is behaving with trans people at the moment shows that that mindset is still in existence 25, 30 years on, because many of the arguments that are used to attack trans people now are the same arguments that were used to attack gay



people in the 1990s.

**Dame Melanie Dawes:** I can only agree with you, Mr Nicolson. I am so glad that things have moved on over these last decades, but there is still more we need to do. I agree with you, and we are going to try to engage with Stonewall, who are expert on this and who actively raised this with us—I have spoken to the chief executive myself—and make sure that we give the right information to our broadcasters so that they can steer their way through these debates without causing offence and without bringing inappropriate voices to the table on questions like this.

Q668 **John Nicolson:** Can you imagine the BBC hiring a trans presenter to present the news?

**Dame Melanie Dawes:** Well, I would like to imagine that, yes. I can imagine it, yes, actually, and I am sure we will see it in the future.

Q669 **John Nicolson:** Maybe only in a Hollywood drama in the very near future. When I presented BBC *Breakfast* and came out, I was the first BBC One presenter ever to come out and I can tell you that the reaction from my bosses at the BBC was uniformly hostile. There certainly weren't any mainstream BBC One news presenters who were gay for many, many years subsequently. I think the day when we see a trans person presenting the news is very far distant, though—like you—I think it would be a wonderful thing. I do not think the BBC would be brave enough to do it, to be blunt.

This is my final question. Let's look a little bit at the role of black and minority ethnic people on screen. I hear a lot from folk at the BBC who are black or minority ethnic, and they tell me they feel very isolated, that there are very few BAME faces or voices on screen. Again, I can think of only two that I see on the BBC on a regular basis. One is a news presenter and the other is a correspondent on gay and LGBT issues.

What can we do to improve the representation of black and minority ethnic people on screen? The BBC keeps saying it wants to do it, but the other day I read somebody at the BBC saying that she had been looking across the newsroom and couldn't see another BAME face, apart from herself.

**Dame Melanie Dawes:** Yes, you are right. We can see very clearly in the data that, if you are talking about people who are in the newsroom and employed by the BBC and other broadcasters, there is a real gap in representation for black and minority ethnic people.

The question on screen is related but also brings in questions about how you commission programmes. The BBC certainly gets this, and the appointment of June Sarpong to lead its work on creative diversity—it is about the BBC as an employer but also how it ensures representation of all parts of the UK onscreen as well—is a really good one. June is on the board at the BBC. She is in a very senior role indeed.





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As I was saying earlier, when it comes to actually employing people in the newsroom, one of the challenges is that if that has not happened for a number of years and you have people you haven't progressed, you look around you and you do not have the faces that you need to put people into senior roles because they have simply left the organisation. Reaching out into the communities that used to work for the BBC but left, because they knew they would not progress, is a big part of what it has to do as well as ensuring that its own existing staff come up through the ranks at the same rate as others.

Q670 **John Nicolson:** Of course, huge cuts in newsroom staffing for the reasons that we know—because of the TV licence obligation placed on the BBC rather than the Government for over-75s—cannot be helping.

**Dame Melanie Dawes:** Certainly, it is a challenge for the BBC to manage its budget, as it is for all broadcasters, but I don't think that has to get in the way of its efforts on diversity. In the end it does know that this matters—all the broadcasters know this—and a lot of it is about how you change the way that you manage your staff, how you promote and so on, so I don't think cuts can be seen as an excuse in this area.

Q671 **Chair:** In response to the question on the BBC's reporting of so-called balance on trans issues, you said that could lead to something that is extremely inappropriate. What do you mean by that, and what will you actually do?

**Dame Melanie Dawes:** We have heard from those who are real experts in this field—and I have spoken to the chief executive of Stonewall about it myself—that, as Mr Nicolson was saying, there have been some occasions where we have been told, and I have not seen the programmes myself, in order to provide balance on trans issues people who are opposed to the issues, in principle, are seen as giving balance to that debate. As Mr Nicolson says, we would never accept people saying that racism is okay in a debate about race. It is about making sure we do that in an appropriate way, recognising that there are a lot of views around this—

Q672 **Chair:** Forgive me for cutting across you, Dame Melanie, but what are you actually doing about it? You say you are aware of the issue. Obviously, you have oversight of the BBC. What are you doing?

**Dame Melanie Dawes:** We are working with Stonewall and others—it is not just Stonewall—to make sure that we provide good advice on ways to get that debate balanced and rounded in a way that does not fall into the problems of—

Q673 **Chair:** Have you spoken to the BBC about it?

**Dame Melanie Dawes:** I have not spoken to the BBC about it but—

**Chair:** You have not done anything then. All you are doing, effectively—



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**Dame Melanie Dawes:** —we are taking it forward as a piece of work following the conversation I had on this very topic a couple of months ago.

Q674 **Chair:** Right. One question was raised by Kevin Brennan on our WhatsApp group during your evidence. He stated, “What happens?” We talked about Holland. The real reason is obviously not just a flag of convenience for Netflix but also for tax purposes. You have no power over Netflix whatsoever. If we have a bad actor from, say, another jurisdiction that is providing streaming services, broadcasting effectively, into the UK, what can you do?

**Dame Melanie Dawes:** We or viewers could complain to the regulator in the other country, and Kevin may want to give a bit more background on this because he works directly on our content issues with our teams in this area. As you said, we don’t have any regulatory relationship with Netflix at the moment. We talk to Netflix quite regularly.

Q675 **Chair:** I am not specifically referring to Netflix. I am referring to the potential for basically a bad actor to stream into the UK content that is harmful. There is nothing you can do about that. That is correct, isn’t it? All you say is that consumers can take their complaint to the overseas regulator. It does not seem to be very robust.

**Kevin Bakhurst:** I would just like to go back. This is the system that the UK Government have agreed to over a number of years under AVMSD, as you will be very aware. It has worked very effectively and I do not think it is fair to characterise the Dutch regulator in the way it has been characterised. It is a very professional regulator—

**Chair:** Forgive me, Kevin, but your own chair said it had a narrow field of reference; therefore, the regulation is nowhere near as broad. I would challenge anyone to go on to the website and see it any differently but, look, I am going to move on. We are just going around the houses, because it is very clear to me that you have no real oversight of what goes on in that respect when it comes to international jurisdictions. We are going to try Clive Efford again.

Q676 **Clive Efford:** Apologies. Dame Melanie, we have established that you believe public service broadcasting and universality are vital, but you also recommended that they need to provide linear content at the same time as moving more online. They have declining resources, so how do they achieve both?

**Dame Melanie Dawes:** Yes, you are absolutely right. One of the challenges, particularly over the next few years, is that they need to continue riding both horses and provide the more traditional broadcast services on which many people continue to rely, while also catering increasingly for the fact that newer audiences, in particular, do not want to view in that way. It does mean they have to double run.

We have seen this across many parts of the media. Certainly, we have seen it for newspapers and others already. All the broadcasters have



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strategies to do this, to build up their digital advertising while continuing to keep their existing businesses healthy. It can be done, but it does create particular challenges around the up-front investment cost of investing in new services while keeping the old ones going. It is one of the challenges we draw out, which is why we think the update to the regulatory framework is so urgent.

**Q677 Clive Efford:** What is the future of online services for PSBs? Is the move to online inevitable? Are we going to see more and more content being provided online? Is that absolutely necessary for the future, or does public service broadcasting need to stay mainly on the platforms it is already on?

**Dame Melanie Dawes:** It is inevitable that we are moving towards services being delivered over internet platforms. What that means is that it may be online in the sense that most people would understand it, as in you go online and search, but it is also about internet-enabled TVs. What that means is that you are no longer talking about being bound by just linear channels. You are talking about catch-up and a great deal more flexibility for the viewer.

The reason I think we are going to continue moving quite fast in this direction is because it is very flexible for us as audiences. People really love it, and they are moving by choice towards increasingly viewing not through linear TV but through catch-up services, even if it is the same content that they are viewing.

**Q678 Clive Efford:** That is okay for people who can access online services, but the Government have revised their target for fibre broadband down to 85%. That leaves a significant number of people behind, so how is that compatible with universality?

**Dame Melanie Dawes:** It is important that for the foreseeable future—and I think we are talking a good decade—the DTT service, the traditional form of broadcasting, is still available because, as you say, not everybody, even if they have internet access, wants to access their services through internet-enabled platforms, so we do have to keep both systems running for the next few years. That is quite a challenge for the broadcasters, although it is one that they are increasingly managing to meet.

**Q679 Clive Efford:** Is there a conflict here in terms of how they use their resources? The Lords report back in November identified PSBs as being uniquely able to provide what I would say are niche services, things like the arts, that would not get done in a purely commercial environment. Is there competition between expanding online and still sustaining that versatility in terms of PSB content?

**Dame Melanie Dawes:** In some ways, yes, in that you have to invest in two platforms, two forms of distribution. On another level, no, in that a lot of the same content can work, whether it is online or through more traditional broadcast channels. We are increasingly seeing that the



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broadcasters, rather than thinking, as they might have done in the old days, "How do I fill the BBC One schedule, the BBC Two schedule?" are thinking, "How do I create content that serves the viewer, and then where do I put it? Which do I put on which channels?"

It does not have to conflict, but it does create some tensions and it certainly creates some additional costs while this transitional period continues, which I think will be with us for some years yet. I hope so. I think it is very important that we continue to cater for those who don't want to move online yet, or who don't have the right internet services to do so.

**Q680 Damian Green:** I want to pick up on one of the questions that John Nicolson asked. Clearly, the whole trans issue and all the arguments surrounding it are extremely sensitive, and the arguments between women who regard themselves as radical feminists and some of the trans activists get very personal and very sensitive.

Dame Melanie, you seem to agree with the proposition that anyone who disagrees with any aspect of the current, if you like, orthodox trans rights position is the equivalent of an old-fashioned racist. The most famous person who disagrees with it is JK Rowling. I find it slightly odd that a broadcasting regulator has effectively said that JK Rowling and women who think like her are the equivalent of old-fashioned racists. Is that what you are saying?

**Dame Melanie Dawes:** No. That mischaracterises my views considerably, if you don't mind my saying so. What I am saying is that care needs to be taken not to cause offence. This is a very sensitive debate, absolutely, and it is one that is changing all the time, and it is very difficult to navigate. Our broadcasters do find it difficult to navigate, and what we need to do, I think, is to provide them with as much information as we can about sensible ways that they can navigate it, so that they can bring the range of views to bear but in a way that does not cause offence or needlessly step into a space where they would be making some of the mistakes you have just described.

**Q681 Damian Green:** You agreed with every proposition John put to you, and John brought up the thought that this is the equivalent of people who 20 years ago thought there was a balance between gay rights and anti-gay rights. He brought that explicit thing to you, and you both talked about racism as well. I would suggest that this issue needs to be dealt with with quite a lot more sensitivity.

The answer you have just given me seems perfectly sensible and appropriate but, in all seriousness and in a helpful spirit, I would suggest you go back and look at what you agreed to in your earlier evidence because, as I say, you seemed to be suggesting that women like JK Rowling are just beyond the pale. They are not allowed to enter the debate. I think that is probably an inappropriate position for a senior regulator.



**Dame Melanie Dawes:** I don't think I suggested that, with the greatest of respect, and what I do think can easily happen is that voices that are providing balance in the trans debate can offend in a way that is not necessary. What I would like to achieve is for our broadcasters to have all the information they need to be able to make difficult judgments on challenging issues—apologies for using that word again—and to make sure that all the issues are aired, but in a way that does not offend people. I have not expressed a view on JK Rowling, and I certainly did not intend to.

Q682 **Damian Green:** Good, excellent. Let's leave it there and move on to something that I suspect we can all agree on much more. Across the board it is agreed that regional and local broadcasting is one of the most valuable things that the BBC does. I assume Ofcom agrees with that general proposition.

**Dame Melanie Dawes:** Yes. It is very clear from all our audience research that this is incredibly highly valued by viewers and listeners, because it is about radio as well.

Q683 **Damian Green:** Absolutely. One of the things that has been pressed on us as a Committee during this investigation is that the budget cuts seem to be affecting this bit of broadcasting, both TV and radio, which genuinely is unique to the BBC and which absolutely nobody else—not Netflix or anyone else—is going to come in and do. Are you worried that BBC cuts often fall on regional and local broadcasting and, if you are, is there anything you can do about it?

**Dame Melanie Dawes:** I may ask Kevin to comment on this, if that is okay, because he has worked quite closely with the BBC on its changes to regional programming over the last few months. We did have some concerns, and I know these were shared by many Members of Parliament, about the changes that were introduced to regional programming. We particularly have concerns that they weren't very clear to people. It wasn't really explained why they had taken place.

We have had a lot of engagement with the BBC since, and it has given us more comfort that, overall, what it is trying to achieve is still a very strong offer on regional programming. It has to make savings, so every area of its business is subject to quite a lot of scrutiny in that respect. I may ask Kevin to say a little more about the conversation we have had with them.

**Kevin Bakhurst:** Yes, very briefly, because you have covered it mostly, Melanie. It is an area that we take seriously. This is clearly one of the key public purposes of the BBC. That is why we asked questions about some of the changes it was making, particularly to some of the regional programming, to make sure across the piece it was maintaining an appropriate level of commitment. The BBC knows we keep a clear eye on it. As Melanie said, it is a key public purpose that is highly valued by



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audiences and is a unique part of what the BBC does distinctively, so we will keep very closely across it if that is some sort of solace to you.

Q684 **Damian Green:** It is, but I am asking the question about powers as well, quite deliberately, because it has come up in previous questions. Obviously, you have to do after-the-fact regulation, effectively, so do you have powers if you think the BBC is going too far? I appreciate the reassurances you have been giving us, but if it goes too far what powers do you have to stop it?

**Kevin Bakhurst:** We have very specific obligations in the BBC's operating licence about the number of hours of regional news programming, about the provision of local radio services and about production around the UK, which sets targets both in spend and in percentage of production. There are about 120 requirements in the BBC operating licence, and many of them are focused on regions and nations around the UK.

The BBC has not broken any of those so far, and nor can it. Frankly, if there were areas we were concerned about, we could step in and put new obligations in the operating licence if we felt that was necessary. We do not think it is necessary at the moment.

Q685 **Steve Brine:** Good morning. I have followed your work closely, Melanie. I read your work and read with great interest your report at the end of November on news and the impartiality of news. Your work said that seven in 10 people trust BBC news, but just 54% of adults agree that the BBC provides news that is impartial. Why do you think that is?

**Dame Melanie Dawes:** I think you are probably referring to our annual report on the BBC, which was published at the end of November.

**Steve Brine:** I am.

**Dame Melanie Dawes:** When you ask people the question, "Do you believe that the news can be trusted and is accurate?" they are very clear that the answer is yes. As you say, around 70% of viewers and listeners say that, and that is consistent with all the broadcasters. The BBC is very much on a level with everybody there.

When you ask about impartiality, it does get a bit more complicated and the figures are lower. I do think the BBC needs to watch this very carefully. At the same time, when you dig a bit deeper—and we actually published a fuller report on BBC news in October 2019, which set some of this out—you find that people's views affect the way they answer that question, so impartiality is a more subjective question. The more your views are strongly held, the more likely you are to take a negative view on impartiality, regardless of which side of the political spectrum you sit on, but it is definitely something the BBC needs to watch. It is one of Tim Davie's priorities, and I think that is right.

Q686 **Steve Brine:** Yes. Your report said that, "People with strong political



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views generally saw the BBC as too left or right wing, depending on their personal political persuasion. Our social media analysis suggests that those with the strongest political views were the most likely to make critical comments about BBC content". Therefore, does it get the balance right? You say it is something it needs to watch. Have you discussed this with the BBC?

**Dame Melanie Dawes:** Yes, we have discussed it with the BBC.

Q687 **Steve Brine:** What did it say?

**Dame Melanie Dawes:** It says that it is a priority for the BBC, and it is partly about how it balances its coverage. We say in our annual report that, during the period of that annual report, we have not had any complaints that we have upheld on impartiality against the BBC. It is partly what it does, but it is also how it is perceived, which is why I think the actions it is taking on social media guidelines are also important.

Q688 **Steve Brine:** Yes, we will come on to that. On the subject of impartiality, I am sure you are aware of the Emily Maitlis debacle in May 2020, with her little monologue about the Prime Minister's former chief of staff, Dominic Cummings. The BBC said her wording, "risked giving the perception that the BBC was taking sides, and expressing an opinion", which is kind of the way my children make a "sorry/not sorry" kind of apology.

There then followed a rather unsightly scramble as ranks were closed in the BBC when Emily took the next night off, being replaced by her colleague Katie Razzall who felt it necessary to take to Twitter and say how she certainly "wouldn't have agreed to present the show"—interesting to check her contract on that—if she thought her colleague had been stood down. You are aware of that affair, I presume. As the regulator, what did you think of that affair? Did it give the perception that the BBC was taking sides in expressing an opinion?

**Dame Melanie Dawes:** Yes, we are clearly aware of it and—

Q689 **Steve Brine:** Look, I am aware I need to do more exercise, but I am not sure I do much about it, and I am beginning to get the impression over the last hour or so that you are aware of lots of things but you are not doing much about it.

**Dame Melanie Dawes:** I was going to continue to say that we are, of course, aware of it, and I am aware of the BBC's handling of those complaints. In fact they are now with Ofcom, so it is subject to our decision making at the moment.

Q690 **Steve Brine:** What happens next? You say it is with Ofcom; pull back the covers for me.

**Dame Melanie Dawes:** Under the system for BBC complaints, the system called BBC first, the BBC in the first instance addresses its complaints and then, if the viewer or listener is concerned and does not



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feel it has been adequately dealt with, they can come to Ofcom for a second look. That is what has happened to this particular issue, and it is in our system at the moment.

**Q691 Steve Brine:** Interesting. You refer to social media. Tim Davie—who we have had before the Committee and who is very robust on things he is aware of and, to his credit, takes action on them—has told BBC journalists to avoid any online virtue signalling that could indicate political views. I wonder whether you would share that view and whether you think it is, indeed, a problem. In the multimedia age, journalists have to build an audience, and being controversial on social media is one way that you do that. As a regulator, do you have a view on journalists virtue signalling via social media?

**Dame Melanie Dawes:** It is important that if you are in a position where impartiality is a critical part of whether or not you are trusted by the viewer that your own social media activity is carefully calibrated. The BBC is acting on this. I think it is the right thing to do. It is for the BBC board to set out what behaviours it expects of its own employees, but I think addressing this issue is important. Caution is generally a good idea on social media, because it is very easy to get drawn into debates where your views can sometimes be misrepresented. Staying out of that is a good idea for people in the public eye who need to persuade us that they are always taking a balanced view.

**Q692 Steve Brine:** The jury is still out, isn't it? Tim Davie has made his position clear. Gary Lineker, who is one of those that Tim Davie may have had in mind, appeared to rather thumb his nose at this immediately after. If this standoff between Tim and some of his stars were to continue and some of this social media activity were to persist, as the regulator what would you see as your role? What would you be able to do about it? Tim has suggested he would take people's social media offline.

**Dame Melanie Dawes:** In the end, it is for the BBC to work out how it manages behaviours within its own organisation. If we felt this was affecting news coverage and affecting that sense of balance and impartiality, particularly for those who are presenting the news, commenting on the news or acting as journalists, it would be something that we would expect to flag and raise with the BBC. It is rather different, of course, from Gary Lineker's specific role, but it is a live issue and one where the BBC has—in my opinion rightly—taken some action.

**Q693 Steve Brine:** Finally, you have recently granted a news licence to News UK TV. How will you ensure that the priority of broadcast news provision does not undermine the trust in public service broadcasting news as other things come on stream?

**Dame Melanie Dawes:** Yes, we have granted a couple of new licences for new news services. They haven't started airing yet, but they will be within the broadcasting code, so we will expect to see that they are abiding by that code. If we have any complaints, of course, we would act





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on them. We have to wait and see how they start to broadcast, and we don't want to prejudge them in any way.

Q694 **Chair:** When did the process of Ofcom considering the Maitlis complaint start?

**Dame Melanie Dawes:** I am going to ask Kevin to answer that, because he is closer to the details than I am.

**Kevin Bakhurst:** It came through the BBC first process. We would have received it in the last two or three weeks, so the team are now considering it actively.

Q695 **Chair:** To be clear, it takes six months for the BBC first process to run its course?

**Kevin Bakhurst:** Not always, and we can step in if we think there is a need to step in but, in our view, the BBC obviously felt it—

Q696 **Chair:** Why has it taken six months? Forgive me, but it seems an extraordinary length of time. Basically, the BBC is able to do what it wants and then eventually it may come to you and say, "The public are still unhappy about this." I don't get how it takes six months for the BBC to refer this.

**Kevin Bakhurst:** To be fair, Chair, it is not the BBC that refers it. It is an individual who is not satisfied at the end, after going through the two parts of the BBC complaints process, who then has the right to come to Ofcom to ask us to look at it again, which is what we did.

Q697 **Chair:** If it is six months and it is a two-part process, is that acceptable as a timeframe? If a financial services company took that length of time, it would eventually expect to face sanction from the FCA.

**Kevin Bakhurst:** Yes, it depends on how urgent an individual complaint is. Clearly, the vast majority of people who complained to the BBC—and there were many thousands in that particular instance—felt that the BBC did deal with it, because I think we had one complaint come to us, so they felt the BBC's complaints process did deal with it adequately.

If it is during an election, clearly we will step in, or if it is much more urgent and there is an ongoing harm we will step in much earlier in the process, and we have the right to do that.

Q698 **Chair:** I find it quite strange to think that thousands of people complained but only one came to you. Do you think people are actually aware of your role in this?

**Kevin Bakhurst:** I think so, because hundreds of people a year come to us when they are not satisfied with the BBC's response, so by and large I think it is pretty clear. It is also clear on the website when you complain that, if you are not happy, you can go to Ofcom afterwards.

Q699 **Chair:** You get hundreds of complaints a year from a population of nearly



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70 million?

**Kevin Bakhurst:** The BBC deals with several hundred thousand and we get around 300 that come through to us at the end. We get a lot of complaints that come to us and we refer them back to the BBC because of the process that Parliament agreed of BBC first.

Q700 **Chair:** That is exactly the same as financial services in that respect if they have not followed through the process. My overarching point is: first, whether or not the process is quick enough in terms of the BBC dealing with it, and whether or not you have enough public profile so that people know they can come to you should it fail the BBC process. It appears to me that if there are many thousands of complaints but only a few hundred eventually come through to you, it doesn't seem to marry up. Forgive me for that, but it doesn't seem to be quite right that there seems to be such a small number of complaints that you are dealing with as a regulator.

**Kevin Bakhurst:** The overall number of complaints that we are dealing with, including the BBC, has gone up this year to around 60,000 from an average of 30,000, so people are very aware of Ofcom's role overall in broadcasting. We are dealing with a huge number of complaints across the year. We constantly monitor the BBC complaints scheme to see if we think it is working efficiently, and there is a good degree of transparency now where it tells us the number of complaints it is getting and how it is—

Q701 **Chair:** It is interesting when you say a "degree of transparency now" because, as I understand it, in the first part of your regulation of the BBC there was not that transparency. That is fair to say, isn't it?

**Kevin Bakhurst:** That is completely correct. We had to write to the BBC and tell it we wanted it to be more transparent, yes.

Q702 **Chair:** Are you now entirely happy with the transparency and the speed at which it is dealing with complaints?

**Kevin Bakhurst:** We are happy at the moment, but it is not a cast-iron guarantee that we will continue to be happy, because when we pick up issues we deal with them.

Q703 **Chair:** Thank you. I have another couple of points. Dame Melanie, in your report "Small Screen: Big Debate", the consultation on the future of public service media, you note that a radical approach needs to be taken to attract younger audiences who are spending 90 minutes a day on YouTube, who watch more content on streaming services and social media than through traditional linear broadcast. Apart from the PSBs dumping all their content on YouTube, do you have any idea of exactly how the public service broadcasters are able to reach these younger audiences that are not using linear broadcast?

**Dame Melanie Dawes:** It is important for them to tackle this, and it is partly about the programming. Of course, Channel 4 with its specific



remit for younger audiences continues to do well here. In fact, in our latest report on Channel 4 we mention that. It may be that they do need to build stronger partnerships with some of the platforms that are really good at reaching younger viewers. That might be about partnerships with platforms like TikTok, which happens now, as a way of enticing those audiences to come back to the iPlayer, so that is one strategy.

Another strategy might be—as they do already with Netflix, for example—to use platforms that are successful in reaching younger audiences as a way of distributing more content. That can cut both ways because it raises issues, as you will be aware, with attribution and so on, but this is the sort of decision making they need to go through.

**Q704 Chair:** Do you recognise, though, that there is potential for market failure in that when you are a public service broadcaster, for instance, and you have spent a lot of money producing content and you put it on YouTube, you get exactly the same amount of money for that content as someone, for example, who has their own YouTube channel and may be doing the most mundane thing at home you could ever begin to imagine? Is that really fair? Is that the right sort of economics to encourage the public service broadcasters to reach out to younger people?

**Dame Melanie Dawes:** It is a real problem. There isn't a level market here. Once you are talking about working with the big global platforms, the odds are stacked against anybody who is trying to negotiate with them. This goes back to the questions we have been discussing around digital markets that the CMA has highlighted in relation to advertising, so it is a problem and it is one of the reasons why we think the regulatory framework urgently needs review.

**Q705 Chair:** Everything comes back to the social media platforms in many respects, even our music streaming inquiry.

**Dame Melanie Dawes:** It does, yes.

**Q706 Chair:** Channel 4 monetises its YouTube content to the tune of about £2 million a year, I believe, which is fairly small potatoes in the big scheme of things. Do you think the BBC, with its array of historical content, should now look to monetise through YouTube?

**Dame Melanie Dawes:** That is a commercial decision for the BBC. I would say for public service broadcasters the exam question is: how do they reach the viewer? That is the first question. Is YouTube a platform that can help them to reach the viewer more than they use it today?

**Chair:** The answer to that is pretty obvious. It is yes.

**Dame Melanie Dawes:** It does seem, yes, but—

**Q707 Chair:** The BBC should probably try to get some money for it so it can basically help its own finances and not ask the TV licence fee payer for so much money.



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**Dame Melanie Dawes:** Of course, the challenge is that the revenues that come from online distribution are generally in the form of advertising. That does not sit well with the BBC's specific remit. This is an extremely good question, and I think the answer is that the BBC is going to need to use YouTube more. It does already, of course, and its education provision, in particular, is on Google and YouTube.

Q708 **Chair:** Of course, the international-facing BBC News website does take advertising.

**Dame Melanie Dawes:** Yes.

Q709 **Chair:** I do not quite see what is different in terms of YouTube, and it is not actually the BBC that is taking the advertising. It is YouTube that takes the advertising, and then the BBC gets money from that. At the moment, of course, it is already bringing money into YouTube because, although there is no advertising on its content, when you drill down from BBC content there is advertising there, which is monetised for YouTube, so effectively what is happening right now is YouTube is piggy-backing on the BBC to sell more advertising. Do you accept that?

**Dame Melanie Dawes:** Yes, I agree with that. It is a very good example of the entrenched market power of the platforms in advertising and the way it makes it very difficult for others, including the BBC but also, of course, the news publishers, to find their way commercially through some of these other sources that they would otherwise have.

Q710 **Chair:** It is a regular theme of this particular session: a final, final question for you. What do you think about the idea of a single public service broadcaster video-on-demand player, a sort of super BritBox? Do you think that has any legs?

**Dame Melanie Dawes:** It is a really interesting one. We certainly say in our report that we think the PSBs need to enter deep and strategic partnerships with each other to find their way through these commercial challenges we have been discussing. Whether that means a single hub to reach the viewer, I don't know. It could bring some advantages. It could make it easier for them to negotiate with the platforms, and certainly some of the viewers and listeners we spoke to in our research said basically the PSB hubs are just not as good as Netflix and it does get quite confusing.

The flipside is that, at the moment, we have a very diverse set of PSBs that reach into different audiences rather effectively. You need to think about not muddying those brands. For example, Channel 4's younger viewers might find a hub that has everything on it to be something that looks like it is more for their mum and dad than for them, and then you have not really solved the problem. I think it is an interesting idea, but there are also other things, such as better sharing the data behind their platforms, which is the real commercial value. Maybe if they pooled it together, they could get more out of it.



**Chair:** On that note, Google Play has just announced that Channel 4 has won its video-on-demand service for 2020, but obviously working more co-operatively is the way forward.

Dame Melanie Dawes, chief executive of Ofcom, thank you for your evidence today, and Kevin Bakhurst, the executive director of broadcasting and online content at Ofcom. That concludes our first panel. We are going to take a very short adjournment while we set up our second panel.

## Examination of Witness

Witness: John Whittingdale.

Q711 **Chair:** This is the Digital, Culture, Media and Sport Committee, and this is our second panel of today and a final hearing into public service broadcasting. We are joined by the right hon. John Whittingdale OBE, Member of Parliament, Minister for Media and Data at the Department for Digital, Culture, Media and Sport. He has joined us physically today, which is a treat. Our first questioner is going to be Damian Green.

**Damian Green:** Minister, you have set up this new Digital Markets Unit, which is good. I always like a good new Whitehall unit. What is it for and what will success look like?

**Mr John Whittingdale:** It is not quite true to say that I or, indeed, DCMS have set it up. As you are aware, it is a consequence of the report by the Competition and Markets Authority. It has been looking at the operation of the digital market across the board, so the Department for Business, Energy and Industrial Strategy has a lead in that it is responsible for the wider operation of competition policy.

DCMS has a particular interest in it because one of the difficulties particularly facing news publishers is the imbalance between them and the platforms. This was flagged up quite a long time ago by Dame Frances Cairncross, who you will recall did an investigation into the sustainability of journalism. She recommended then that there needed to be codes of conduct between the platforms and the publishers. It was also recommended by Furman, who looked at the digital market, and then, of course, the CMA carried out a market investigation and recommended the need for regulation by a dedicated unit within the CMA, which is the Digital Markets Unit.

The second part of your question was: what will success look like? As long as we can be satisfied that there is a better competitive marketplace operating and that there is not abuse of what is a dominant position by one or two of the major platforms, I think that is a very important part of what needs to be done to support publishing, which undoubtedly has suffered as a result of the dominance of the platforms.

Q712 **Damian Green:** Obviously, there has been a lot of concentration on advertising and the lack of competition there, and perhaps the



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overweening power of the platforms there. Do you think there is potential harm beyond that in the wider media, whether news or other forms of media, that it is the dominance of the platforms that should be one of the big concerns looking ahead?

**Mr John Whittingdale:** I think there are wider harms. As the CMA report brought out, consumers also suffer from a lack of competition. By introducing greater competition and reducing the dominance, in due course that will be of benefit to consumers.

You are right that advertising revenues are one of the most obvious areas in which it appears these very big players are exploiting their market position. There is a very interesting study that I think ISBA did in which it tried to work out the proportions of where advertising spend goes. That showed not only that the proportion of advertising spend that ended up with the publishers is very small, and that the biggest chunk went to the platforms, but there was also a gap where it was impossible to identify where about 15% or 20% of the spend went at all. Clearly, something is not working properly in that market, and that is something the Digital Markets Unit, I hope, will address.

Q713 **Damian Green:** Is this likely to lead to legislation? Are we going to have to drop legislation to regulate online advertising?

**Mr John Whittingdale:** Yes. We said we would like the Digital Markets Unit to be established early next year, but for it to have its full powers will require legislation. In due course, there will need to be a digital markets Bill of some kind to give it the statutory powers to enforce whatever recommendations it makes.

Q714 **Damian Green:** Is it your intention that the digital markets Bill should come about in this Parliament?

**Mr John Whittingdale:** I think so, yes. Certainly, we would like to see it on the statute book as soon as possible. Whether it is going to be possible to get it into the next session is another matter. I would like to see it, but I am also conscious that other Departments have other priorities and, as you will know only too well, there is competition between them as to who can win the places in the Queen's Speech.

Q715 **Damian Green:** Good luck with that. I have one final question on the advisory panel that you set up on public service broadcasting. Given that this Committee is conducting an inquiry and Ofcom is conducting an inquiry, have you set up your own hand-picked panel to come up with the conclusion you want on the future of public service broadcasting?

**Mr John Whittingdale:** No. The two short answers to that question are: first, the Government do not have a clear view yet of what answer they want. It is because there are so many big questions that need to be addressed that this Committee, I think rightly, decided to carry out an inquiry, and why Ofcom thought it was right to have a review.



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Secondly, if you look at the composition of the panel, you would find that, even if I did want them to reach a particular conclusion, they are certainly not people who are going to be told what to think by me. They are all very experienced, with strong opinions of their own.

**Q716 Giles Watling:** First, Minister, I must declare interests, because I am a recipient of royalties from various subsidiary companies of the BBC.

Thank you very much, Minister, for appearing before us today. I would like to pick up on something Damian Green said about the digital markets Bill. We want to bring regulation of online advertising in line with broadcasting. When a large company like YouTube disagrees, first, what can we do about it and, secondly, what do the Government intend to do about it? There is the old saying: nothing succeeds like a toothless budgie. Are the Government toothless budgies?

**Mr John Whittingdale:** The content of online advertising is subject to the same sort of complaints procedures and requirements under the Advertising Standards Authority. This is obviously not regulation of advertising in itself. This is about where the money goes. You have a position where there is no doubt that a few very large companies dominate the markets of search, social marketing, social media and online marketing. It is because of that dominance that, obviously, the competition authorities have looked closely at it and decided there needs to be intervention to promote competition. Obviously, online advertising has been growing steadily because more and more people are consuming content online rather than from traditional broadcasting. The intervention of the regulator will be to make sure there is a fair distribution of that revenue.

**Q717 Giles Watling:** But only inside the UK because, of course, these platforms operate overseas, as we heard earlier.

**Mr John Whittingdale:** That is correct, but obviously UK advertisers are principally advertising on the UK offering of these platforms.

**Q718 Giles Watling:** Moving on, would you say that the likes of Amazon and Netflix are deliberately obfuscating? They do not credit content providers; for instance, Netflix runs BBC programmes and viewers do not know anything about it. They do not even share data about their UK workforce. Should they, do you think, and why should they?

**Mr John Whittingdale:** First, I welcome the huge increase in choice that viewers have been given as a result of companies like Netflix, Amazon, Apple, Disney, and indeed Discovery now, who are all streaming content to UK viewers. They commission content from UK production companies, which is again something I very strongly welcome. There is not just programming that is obviously UK-based, like *The Crown*, but there is also programming that is less obviously UK-based but still made in this country, something like *Sex Education*, which is made in Wales by Netflix. Whether they should be required to credit the independent production



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company, or the location, or whatever, is not something we necessarily want to do.

You raise an interesting wider question, which is that traditional UK broadcasters are subject to quite stringent requirements in terms of the broadcasting licence they hold and some of the obligations placed on them, which Melanie Dawes has been talking about. Then you have the video-on-demand services that are subject to virtually no regulation or requirements at all. If they are UK-based, they would require a broadcasting licence. If they are EU-based, they come under AVMSD. But if they are outside Europe, they are not subject to anybody at all.

That is quite a stark difference, and the Government might well think about whether we want to look at having some kind of basic requirements on video-on-demand services. I will not put it any stronger than that at this stage, but there is a very glaring difference between what you might argue is a quite strongly regulated sector and the services that are really subject to no regulation at all.

**Q719 Giles Watling:** The point is that the viewer him or herself has no idea of where this content is coming from or who has put it together and, therefore, has no guarantee that it is appropriate for distribution. I wonder whether the Government should be stronger about that.

Moving on, the Audiovisual Media Services Directive was revised in November 2018 to take into account market changes. Do you think the regulation of streaming services under the Audiovisual Media Services Directive goes far enough?

**Mr John Whittingdale:** AVMSD sets basic requirements in terms of things like protection of children and inappropriate content. On your last point, Netflix has, I think, voluntarily agreed that all its content should be examined and rated by the British Board of Film Classification. That is something it did voluntarily.

In terms of AVMSD, we adopted the revised directive because it was passed during the transition period and we were bound to pass it into UK law, which we have done. What we have said is that it is going to be superseded by the online harms legislation. That is going to be, I hope, in the next session of Parliament. Part of that will repeal those parts of the AVMSD dealing with this area, because we thought it would be better to substitute them with the online harms legislation, which goes further than AVMSD.

**Q720 Giles Watling:** The UK's relationship with the directive post-Brexit will not exist because it will be replaced?

**Mr John Whittingdale:** Exactly.

**Q721 Giles Watling:** I have one final question. Ofcom seems to be left in the cold. Do you think it should have more access to more data about video-on-demand services?





**Mr John Whittingdale:** As I say, at the moment, if video-on-demand services are not UK-based, Ofcom has no remit. A broadcasting licence is required if you are a UK-based service, and some are. Amazon, I think, is UK-headquartered.

Q722 **Giles Watling:** Forgive me for interrupting. Melanie Dawes made that point quite clearly. What I am trying to get at is: should the UK Government be reaching out to overseas territories?

**Mr John Whittingdale:** It will depend to some extent where they are based. Taking off my media hat and putting on my other hat, which is Minister for data, I am all in favour of data sharing. I think there are great benefits for consumers if we enable data sharing. Whether or not you could require data to be provided, it would require a much greater regulation intervention. There is an argument, as I say, that you could try to require all services providing content to UK customers to have some kind of broadcasting licence. That goes a lot further than where we are at present, and that is certainly not something we have decided, but it is something that one could look at.

Q723 **Giles Watling:** Are we in a weaker or stronger position, do you think, as a result of Brexit?

**Mr John Whittingdale:** Are you talking about the general economic prospect of the country, or for media in particular?

**Giles Watling:** No, I am talking about being able to regulate the provision of data from overseas providers.

**Mr John Whittingdale:** In terms of data, we are hopeful—indeed, we still remain optimistic—that we are going to achieve what is called data adequacy, which will mean that even though we are no longer a member state we are able to send data to the European Union, and European Union businesses and organisations can send data to us, without any restraint. That requires adequacy. That is not a part of, but probably is linked to, the wider negotiation. While at the moment we are still hopeful, obviously time is running out, so we are saying to people that they need to prepare for the possibility that we do not get adequacy. That is a message to all businesses who deal in data with the European Union.

Q724 **Kevin Brennan:** Welcome, Minister. Have you ever watched *The Crown*?

**Mr John Whittingdale:** Yes.

Q725 **Kevin Brennan:** Were you aware that it is, in fact, a drama and not a documentary?

**Mr John Whittingdale:** I was and am. I have to admit I am a little behind. I have just got past the coronation, so I have quite a lot of catching up to do. Given that quite a lot of it consists of, for instance, conversations between Her Majesty the Queen and her sister, Princess Margaret, or Her Majesty the Queen and her husband, I do not think



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Netflix was in the room at that time. Inevitably, of course, it is dramatised.

Q726 **Kevin Brennan:** Well spotted. Do you think the British people are stupid enough to think it is a documentary?

**Mr John Whittingdale:** I would hope not. I think most people are aware that dramatised accounts of real-life events inevitably require some speculation. I know where you are leading to.

Q727 **Kevin Brennan:** You will guess where I am going with this. Do you think the Secretary of State made himself look a bit of a twit by suggesting that the British people needed a health warning about *The Crown*?

**Mr John Whittingdale:** No, I do not, because particularly the latest season of the drama is dealing with events that are a little rawer than, for instance, the abdication crisis.

Q728 **Kevin Brennan:** True. But in fairness, Minister, you have just told us you have not even seen it, so how can you express an opinion on whether they needed a health warning?

**Mr John Whittingdale:** I have not yet watched it, as I say. I am being disciplined in working my way through in chronological order rather than jumping to events that I was involved in. I believe that my former boss, Margaret Thatcher, is played by Gillian Anderson, and I will be very interested to see her portrayal.

Returning to your point, these are events that are still quite raw and controversial, and they involve people such as the existing Prince of Wales and his sons. Therefore, I think it does no harm, particularly because those events did generate strong views and emotions on both sides. It is not unhelpful to remind people—even though, if they think about it, it is obvious—that this is not based on any insider knowledge but is a dramatisation of somebody's speculation or imagination as to what might have happened.

Q729 **Kevin Brennan:** You have just indicated to us that there is nothing the Government can do about it, because streaming services are not regulated in the same way as broadcasting services, particularly public service broadcasting, and particularly not a licence fee-funded public service broadcaster. Could you give the Committee a flavour of the sorts of sanctions, threats and cajoling the Government would have issued through its favourite tabloid organs had this series been on the BBC?

**Mr John Whittingdale:** The Government do not issue threats. I am sorry, are you talking about the BBC or Netflix in this particular instance?

**Kevin Brennan:** We can see the Secretary of State got so worked up about it that he felt he had to make public pronouncements about this drama series and say that the British people are so stupid they needed to be told it is a drama and not a documentary. What if it had been a BBC series? I am just trying to imagine what the Government would have



done in terms of threatening the BBC if it had dared to produce a drama series of this type.

**Mr John Whittingdale:** The Government would not have threatened the BBC. I have always been extremely clear that the independence of the BBC is an extremely important element of our democracy. If it had been on the BBC, the BBC is subject to requirements of the broadcasting code. I would have encouraged people who felt strongly that the BBC should have made it clear that these events were a dramatisation, rather than necessarily an entirely accurate portrayal, to complain to the BBC, and if they remained dissatisfied to take it to Ofcom. It would be for Ofcom to judge. I will return to the conversation I have just had with Mr Watling. Because Netflix is outside, that is not available.

Q730 **Kevin Brennan:** Okay. We will leave it there, and perhaps we can pick it up when you have seen the rest of the series.

Picking up on what you said to Giles Watling, I think when Giles was asking you about attribution on Netflix he was not talking about production companies that might have made content in the UK, he was talking about the way in which series that are made by public service broadcasters are shown on Netflix, but are widely believed—going back to our theme about what people believe about broadcasting—to be Netflix series. The chair of Ofcom just told us that most people believe *Peaky Blinders* is a Netflix series. That is the issue. Should more be required of those streaming video-on-demand services to reference the public service broadcasting origin of much of their content?

**Mr John Whittingdale:** First, I have to say I am slightly surprised that that is the finding. I was not aware you could get *Peaky Blinders* on Netflix. I have always watched it on BBC or ITV. I cannot remember which one.

**Kevin Brennan:** It is BBC. That is what Melanie Dawes told us.

**Mr John Whittingdale:** I remember visiting the set of *Peaky Blinders* when it was being made. If the BBC has sold the rights to *Peaky Blinders* to Netflix, attribution is a commercial matter between the BBC and Netflix. It would be very simple for the BBC to require Netflix to put an attribution on it.

Q731 **Kevin Brennan:** We can ask them why they do not do that. I am going to ask you some questions about prominence. Why have the Government done nothing about prominence, despite Ofcom's recommendations, which were made some time ago?

**Mr John Whittingdale:** The Government essentially accepted the Ofcom recommendations for prominence. Certainly, we intend to legislate. The necessity of doing so has increased as more and more people access their content via other means than traditional Freeview, EPG, or whatever. In particular, ITV has been very vocal in saying that now, because people use different platforms and devices, prominence has become more and more important to it.



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We started off by asking whether we should legislate so that the EPG on the Sky platform or on the Virgin platform matches, and beyond that maybe access through apps. It has now become as much about devices as platforms. For instance, when ITV tried to argue with Samsung that Samsung smart televisions should have an inbuilt app for ITV Hub, ITV feels that it did not have much leverage. There is now a case that the prominence legislation should perhaps look at devices as much as platforms. That is something we are looking at.

**Q732 Kevin Brennan:** I completely agree with you, Minister. We are all very much aware of that, but when is something going to happen? In the meantime, there is the potential that the value of public service broadcasters, or public service media as we might choose to rename it, is being significantly undermined, and it might be too late in the day by the time the Government act, albeit in the flexible way you are suggesting that they should act. When is there going to be action from the Government on this?

**Mr John Whittingdale:** Prominence is one of the issues that will be considered by the PSB panel. It is something that Ofcom is also going to make more detailed recommendations about when it does the next part of its PSB review, and I am sure this Committee will also have views on it. The Government's intention is that, looking at the outcome of all those various studies, we will come forward with a statement about how we see the development of PSB—and this obviously goes much wider than prominence—later next year. I would hope that that would probably lead to legislation in the following session.

**Q733 Kevin Brennan:** We are at least two years away from any legislative change. That is what you have just outlined, is it not?

**Mr John Whittingdale:** Being realistic, I think that is probably likely. I do not think we are in a position yet to have media legislation in the forthcoming session, but we would look to do so afterwards.

**Q734 Kevin Brennan:** Okay. It is disappointing, but at least that is a clear answer.

I am going to ask you about the so-called decriminalisation or licence fee evasion consultation. You recently answered a written question to me on this, and the Secretary of State indicated last time that the Government would come forward with something quite quickly on this, and seemed to suggest that perhaps you were not going to proceed with the decriminalisation proposals. What is happening with that?

**Mr John Whittingdale:** I think I said to you in my answer that we would publish our findings in due course, which for some reason you did not find entirely informative. I can tell you that we are hoping to publish the results of the consultation very shortly.

**Q735 Kevin Brennan:** Is that before Christmas?



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**Mr John Whittingdale:** I am not going to say definitely before Christmas. I would like to see it published before Christmas if we can, but certainly in the very near future.

The consultation produced something like 150,000 responses. It is fair to say, without giving away too much detail, that opinion is quite strongly divided. The Government continue to believe that the criminal sanction for failing to pay the licence fee is regarded by many people as disproportionate and unfair, which is why we set up the consultation in the first place. However, it is clear that the alternatives carry with them some potential negatives as well. For instance, if you move to a system of civil enforcement it could lead to higher fines and potentially the bailiffs being summoned to knock on people's doors. We are of a view that this is a more complicated matter than was originally suggested.

I do not want to pre-empt the announcement, but as the Secretary of State said when he appeared before this Committee, it is more complicated. We are certainly not going to rule it out; we will continue to keep it under review.

Q736 **Kevin Brennan:** Fine, okay. Thank you for that. I will ask you about one other subject. When the BBC appeared before us last time, and Tim Davie, the new director-general, appeared before us, I asked him some questions about a decision they had taken to challenge the listing of the Maida Vale BBC recording studios. Because it was given a heritage listing it affects the value of its sale price. In terms of the understandable pressure on the BBC for it to be commercially viable, does it not come to something when the UK's perhaps foremost cultural institution is challenging the listing of one of its buildings because of its heritage value in order to maximise its commercial return? I understand it has written to the Department to challenge that listing, which I thought would have been done at arm's length rather than by Ministers. Are you aware of any correspondence, and would you be prepared to allow the Committee to see that correspondence between the BBC and the Department over the Maida Vale listing?

**Mr John Whittingdale:** The short answer to your question is no, I am not aware. I am completely unaware of that, but that is probably because it would go to my colleague Nigel Huddleston, who looks after heritage, rather than me. It is not uncommon for owners of properties to challenge listings if they think it is going to affect the value of those properties. Whether or not the BBC, which as you say is a cultural institution, should do so is essentially a matter for the BBC.

Q737 **Kevin Brennan:** It is obviously a matter for the Government as well since they have written, so would you at least be able to ask your colleagues if they could write to the Committee following this session to tell us what they can about that exchange between the BBC and the Department on that subject?



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**Mr John Whittingdale:** I do not know the extent to which they can, but I am very happy to ask them, and I will pass that on.

**Kevin Brennan:** Thank you. I will leave it there, Chair.

Q738 **Chair:** I will follow up on a couple of points that Kevin made. On decriminalisation, have the Government bottled it?

**Mr John Whittingdale:** No. The Government are about to publish, and I do not want to pre-empt their conclusions. There is an argument for considering this particular aspect of the licence fee as part of the more general, wider consideration of what should happen to the licence fee in the next settlement.

As you know, the Government have begun the process of discussion with the BBC as to what level the licence fee should be set from 2022. In the course of that, we have also asked it to think about other aspects of a licence fee, in particular the impact it has on vulnerable people or older people. Obviously, the BBC decided to continue the exemption for pensioners on pension credit over the age of 75. The licence fee settlement is an opportunity to look at the way in which the licence fee operates. The actual model is not going to change. That was set in the charter and will not be up for re-examination until 2027, but the licence fee settlement does offer the opportunity to look at the operation of the licence fee, and I think we will want to keep this as one of the issues we examine at that time.

Q739 **Chair:** On the decriminalisation issue, when the Secretary of State has appeared before us, the two times, the language was very, very different. He was quite combative about it in the first one, and then he seemed very emollient in the second session. Does that reflect the changes at No. 10, the departure of Cain and Cummings, and that the stick that was being held over the BBC in terms of decriminalisation is essentially now null and void and you want to run away from it as quickly as possible?

**Mr John Whittingdale:** No, because the Government have not decided to drop the idea of decriminalisation. Secondly, as you come to look at this issue in greater detail, it becomes clear that it is not as simple as was perhaps first suggested. To some extent I have been around this track before because, when I became Secretary of State in 2015, I was quite a strong supporter of decriminalisation and I asked David Perry to look at it. He produced a report that flagged a number of the difficulties.

Q740 **Chair:** It is interesting you refer to the Perry report, because at the first session we had with the Secretary of State he scoffed at the Perry report and said, "Well, it was six years ago so, therefore, it is almost invalid as a result." Obviously, the landscape has changed. I get the fact you are not willing to say whether or not you are moving away from decriminalisation and to have a review and so on, but in terms of civil enforcement, you made the point about bailiffs at the door. I put it to you that, at the moment, TV licence fee evasion is the major cause of young women being criminalised in this country. What is worse, having a bailiff at the door or being a criminal?



**Mr John Whittingdale:** I would agree with you that neither is desirable. Perry flagged up the issue that prosecutions were disproportionately of women rather than men. Whether or not this is a sign of the times, it was felt that because TV licence inspectors knock on doors during the day it is more common to find a woman at home than a man. That is certainly not always the case but probably proportionately. That was one explanation. However, in terms of prosecutions, as you know, the vast majority are done very rapidly through an established process. One does not want to have large numbers of men criminalised any more than you do large numbers of women.

Q741 **Chair:** It is poor, young women, women on low incomes, who end up being criminalised by the licence fee system.

**Mr John Whittingdale:** It is not exclusively but, yes, I suspect if one looked, obviously it is likely to be people who are poorer because they are the ones who find it harder to afford the licence fee. It was not fully clear why, but there is evidence that more women than men are prosecuted.

Q742 **Chair:** Are you comfortable with that staying in place?

**Mr John Whittingdale:** No, I am not comfortable with that. As a result of Perry's findings, we looked at ways to try to address that particular issue. That is one aspect of licence fee enforcement that probably does need to be examined, but that is not to say it is necessarily an argument for decriminalisation.

Q743 **Chair:** You said you examined this in 2014. There is no difference in that respect. In fact, evasion has gone up since then. Licence fee evasion has gone up 27% in the past five years. How do you account for that, and what do you think is the means by which evasion is clamped down on?

**Mr John Whittingdale:** The change in the way people consume TV has potentially contributed to it. There was a time when people generally watched, listened to or used the BBC overwhelmingly; 99.9% of the population consumed BBC content one way or another. We are getting to a position now where there is still a minority but a number of people who genuinely don't and, therefore, they find it harder to see why they should pay for the licence fee.

There is also an issue that the days when TV detector vans patrolled the street are now gone. Simply because of technology, you cannot now tell if somebody is watching a TV in the way you could, so that perhaps makes it harder to enforce. There are probably a variety of reasons for that. The Government are clear that we closed the iPlayer loophole, for instance, specifically because it was felt that people were watching TV via the internet and on-demand players rather than through traditional means. That was an adjustment to take account of that behaviour that we updated the licence fee law.

Q744 **Chair:** Evasion is 7% according to the NAO. If you look over the five-year period, 1.5% is equivalent to a £75 million shortfall in terms of the



licence fee. You have just mentioned that younger people, ostensibly, may be using other means to watch or consume media, not the traditional standard TV with linear broadcasts, with more laptops and so on. That is my experience as well with many younger people.

What does this say about the future of the licence fee beyond the next charter renewal? I think all members of the Committee can understand why it is necessary to retain a licence fee at the next charter, but if it is a vanishing means of the BBC funding itself over time because of the societal and technological changes, what is the alternative? What are you thinking ahead?

**Mr John Whittingdale:** I have always said there are many aspects of the licence fee that I do not like. It is a flat charge that has no means-tested assistance available to it, and it is, therefore, highly regressive. The justification that everybody benefited from paying it because everybody benefited from the BBC is still largely the case but will diminish over time. I suspect that eventually we will need to look for alternative means of funding the BBC.

There is an attraction in subscription, at least in part. However, as I have sought to explain to people who have said, "Why don't you just make the BBC a subscription service like Netflix or Sky, or something?", you cannot do that while the majority of people still receive their television through Freeview, because there is no mechanism on Freeview.

Q745 **Chair:** The Freeview is dumb, basically, and was deliberately designed to be so by the BBC when it took over from ITV Digital.

**Mr John Whittingdale:** You are absolutely right, and indeed there are people at the BBC who will admit that. However, that is now in the past. There will eventually come a time when we may move to video over IP as the universal means of distribution of television content. We are still quite a long way from that. The debate around the licence fee will certainly take place as part of the charter review of 2027. We have said it is guaranteed until 2027. That is simply a recognition that there is no alternative at the moment, nor is there going to be for quite some time. But there may come a time, and that is a debate that will be had.

Q746 **Steve Brine:** Minister, while you are in ponderous thought—and I like it when a Minister is in ponderous thought; it is the most dangerous territory. I also like to try to use Ministers to help me do my constituency correspondence. Why do I keep getting emails from people saying, "The UK Government have drawn together a group of media insiders to decide the future of the BBC"? Who are these secretive individuals who are deciding the future of the BBC?

**Mr John Whittingdale:** I assume that is a reference to the PSB panel. There is not, as far as I am aware, any other group beyond the PSB panel. The PSB panel is to look, as this Committee is doing in this inquiry, at the wider future of public service broadcasting. The BBC is an absolutely central player in PSB but it is not the only one, and we are looking at all the various PSB providers, just as Ofcom is, just as you are.





The PSB panel is made up of people who have considerable experience in different areas of the media but they are all experts, which is why they were selected. Ultimately, the decisions are not being taken by that panel; the decisions will be taken by Ministers.

Q747 **Steve Brine:** Is there transparency on that panel, on who they are and what they do?

**Mr John Whittingdale:** Yes, the membership of the panel is published.

Q748 **Alex Davies-Jones:** Minister, you mentioned that we cannot expect the licence fee funding model to be reviewed until 2027, but we know negotiations are under way on the licence fee, particularly with BBC and S4C. Can you give us an update about how they have gone so far?

**Mr John Whittingdale:** We are still at an early stage. The licence fee settlement comes to an end in 2022. That is just over a year away. We have begun the process of negotiation or discussion between the Government and the BBC and S4C, because S4C is moving to a position where, from 2022, it will be fully licence fee-funded. Therefore, S4C is being asked to tell us what its view is of the level of licence fee money it requires to sustain its services, just as the BBC is.

The BBC has been asked essentially to break down, according to the purposes of the BBC, how its activities meet each of those purposes and, on the basis of that, tell us a level that it believes is needed to sustain that. The Secretary of State has made it clear that he wants to press the BBC on one or two aspects of that—the scope of the BBC, the possibility of increasing its commercial income—but this is still at an early stage. I suspect that a great deal of next year will be taken up with further discussions.

Q749 **Alex Davies-Jones:** I appreciate it is at an early stage but, as you have said, there are huge implications here, particularly for S4C relying on the funding from 2022, which is just over a year away. With the negotiations going into next year, when can we expect a final settlement and an agreement to be reached?

**Mr John Whittingdale:** Goodness, I would be very hesitant about putting any kind of date on it. Obviously, we need to give the broadcasters the opportunity to plan for the future, so I would hope we reach a view certainly by the second half of the year. That may be optimistic. I do not know, to be honest, because we have only just begun, but we have made very plain to the BBC and to S4C the information we have asked them to supply to us. It will be on that basis that we begin to talk about what the levels should be.

Q750 **Clive Efford:** Minister, do you believe that the BBC's news coverage is politically biased?

**Mr John Whittingdale:** Short answer, no. Occasionally, there are reports I am unhappy with. Sometimes I strongly disagree with some aspects of BBC news and current affairs. I suspect almost every single person in the country occasionally gets cross with them. Do I think there



is an inbuilt bias of BBC News against or in favour of a particular party or, indeed, viewpoint? No. I think the BBC has sometimes failed to properly understand the strength of view, particularly outside the M25 and the metropolitan areas. That is something the BBC has acknowledged.

It was particularly clear initially over the strength of feeling in this country around the levels of immigration. That perhaps led into a strength of feeling around the Brexit referendum and, indeed, it was certainly not reflected or realised by the BBC in the last election campaign, which is why it was so surprised by the result. As I say, I do not think the BBC is biased in a systemic way.

**Q751 Clive Efford:** So it is not biased when it got it wrong on the general election and Brexit? Those are quite big issues for the BBC to have got wrong.

**Mr John Whittingdale:** Yes, they are. I think the BBC has acknowledged that it failed properly to take account of opinion. Funnily enough, with the general election and Brexit, it was the strength of feeling in exactly the same communities that I do not think the BBC understood, which is why in each case it did not properly reflect it. If you talk to the BBC and the new director-general, he would acknowledge there is a section of the population particularly, but not exclusively, in the north of England, but mainly in the north of England and mainly in more what I suppose you would call working-class areas. They are the people who in very large numbers voted Conservative for the first time at the last election. That movement was certainly not anticipated in any of the coverage I saw, not just on the BBC but on almost any of the broadcasters.

**Q752 Clive Efford:** Do we conclude from what you are saying that it is not politically biased but it is biased against working-class people? Is that what you are saying?

**Mr John Whittingdale:** No, I am not saying it is biased. I am saying that it failed to properly understand and reflect in its coverage what was clearly a very substantial move in political opinion, something that had never happened before. If you had listened to all the BBC's—it is not just the BBC. If you listened to the coverage of the general election campaign from the broadcasters, you did not get any awareness that that move was taking place. I think the BBC would be the first to agree that that is a failing that it needs to address because the job of the BBC is, to some extent, to reflect opinion and to question politicians like us in relation to how the vast majority of people in this country feel.

**Q753 Clive Efford:** Do you think that you, as a politically biased politician, are independent-minded enough to be in charge of negotiating the future of the BBC?

**Mr John Whittingdale:** As I said earlier, I am a very strong believer in the independence of the BBC. I have never attempted to influence content, and I strongly believe that is not the job of Government. That is why, when I was responsible for looking at the charter, we agreed there should be independent regulation by a neutral arm's-length body, in this



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case Ofcom, not by Government Ministers. We also ensured that the majority of the board were also not going to be Government appointees. To that extent, yes, of course I have political views, as you do, as does everybody, but I do not seek or believe it right for me to try to impose those on the BBC.

**Q754 Clive Efford:** If there is a need for independence in oversight of content, is there a need for independence in oversight of negotiations over the future of the licence fee?

**Mr John Whittingdale:** No, because at the end of the day the licence fee is a tax and it is the responsibility of Government to decide what level of taxation is appropriate. I am sure the BBC would love to have the licence fee at twice the level it is, because it has all sorts of ambitions as to what it would like to do. In the same way that the NHS does not decide how much is available to spend on the NHS, it ultimately has to be a matter for Government, who have the overall view of the level of taxation and Government expenditure of this country.

**Q755 Clive Efford:** So the Treasury should decide?

**Mr John Whittingdale:** If truth be told, the Treasury plays a large part. It is the Government who decide the level of the licence fee. DCMS is the Government Department responsible, but, of course, the Treasury have an input into that.

**Q756 Clive Efford:** Is there not a need to balance against it? It is not a straightforward tax in that sense, is it, because of what it pays for in terms of public service broadcasting? How do you come to an independent view of balancing the needs of public service broadcasting and the public good that does against the financial constraints of the Government? Should that not be done by an independent body so we can all see what is best for the future of the licence fee and what it pays for? Then we can see more clearly how the Government came to their final decision.

**Mr John Whittingdale:** The BBC is overwhelmingly the beneficiary of the licence fee, but the licence fee is not exclusively for the BBC. As we discussed just now, S4C is going to be fully funded by the licence fee and there is also some expenditure on other things. I set up what was known as the contestable fund, which has been used to support young audiences' content and also some radio programming, the audio content fund.

All of those are valuable cases, and I would love to spend more on them, but you have to balance that against the fact that this is a tax. As I said earlier, it is also a flat-rate tax that every household has to pay and it is not income related, so obviously the Government have a responsibility to weigh up the need for resource to fund the BBC and these other beneficiaries of the licence fee against what people can afford to pay. That is a responsibility of Government.

**Q757 Clive Efford:** Do you favour, then, some form of means testing for the



licence fee if it is retained?

**Mr John Whittingdale:** For the very first time you have a kind of means testing introduced into the licence fee system as a result of the BBC's decision to restrict the over-75 concession to people on pension credit. That is the first time that there has been an element whereby people's income is taken into account in deciding how much they should pay. Whether or not you could move beyond that is a wider question. I would always be interested in looking at it. I have made it clear that I think the regressive nature of the licence fee is one of its drawbacks. It is one of the disadvantages of the system. I would not rule out looking at elements. The basic licence fee model is settled but these are issues that we could look at as part of the licence fee settlement.

Q758 **John Nicolson:** Good morning, Mr Whittingdale. Thank you very much for joining us. Who was it at the BBC who told you that the BBC got it wrong over Brexit and last year's election?

**Mr John Whittingdale:** I did not say it got it wrong. You will find that a lot of people—

**John Nicolson:** I think you did.

**Mr John Whittingdale:** Let me clarify. What the BBC has acknowledged is that it did not properly understand or appreciate the strength of feeling that existed, particularly among certain sections of the population, in both cases, and it has not.

Q759 **John Nicolson:** When did it acknowledge that?

**Mr John Whittingdale:** I am trying to think. If you look at comments of both the previous director-general and the director-general since then—

**John Nicolson:** Like what?

**Mr John Whittingdale:** I cannot give you chapter and verse, but I do not think this is a particularly controversial statement. I think if you asked the BBC today whether it properly appreciated what was going to happen in both the referendum and the general election campaign, it would clearly say no.

Q760 **John Nicolson:** Can I quote what you just said to my colleague? You said the BBC would be the first to acknowledge that failing. That is an interesting thing for you to say. Who is it at the BBC that you are talking to who is making these very blunt concessions to you? I have not heard anyone speaking for the BBC who says either that the BBC got it wrong or that it is the first to acknowledge failings.

**Mr John Whittingdale:** It depends what you mean by "got it wrong". If you look at subsequent statements, even sometimes the things that the new director-general has said but certainly the old one and people like the presenters on the *Today* programme, they will be the first to say to you, "Did we properly appreciate the extraordinary earthquake in political terms that was represented both by the referendum and then by the general election? No, we did not, it came as a shock to us." It came as a



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shock to most of us here, too.

Q761 **John Nicolson:** Okay, so it was the new director-general who said to you, "The BBC is the first to acknowledge this failing"?

**Mr John Whittingdale:** I am not going to let you put quote marks around that, because I cannot recall precise wording. I think if you say to the director-general, "Do you think the BBC fully realised what was going to happen and reflected that in all its coverage during the campaigns?", he would say no.

Q762 **John Nicolson:** He would say, "We failed"?

**Mr John Whittingdale:** It is not a question of—I think "failure" is a very strong word. Can it learn lessons from it? Yes, clearly it can.

Q763 **John Nicolson:** Mr Whittingdale, "failure" is the word you used. I am not putting words in your mouth, I am just taking your words seriously and I am quoting them. Words mean something, so if you make a claim like you have just made, you have to be able to back it up.

**Mr John Whittingdale:** As I have said, the acknowledgement is something that I certainly do not—I am not aware that anybody in the BBC has disagreed that they did not—

Q764 **John Nicolson:** You are moving from saying it is the first to acknowledge its failing to saying that you think it is a failing but you have not explicitly heard anyone say it is a failing.

**Mr John Whittingdale:** No, I am not saying that I have. I am sorry, Mr Nicolson, I do not have copies of every article written by people working in the BBC or quotes from it, but I am—

**John Nicolson:** I am not asking that.

**Mr John Whittingdale:** I am absolutely clear that on several occasions people at senior levels in the BBC have said: did they properly appreciate what was going to happen in the most recent political campaigns and did they have a clear understanding of the shift in political opinion that was taking place? The answer is no.

Q765 **John Nicolson:** You are reframing your answer. I am not, of course, asking you for copies of everything that everybody has ever said at the BBC. That would be an absurd thing for me to ask you to have. I am not asking you for that, I am simply asking you to substantiate the quotes that you gave to my colleague, which you are unable to do, so let's just pause it there. Let's look at Channel 4—

**Mr John Whittingdale:** I am very happy to go away and look for some examples but, as I say, I do not think you have to look very hard.

Mr Nicolson, as a former employee of the BBC, would you acknowledge that it did not cover itself in glory in terms of anticipating what was happening in those campaigns?

Q766 **John Nicolson:** Mr Whittingdale, you will have noticed the purpose of these inquiries. You are questioned, and it is not for you to ask members



questions.

Let's move on to Channel 4. I get a certain sense of déjà vu about you and me sitting here talking about Channel 4, so let's play a familiar game. Would you like to see Channel 4 privatised?

**Mr John Whittingdale:** I have an entirely open mind, as I had the last time we had these exchanges.

Q767 **John Nicolson:** No, the last time we had these exchanges you said you had no plans to privatise Channel 4, and then a few days later you were photographed walking into No. 10 Downing Street with a large dossier called, "My plans to privatise Channel 4."

**Mr John Whittingdale:** If I can correct you—

**John Nicolson:** It was subsequently that you had written—

**Mr John Whittingdale:** Mr Nicolson, can I correct you? That is an entirely untrue and inaccurate statement of what happened. I was never photographed carrying any documents. If you recall, I believe a junior official, who I think was from the Cabinet Office, was photographed carrying a document, which did not say, "My plans." It did, however, relate to the arguments for and against. There were no plans. Is it something that at that time was considered as a possible way forward? Yes, but that is not the same thing as having plans, nor is it today.

**John Nicolson:** I stand corrected. As a journalist I am always willing to concede when I misremember. It was not you who was carrying the plans for Channel 4 privatisation but an underling.

**Mr John Whittingdale:** Nor were they plans.

**John Nicolson:** All your colleagues thought they were. They were plans and they were pretty detailed.

**Mr John Whittingdale:** When you say "all my colleagues", Mr Nicolson, would you like to provide me with examples to demonstrate that all my colleagues thought they were plans, or are you just speculating?

**John Nicolson:** Certainly. I talked to many fellow members of the Committee who were rather worried about it at the time.

**Mr John Whittingdale:** I am sorry, but fellow members of the Committee were not my colleagues. They were not fellow Government Ministers.

**John Nicolson:** Unless you are choosing to dissociate yourself from other Conservative MPs, I rather think—

**Mr John Whittingdale:** No, no, what I am saying is that other Conservative MPs did not know unless they were Ministers. They may well have had views but—

Q768 **John Nicolson:** Mr Whittingdale, other Conservative MPs were very worried about your plans or the consideration that you were giving to privatising Channel 4, but let's move away from past issues and look



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forward. Have you any thoughts, proposals or, indeed, a private, secret wish to privatise Channel 4?

**Mr John Whittingdale:** No. Let me be absolutely clear. I believe there are questions over the long-term sustainability of the Channel 4 funding model because of the change that is taking place in the way that people consume TV and the choice, the explosion, of alternative providers of content. That is something that Channel 4 is reacting to, and I welcome its move towards a more digital strategy. There are still questions over not just Channel 4 but the way in which all the PSBs respond to that. That is precisely why we set up the PSB panel, and the question of Channel 4 is just one issue that will form part of the consideration of the PSB panel.

As I said at the start, we have a completely open mind. I have not decided, nor has the Secretary of State, whether or not Channel 4 is better off remaining in public ownership, funded purely by commercial advertising, as it is at the moment, or whether one should look at alternative models.

Q769 **John Nicolson:** I think I can summarise. You said in October 2020 to a Conservative party conference event that you were giving a lot of thought to the future of Channel 4. A reasonable person listening to this would say that “a lot of thought” may well include the potential privatisation of Channel 4. You are not guaranteeing it, you are not promising it, but you are giving thought to it and it is a possibility.

**Mr John Whittingdale:** I am giving thought to the future of all the public service broadcasters. It is why you have set up this inquiry; it is why we have set up a panel. Channel 4 is a very important part of the existing public service broadcasting landscape. So, yes, we are giving a lot of thought to the future of Channel 4.

Q770 **John Nicolson:** Okay, I shall park that there. Let me ask you one final thing. I know you will have been very frustrated by our exchange in the Commons last week where, because I am only ever allowed to ask one question, I was not able to come back at you. I know this must have been eating away at you.

The Conservative party racially and religiously profiled 10 million voters at the last election. It did this by purchasing data identifying a person’s ethnic origin and religion based on their first and last name. When I asked you about that, you said that you, the party—you and your colleagues, whether Ministers or non-Ministers—had done nothing illegal. That is surely not good enough, is it?

**Mr John Whittingdale:** You are right, I would also have liked to have more opportunity to discuss with you the findings of the ICO over the behaviour of the Scottish National party in the last election, because the ICO actually had criticisms of all the major parties, including your own. Certainly, my party has said that we are very happy to talk to the ICO about its findings, and if it makes recommendations about how we can improve the way in which we handle personal data, we will be happy to



co-operate with the ICO over that. I hope the SNP will do the same.

Q771 **John Nicolson:** I am so glad you raised that, Mr Whittingdale, as I anticipated that you would. Of course, the Data Protection Act 2018 allows parties to process special category data in the public interest. The Conservative party purchases this, but as the report pointed out, Plaid Cymru and the SNP and, to be fair, even the DUP do not purchase this data so there was no criticism, as you allege, because they did not purchase data. The Conservative party did. What was the public interest defence for your purchasing this data?

**Mr John Whittingdale:** You would have to raise that with my colleagues who are responsible. I am not responsible for the detail of it. However, we have made clear that if there are criticisms by the ICO of the way in which the Conservative party handled data at the last election—and there is nothing wrong with the purchase of data in itself, as long as it is done legally.

Q772 **John Nicolson:** Really?

**Mr John Whittingdale:** As I say, if there are criticisms, we will talk to the ICO about improving the way in which we handle personal data.

Q773 **John Nicolson:** As long as it is legal, it is okay?

**Mr John Whittingdale:** It depends, obviously, on the way in which it is handled. Some people give consent for their data to be given to third parties.

**John Nicolson:** But not in this instance.

**Chair:** John, I am going to draw that one to a conclusion now, because we have the Information Commissioner in front of us very shortly.

**Mr John Whittingdale:** In which case I suggest you pursue it with the Information Commissioner.

**Chair:** We will. That is fine, thank you.

Q774 **Steve Brine:** Minister, Alex Mahon from Channel 4 was asked in a virtual Ofcom conference in October about the privatisation of Channel 4. She said she was not concerned about any prospect of the Government privatising Channel 4. What would be the potential negative impacts on the public service broadcasting landscape? What would we all miss so terribly if Channel 4 news was not in the public domain?

**Mr John Whittingdale:** There are two issues. There is the issue about ownership of Channel 4 and then there is the question of the remit Channel 4 is required to meet. When we previously discussed this, I and Mr Nicolson some time ago, I always made it clear that the remit of Channel 4 was something I strongly supported, and whatever decision, if any, was taken to change the ownership, that need not necessarily affect the remit.

The remit, too, is something that I think we need to consider again. There are areas where arguably you could even perhaps strengthen the





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remit. The *Channel 4 News* programme is distinctive. It obviously is required to meet the same impartiality requirements as other news providers. It does strive to be different from the main news broadcasts on ITV and BBC. Occasionally, I am intensely irritated by *Channel 4 News*, as I am sure others are, but I think generally it does meet its remit.

**Q775 Steve Brine:** Do you think it is held to a different standard from BBC News? Put it this way, do you view *Channel 4 News* as a balanced, impartial example of public service broadcasting news at its best?

**Mr John Whittingdale:** *Channel 4 News* carries some remarkable stories and has won awards. I can remember particular reports on *Channel 4 News* that have been award winning and have been important ground-breaking pieces of reporting. Particularly some of the interviews that are conducted—I myself, as I am sure you have, have been interviewed on *Channel 4 News* and have gone away cursing the interviewer, but to some extent that goes with the territory.

Do I think *Channel 4 News* is biased? No, not systemically. Occasionally, I get cross about certain interviews, and that is something Ofcom is there to adjudicate on if there is a view that it is failing to be impartial.

**Q776 Steve Brine:** How do you think it has covered the US election? How do you think the tone has been of its coverage of the US election? Do you think there is anybody in the Channel 4 newsroom who is sorry at the outcome of the US election?

**Mr John Whittingdale:** I don't know. In a sense—

**Steve Brine:** Should it be hard to answer that question? It should be impossible to know whether anyone has a view.

**Mr John Whittingdale:** Where I would agree with you is that, with the most professional interviewers, either you have no idea what their political view is or you have a reasonable view about what their political view is and it has no influence on the way in which they conduct their interviews. To give you two examples off the top of my head: David Dimbleby, I do not know what his political view is, or Andrew Marr. I know a bit from what he has said previously. Andrew Neil has an on-the-record history of expressing quite strong political views, but his interviews are absolutely even-handed in that he is as tough on one side as he is on the other. That, in my view, is a mark of a good political interviewer. Whether or not they hold private views—they may do—should not colour the way in which they conduct their interviews.

**Steve Brine:** That in itself is very revealing, thank you.

**Chair:** That concludes our session. Thank you very much, John Whittingdale, Minister of State, DCMS, for joining us today.