

Culture, Media and Sport Committee

Oral evidence: The Work of the Department, HC 330

Tuesday 10 December 2024

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Members present: Dame Caroline Dinenage (Chair); Mr Bayo Alaba; Zöe Franklin; Mr James Frith; Damian Hinds; Dr Rupa Huq; Natasha Irons; Liz Jarvis; Jo Platt; Tom Rutland; Paul Waugh.

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Witnesses

I: Rt Hon Lisa Nandy MP, Secretary of State for Culture, Media and Sport; and Susannah Storey, Permanent Secretary, Department for Culture, Media and Sport.

Examination of witnesses

Witnesses: Rt Hon Lisa Nandy MP and Susannah Storey.

Q1 Chair: Welcome to this meeting of the Culture, Media and Sport Select Committee. We are joined by Lisa Nandy, the Secretary of State for Culture, Media and Sport, and by Susannah Storey, the Department's Permanent Secretary. You are both very welcome today.

This is the first of our regular sessions in this Parliament that will be looking at the work of the Department for Culture, Media and Sport. We will be asking you questions from right across your Department's portfolio, including about some of the announcements that you have made and areas that the Committee is working on at the moment that we would be keen to hear your thoughts on. Then, of course, there are some issues that people across the CMS sectors have contacted us about, and we have a lot to get through. We will try to keep our questions short, and we would be grateful if you could be quite direct in answering our questions. We want you to be able to escape in a reasonable time. Thank you so much for joining us. I will kick off the questions.

The Culture, Media and Sport Department represents sectors that, when added together, are worth so much more to the UK economy than so many other Government Departments. Certainly, as far as soft power goes, very few Government Departments have so much global reach. You are also responsible for 42 agencies and public bodies. That is more than any other Government Department. Yet you only have one full-time and two part-time Ministers besides yourself. The autumn Budget confirmed a real-time decline of 2.5% in your resource budgets. Is this a Government that takes the culture, media and sport sectors seriously?

Lisa Nandy: Yes, I think we are. Thank you for your question and thank you for the opportunity to talk with you more about this important area.

We have a very strong ministerial team. We have Chris Bryant and Stephanie Peacock, both of whom held those positions in shadow form in the last Parliament so have a lot of experience. Chris Bryant is shared, as you rightly pointed out, Chair, with the Department for Science, Innovation and Technology. We think that is a strength because particularly around the creative industries there is a lot of overlap with the work that DSIT is doing. We need to make sure that that conversation is seamless. Then we have Baroness Twycross in the House of Lords, who brings with her a considerable amount of experience as well. We are very confident in the team.

On the issues that you have just discussed, of course finances are tight but we have just been through the spending review process and we came out of that pretty well, given the difficult economic circumstances. We are able, therefore, to commit to continuing a large number of the programmes that are already in train. You will have seen that we also



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announced an expansion of some programmes, like the creative careers programme, which is so important to the economy.

The Foreign Secretary and I are also shortly to establish a soft power council, which will be co-chaired by the two of us, and we have put creative industries at the heart of our industrial strategy. This is a Government that takes this very seriously indeed, not just because it enriches people's lives, but because it is so central to the economy and to the reach that we are able to have all over the world.

Q2 Chair: I mentioned that you are responsible for all these agencies, public bodies and arm's length bodies. They have been subject to a number of high-profile incidents in the last few years. The BBC was embroiled in an equal pay scandal, a former curator at the British Museum stole 1,800 items, and the British Library suffered a catastrophic ransomware attack. How can you reassure us that your Department is now fully across all those challenges?

Lisa Nandy: I have had a full briefing on the risks that currently exist, as well as the issues that you mentioned. I have had meetings with all those institutions that you mentioned in order to make sure that they are really gripping this and that the Department is providing what they need. We run a risk register. We look across all our arm's length bodies to see what live risks exist, how likely we think they are to happen, and to put in place mitigation measures. On the example of the British Library, we are working across Government to make sure that we have the right processes and systems in place to protect organisations from those sorts of attacks. I do not know if there is anything that you want to add.

Susannah Storey: Yes. You are right, Chair, that we have this extraordinary range of arm's length bodies and they do such important things for the country. We try to ensure that each of them has accounting officers and then I as the principal accounting officer stay very close to those chairs. We have regular forums, as the Secretary of State says. We have an audit and risk committee that looks at the risks that they are holding. Sometimes things like the cyber-attack do happen, which is very difficult and we work closely with them afterwards. We are trying to ensure that we have a shared sense of what is going on and we can help them when these things happen. On things like cyber, when we look into the next spending review, which I think will have a tech focus, we want to make sure we can think about ways in which we might be able to help them protect themselves.

Q3 Chair: On your risk register, where is the next scandal coming from?

Susannah Storey: I think that would be hard to predict.

Lisa Nandy: The point of the risk register is that we make sure that it does not because we are ahead of these things and we can predict where problems are likely to arise and make sure that we address them early.

Q4 Chair: Did you not have a risk register before, then?



Susannah Storey: No, we have always had a risk register and it is a dynamic thing. What it tends to do is look at some of the things that might be going on in the sector, some of which I am sure we will talk about today, like artificial intelligence and what that means for some of our institutions and sectors. It can also look at issue-specific areas. For example, after the British Museum theft, they have put in place a series of actions and a lessons-learned review and we are tracking that. It is a mixture of sectoral things and specific things that the institutions are experiencing.

Q5 **Chair:** Do you think that there are too many arm's length bodies that DCMS is responsible for?

Lisa Nandy: One of the things that we have done as the new Government is to come in and have a look at the way in which we are delivering to get the right outcomes. For example, we intend to start a review of the Arts Council shortly. We have taken a bit of time to consider how that review should work, particularly around the terms of reference, but one of my concerns is that as we have seen creativity downgraded in the curriculum and as we have seen very big cuts to council budgets across the country, whole parts of the country have become cultural deserts, where young people in particular do not have access to arts and culture at all. That is one of the things that we want to address through the Arts Council review. It will look at whether delivering through the Arts Council is working, whether it needs to change its way of operation, and whether we need to tighten its remit.

We are looking at the operation of arm's length bodies at the moment. There are none on the list that we have looked at that we think have no purpose; they are all doing good work, as the Permanent Secretary said, but it is whether we are getting the right outcomes from that work. That is what we are focusing on.

Q6 **Chair:** There were reports in the paper this morning that Rachel Reeves, the Chancellor, will be demanding 5% savings from every Government Department. Where are you going to start looking for those in DCMS?

Lisa Nandy: I have not had a formal approach. I read the papers like everybody else and I read the reports over the weekend. We have not started that process officially yet. We are aware, though, that money is tight and until we can get the economy growing we will be in a challenging set of circumstances. We are also very aware that there is a lot of fragility in our sectors—in music, in arts, in museums. We have an ageing set of building stock that we have to deal with, which is one of the reasons that we were pleased with the outcome of the last spending review. We were able to get quite significant amounts of funding released for capital expenditure.

However, we do have to look at these things. For example, in the last spending review I took the decision to cancel the seaside heritage fund. That was something that we inherited from the last Government, but it



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didn't have any funding attached. By definition, I believe a fund should have funding attached to it. The funding wasn't there, so we took the difficult decision to do that.

Similarly, as you know, we recently took a decision to wind down National Citizen Service. We think that the money is better spent, given the enormous challenges facing this generation of young people, on helping them to grip those. Rather than a summer camp for a few weeks every year, they need year-round support to help with those enormous challenges. We are making sure that the money that we have is better spent, and that does mean taking some tough decisions. If we get this right, it should not mean getting worse outcomes; it should mean better outcomes.

Q7 Chair: Those are quite tiny sums of money, Lisa. You have already seen a real-terms cut of 2.5% in the Budget and you are now potentially staring down the barrel of an additional 5%. Cutting small projects is not ever going to amount to that sum. Where are you thinking that this money is going to come from?

Lisa Nandy: For example, with the youth budget, one of the things that we have done is to allocate £100 million of dormant asset funding to youth to make sure that young people are not losing out from the tough financial circumstances that we find ourselves in. I do not know if it would be helpful for Susannah to say something about the business planning process.

Susannah Storey: The first thing to say, Chair, is that, as you say, there was a resource cut, but on the capital side for 2025-26 we actually got an increase of 16%. So it is not only the cut side. We do expect when the spending review commission comes, just as has been trailed in the press, we will have to look line by line through all our areas of spend. That is difficult for everybody. For us, as you rightly say, we have 42 arm's length bodies and 75% of our money goes straight out the door to them. We will need to look across each of our areas of spend, across all the areas of DCMS, and then work out with the Secretary of State where she wants to prioritise. At the moment, we are in the middle of business planning for the next financial year, so we have not yet reached those decisions about exactly how we are going to allocate the money that we are given by the Treasury. However, that is what we are trying to do now and to do it in a thoughtful way.

As the Secretary of State says, we are trying to work out in our sectors where we can galvanise private sector investment. As you know, the lottery has just had its 30th birthday, with enormous good cause funding there, so we are trying to look across the whole piece at the funding for these sectors. However, I do think that the backdrop will be difficult in the next year.

Q8 Chair: One of the things we hear from the sectors that we represent on this Select Committee all the time is that the role of the DCMS Secretary



of State has often felt like a bit of an afterthought in successive Governments. Between 2010 and 2024 there were 12 different DCMS Secretaries of State. That is potentially disastrous for long-term policymaking, as you know. We all know that you were not doing this job in opposition; you were, in fact, predominantly in foreign affairs and international development-facing roles. To what extent do you feel that you are suited for this role, that you want this role, and that you are a natural fit for it?

Lisa Nandy: Crikey. I very much share your view that longevity is a good thing. I suppose the first thing I would say is that I did a mixture of roles in opposition, including levelling up for quite some time. It is because of that and because over the last 14 years I have had the incredible privilege to represent Wigan in Parliament—a town that has been at the absolute epicentre of some of the political earthquakes that we have seen, where people feel very strongly that their contribution has neither been seen nor valued by successive Governments for far too long. They sense that they have been written off and written out of our national story, and the things that they care about have mostly disappeared. Because of that, I have a very strong sense that people must be heard so that every person can live a richer, larger life and see themselves reflected in the story we tell ourselves about ourselves as a nation. Particularly at this moment with the great upheaval across the country, this real toxicity and anger in many communities, I think that this Department in particular plays the key role in Government in helping to foster that much more cohesive country.

For example, there is the work that we are taking forward from the last Government to strengthen the Football Governance Bill—these institutions that stand at the centre of our towns, as James knows only too well, are part of our civic inheritance and help to give definition and meaning to people's lives—and investing in skills in the creative industries through the expansion of the creative industries skills programme. As we are putting rocket boosters under the creative industries in every nation and region, we have to ensure that those young people can get those jobs so that they can be part of writing the next chapter of our national story. We want people to see themselves reflected in that. For that reason, that belief in people, the value and the contribution that they make to our country and that knowledge that comes from the last 14 years of having represented my town here as well as working very closely with the last Government on the levelling-up agenda, this is a great opportunity for me but I also think that I am absolutely the right fit for this job at this moment.

Q9 **Chair:** If you were offered a different role in Cabinet, would you take it?

Lisa Nandy: Well, the gaffer picks the team, as I have discovered to my cost on many occasions over the last 14 years. I can honestly say to you hand on heart if I was offered the choice of any role in the Cabinet, this would absolutely be it.



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Q10 Mr Bayo Alaba: The industrial strategy is obviously very important to the Government. If you look at the areas that underpin the industrial strategy, areas like sport and heritage are missing from that, and even tourism as well. Is there any reason why those areas are not necessarily referenced?

Lisa Nandy: We know that those industries play an enormously important role in the economy; there is no question about that. What the Department for Business and Trade did when it developed the industrial strategy is it worked with all Government Departments to look at those industries that we think have the greatest potential for growth and, in particular, have the greatest potential for growth in every nation and region. Our growth mission is not just about growing the economy; it is about providing those opportunities in every part of Britain so that people can make that contribution to the national effort.

If you look at the creative industries, in areas like video games and film you have enormous growing sectors. You have jobs being created in high-end TV. You have jobs being created in every part of the country. I am shortly about to go up to Sunderland, for example, where the film industry is making massive investments. We have work going on in Birmingham. We have just invested in Manchester and Liverpool. We are really seeing not just jobs being created but good quality jobs that pay well and stimulate the local economy. There is no intention to write off the contribution that other DCMS sectors make; it is just a recognition that with small amounts of Government support and a will to create the right conditions, these are the sectors that can make the biggest contribution to growth.

Q11 Mr Bayo Alaba: In terms of other sectors, how do you feel the Department is set up to support them?

Lisa Nandy: To take the example that you gave around tourism, the Minister, Chris Bryant, is doing an enormous amount of work at the moment on tourism, working with colleagues at MHCLG around the towns strategy. There are many coastal and seaside towns in every part of Britain that have great potential for tourism. I recently visited Blackpool, for example. We think that there is more potential for growth there through the pleasure beach and other associated industries.

However, what is happening at the moment is that the Government are spending quite large sums of money in towns like Blackpool, but it is not co-ordinated and it is not set up to support the local growth plan. Part of our manifesto commitment was that every area must have a local growth plan. We are currently co-ordinating investment and support to make sure that it supports local priorities and gets more bang for its buck. That is just one example, but we are working across the board, whether it is the music industry, advertising—all the different industries that our Department is responsible for—to make sure that we are growing and supporting those industries. We are extending the reach of them as well



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because sports, arts and music play an important part in our cultural life and we want to make sure that every person in Britain can access them.

Susannah Storey: I agree with that. I feel like the Department is organised along sectoral lines and we try to make sure we are close to all the sectors—tourism, sport, creative industries, civil society, culture, youth and so on. As the Secretary of State says, what is interesting in this Government is that we are starting to look much more about place and the work that MHCLG is doing on devolution, working in partnership with it. DCMS does have the privilege of these extraordinary sectors that bring so much hope and happiness to people's lives, but we know that our job is to work closely with those sectors for all the reasons we have been discussing.

Q12 **Mr Bayo Alaba:** In July, you came into the role. How did you feel the Department was positioned to take on board the direction that the new Government want from it?

Lisa Nandy: Susannah might want to add something about this, but I think that it is challenging when you get a new Government, especially after 14 years. That is a long time in which civil servants have been working to one set of priorities. What has helped us, though, is that we are a mission-led Government and our Department in particular sits very much at the nexus of the missions. I represent us on four out of the five mission boards because of the critical role that our sectors play in delivering healthier lifestyles, opportunities for children, and growth in the economy. The one I do not sit on is the GB Energy mission, but we do play a key role in working closely with Ed Miliband and his team to make sure that, particularly because of our ageing building stock, we are doing everything we can to make them much more energy-efficient.

I think that we have turned the wheels and we are starting to make progress. Just in the first few months alone, for example, we have been able to get the Football Governance Bill into the House of Lords and it is progressing there. We have been able to announce a whole series of things, including the funding for the next Olympics programme and Paralympics programme, which is incredibly important, as you know, because you lose good talent if you don't do that early. We have announced the national youth strategy. We are about to launch the review of the Arts Council. I have started preliminary discussions with the BBC about the charter review. We have been able to hit the ground running and I think that is a tribute to the work of the civil servants in the Department.

Susannah Storey: From our side, we obviously want to support this Government as best we can. I am spending a lot of time with the Secretary of State and her ministerial team to try to understand their priorities. With my limited resource, I want to make sure it is focused on the things that the Secretary of State wants and that is what we are trying to make sure we are on the front foot on.



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Q13 Mr Bayo Alaba: Brilliant. Moving quickly on to the freelancers in the creative industries, as you know, those industries are underpinned by freelancers and creative people. What is the Government's view as to how they can support that catalyst for change, that catalyst for creativity, that catalyst for new dimensions within industry? What are the Government doing to try to support them? Are you speaking to them? Do they have a voice very much in your policy formation?

Lisa Nandy: Very much so. I have met the major unions in the field and most of the key industry bodies as well. This is something that I am particularly concerned about and want to get right. You will have seen over the last few months there have been a number of things that have been very prominent in the public debate and in the media, in particular the Gregg Wallace allegations that are currently being made. One of my concerns is that these creative industries in particular have a lot of freelancers. It is very casual employment contracts. People are often employed or promoted because of who they know, whether they are liked and trusted. You do get a lot of younger people coming into those industries and there is an enormous power imbalance between the people who run those industries and the people who work in them.

Through the Department for Business and Trade and through the Deputy Prime Minister, we are pursuing the plan to make work pay. They are looking very closely at things like the use of unpaid internships, which they are intending to consult on, self-employed workers, zero-hours contracts, and harassment.

I am also meeting tomorrow with CIISA, which you will know is the new body that is being set up to deal with this in the creative industries. It is an industry-led body, but having spoken to the BBC in recent weeks about the Gregg Wallace allegations, I am clear that we are seeing too many of these cultures of silence and issues being swept under the rug, people who cannot advance through the current complaints system because it would have an impact on their career, potentially ending their career. I am clear that people need to be heard, action has to be taken, and perpetrators have to be held to account. I am having this meeting with CIISA tomorrow. It thinks and I instinctively think that it is better if the industry grips this, but if they don't, I will be prepared to take further action. I was quite astonished, to be honest, that when I got the list of organisations that are financially supporting CIISA, Banijay, the company that was employing Gregg Wallace and made the production for "Master Chef", is not on that list. I take quite a dim view of company executives who do not take this seriously. After I have had those discussions with CIISA, I will write to the Chair to update the Committee on the work that we are taking forward with it.

Q14 Mr Bayo Alaba: Thank you for that. Late payments is sometimes an area where freelancers feel they may not have a voice as such because they want the next gig, they want the next contract. It is a very symbiotic world, certainly in certain niches. I would definitely implore that



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the late payment aspects be front and centre as well.

Lisa Nandy: I will absolutely take that away and feed that into the Secretary of State for Business and Trade and make sure that it is part of our make work pay consultation.

Q15 Mr Bayo Alaba: Thank you. There is one last thing I wanted to ask you regarding grassroots music. Big arenas are being asked to support smaller grassroots venues. Do you feel that the large arenas are taking it seriously? Do you think that they understand the position and the role they play in the food chain of music and concert production?

Lisa Nandy: We are concerned about the closure of live music venues. In my town in Wigan we produced The Verve, who started out life at a local college and then went on to play at a whole series of music venues around the town. Not a single one of those music venues now exists, and we are seeing closures at a rate that is genuinely very alarming.

It is early days for the industry levy. Obviously, we very much support that. Minister Bryant has been clear that we expect to see tangible progress on the industry levy by the first quarter of 2025. We are encouraged that some big artists have come forward to support that, but we want to see more. Next week the Minister is convening an industry roundtable to make that clear. We want this to succeed. We think that it is better if the industry gets its own house in order, but grassroots music and grassroots music venues are the engine of the music industry. We are the third largest exporter of music in the world and if the industry cannot get its act together, then we have been clear that we will act to introduce a statutory levy if the voluntary levy does not succeed.

Q16 Chair: Quickly going back to CIISA, I am very pleased that you are meeting with them because I think that it is a very much needed intervention in the creative industries. When I met with the Chair of the BBC last week, he was not aware of it. I know that they have struggled getting a number of organisations in various different parts of the creative industries to sign up, including some of the streamers. What would your message be to those who say, "We have our own independent complaints procedure. There is nothing to see here and we do not want to be part of something that joins the creative industries together"?

Lisa Nandy: I would take a pretty dim view of that. It is not working. It is clearly not working. One of the things that has concerned me is that when we have looked across the board at repeated instances where people have spoken up and made complaints that have been swept under the rug and it has only ended up resulting in action when they have gone to the media, you can look at the inquiries into all those occasions and every time the recommendations are the same. Yet here we still are with these things happening as a regular occurrence. Was it the Chair of the BBC who you said was not aware of it?

Chair: They were not aware of CIISA.



Lisa Nandy: Well, that is astonishing because the BBC is one of the organisations that is supporting CIISA. I think that points to the fact that we have a job of work to do to make sure that organisations and senior people in organisations are aware of this. There are a number of streamers as well that are supportive, but I agree with the assertion that there should be more and they could do more.

Q17 **Mr James Frith:** Good afternoon, Secretary of State and Permanent Secretary. I have a quick sharpener to start off with. Have you been briefed on reports in the news on a rise in antisemitism in the arts? Is it a concern to you when publishers, artists and writers are being described, or having their work described as “too Jewish”, and what has that briefing led you to conclude?

Lisa Nandy: I have been briefed about it. I am very concerned about it, particularly the way in which the conflict in Israel and Gaza is playing out in the UK in a domestic context. There are obviously people who have heartfelt and very strong views on all sides. I have met with the families of the hostages, which was a heartbreaking meeting. I am sure many of you have as well. I also met with some of the Palestinian families who have lost loved ones. For many people in this country it is personal. However, what is never acceptable is when that results in a rise in antisemitism in our country and on the streets. I am concerned about the way in which we have seen that playing out in the arts world. John Mann—Lord Mann—is shortly to host a roundtable for me with a number of organisations and artists who have been affected by this. I would be happy to update you further once we have had that roundtable.

Q18 **Mr James Frith:** Thank you. On the Football Governance Bill, it is good to see its progress. In a touch of class by the former sports Minister Tracey Crouch, somebody we both admire, she called me the day she started her fan-led review to say that a lot of the prompt for this was through the heartache that fans in Bury had gone through. Other clubs have since endured similar trials. Do you think if the Bill passes into law, it will prevent another no-fan-fault eviction from the National League like Bury had to endure?

Lisa Nandy: That is very much the intention and it was the intention behind the Crouch review, as you rightly said. I know that you were very instrumental in trying to save Bury FC when it was in trouble and have been very instrumental in helping it to come back. I have to declare a personal interest. My stepdad was a lifelong season ticket holder there. His final words when he died in a Lancashire hospice a few years ago were, “What’s the score?” Thankfully, he never lived to hear the answer. It was typically not good news.

These are clubs that are part of our civic inheritance. They stand at the centre of our communities. They have enormous economic significance, as you rightly pointed out, but they are also handed down through generations of families. The chair of my supporters’ trust went with her dad when she was little. She now takes her kids. Those kids will take



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their kids. They have much greater significance. The intention of the Football Governance Bill is to make sure that we do not see a Bury FC again.

Q19 Mr James Frith: I guess in terms of the application of the law that it will bring for us in the lower league, it is the backstop—to coin a phrase once familiar to this House during the Brexit years. This backstop is really about whether or not the fans get penalised for dodgy owners. Short of resetting and having new owners or putting existing owners through the “fit and proper” test that you are strengthening, you cannot guarantee, can you, that lower league clubs will not fall foul of new legislation or new rules, that essentially the rogue owners who are in charge now in some instances would possibly bring their club to its knees like we had in Bury and elsewhere? What assurances can you give those lower league clubs that there is a backstop in place? I think that your Minister has talked about an escalation of consequences. Is there ever a consequence where the football club gets kicked out of its league?

Lisa Nandy: The intention is to prevent that from happening and to ensure that the fans don’t pay a price for poor ownership. In Wigan we had similar issues, as you know—thank you for all your advice in helping us to save the club.

The first thing is that you need to make sure that you get better owners. The owner who put us in the position we were in would not have got through the strengthened “fit and proper person” test. The second is to make sure that you strengthen the voice of fans at every level so that when day to day decisions are being made fans are in the room, they are aware of those issues, and they can blow the whistle early and make sure that they are dealt with.

The final part of it is about making sure that there is a fair financial flow throughout the game. One of the challenges that we had in Wigan is that there are not many local millionaires knocking about who want to buy a club, so you are very reliant on owners who don’t necessarily have the best intentions. We want to make sure that that financial flow is much fairer. We don’t want to do that ourselves as Government; we want to incentivise the industry to do it. I pay tribute to the work that Tracey Crouch did because I think that she has established a system that absolutely does that, that incentivises particularly the Premier League and the EFL to come together and reach an agreement without the need for the regulator to intervene.

Susannah Storey: I just want to state a self-evident point: we want to get on with the Bill. We can only do all these things once the Bill is on the statute book and that is the thing we are keen to see now.

Q20 Mr James Frith: So would the Bill have within its purview the removal of the ownership rights of the rogue owner—if proven rogue, to basically have that club taken off them?



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Lisa Nandy: There is the power to look at current owners if new developments happen. What we have tried to do, and what Tracey tried to do in the previous Government, is strike the right balance so we are not creating uncertainty and deterring people from buying clubs. It is a light-touch regime. It is not intended to be heavy-handed. The backstop is intended to be a backstop. If we get this right, and I am confident that we will—there is a lot of support for this across the whole House—then what you will get is an ongoing conversation with the regulator to put issues right before you get to that point.

Q21 **Mr James Frith:** On to artificial intelligence now, do you prefer the opt-in model for the protection of creatives as the champion of the creative sector around the development of AI and rights?

Lisa Nandy: These are conversations that I have been having very closely with my colleague Peter Kyle. As a Government, we take the view that AI offers enormous opportunities for this country, for public service reform, for growth in the economy, and for the creative industries. But we also recognise that there are challenges that it poses to the creative industries. We believe that it is in everybody's interests, AI and the creative industries, that we have a proper system of regulation and legal certainty so that we don't end up in the situation we are currently in where these issues end up in the courts.

Q22 **Mr James Frith:** We talked at the beginning about the risk register the Department has. For creatives, the top of that risk register is the threat posed by artificial intelligence and a Government attracted by and to the shiny thing on the hill at the expense of what we all have, what we all enjoy and everything else now. They see it pretty clearly as opt-in is what they hope for. Opt-out is what the speculation is that the Government are focusing on. What assurances can you give the sector that give us everything we enjoy about the sector as of now, that we are not going to throw the baby out with the bathwater in pursuit of something that feels very exciting maybe, very glossy, high energy, high growth, but forfeits much of what we celebrate about the thing right now?

Lisa Nandy: Let me reassure you first of all that we take very seriously the right of people to proper remuneration for their own work. We are a Labour Government; we feel very strongly about that. The Prime Minister set out that argument in a *Guardian* article a few months ago. We are about to consult on this specific issue. We are doing a specific consultation on AI in the creative industries. We have looked at legislation in other parts of the world, and in particular we think the EU legislation offers too blunt an instrument to properly protect artists. We are about to go out to consultation, genuine consultation, to make sure that we can get this balance right. If you are talking to people in the creative industries, please reassure them that no decision has yet been made. We are determined to get the balance right. We think that if we do, we really could be pioneers in this and provide a model that other countries will want to follow.



Q23 Mr James Frith: Is there a risk, though, that one Department is clearly motivated—or should be—by the opt-in argument and the other is motivated by the opt-out, with Chris Bryant in the middle? How do you achieve that balance? It is a pretty binary argument that the creatives are making about what we need here.

Lisa Nandy: Yes. There is no split between our Department and the Department for Science, Innovation and Technology on this issue. Both Peter Kyle and I see the enormous potential in AI, but we also see the risk to the creative industries, which are among our fastest-growing industries with the potential for good jobs and growth in every part of the country, almost uniquely, and which we have put at the heart of the industrial strategy. We have to get this right. We have to do it together as a whole Government approach. That is why we have decided to do this very specific consultation on this discrete issue.

Q24 Mr James Frith: When will that consultation be?

Lisa Nandy: I want to say imminently but I do not know if that is—

Susannah Storey: Soon. Very soon.

Mr James Frith: This year?

Lisa Nandy: We know it is something that we need to get moving on.

Mr James Frith: Before Christmas?

Susannah Storey: I think that Chris Bryant is appearing in the Lords Committee this afternoon talking about AI. It is such an important issue, as the Secretary of State says. We spend a lot of our time, as I am sure you do—and this Committee has done some very good work on it—thinking about these issues. It is a very difficult but important area to make policy because the real-world changes are happening so fast. We do want to get on with that consultation and encourage everybody to come forward with views on that consultation when it comes out.

Q25 Mr James Frith: My final point, or rather my question, is that you have not said whether opt-in or opt-out is your preference and you have not given us any clarity on when, other than imminent. I am sensing it is not 2024, but can we expect it before Easter?

Lisa Nandy: Certainly, we are not going to delay this, James. I would love to give you an early Christmas present. I cannot give you a date at the moment. I will definitely update the Committee. What we tend to do is update the Committee in advance of major announcements, so we will make sure in this case that we do that.

To reassure you, we have not developed a preference. We have looked at the limitations of similar legislation in the USA and the EU. We have reservations about this idea that you can simply say, “I want to opt out” and then find that you have been completely erased from the internet. We genuinely have not made a decision about the best way to go about



this, and it is something that is top of the pile for Minister Bryant to deal with. As you know, he has a particular passion in this area and we will make sure that we do not delay.

Susannah Storey: I hope when you see the consultation it does cover a lot more than just opt-in/opt-out. It is the principles around transparency and around how some of the different subsectors of the creative industries might have different needs in response to AI. I hope that it will give you a lot of what you want.

Mr James Frith: I appreciate that; that is good counsel. I would just say that when it comes to the brass tacks of it, for the creatives it is a pretty straightforward in or out.

Q26 **Chair:** I have to say that I find it very hard to believe that you and the Secretary of State for Science and his Department are in lockstep on this because every bit of messaging that comes out of that Department at the moment is that they have fully drunk the Kool-Aid on AI. What we are looking for from our Select Committee is reassurance that you will be robustly standing up for the interests of our creative industries because this is a zero-sum game. Any financial incentive for AI potentially risks losing a huge amount of everything for our creative industries.

Lisa Nandy: Yes, we are very alive to that. Of course, it is my job to make sure that the voice of the creative industries is not just heard but acted upon in Government. I would say to you that as a new Government we do genuinely like each other and we pick up the phone to one another and we talk about these issues a lot. Peter Kyle and I have discussed AI on a number of occasions. He is very sympathetic and alive to the concerns that the creative industries have, as I am to the possibilities that AI has. We are determined to work together to get this right.

Chair: I think that we would probably like to hear him say those words a little bit more, if you do have a chance to pick up the phone to him.

Lisa Nandy: I will mention that.

Q27 **Jo Platt:** I want to go back to what you mentioned earlier—the Arts Council. Chair, I would like to declare an interest. I have submitted Arts Council bids while working with some of the creative industries in my previous job, which gave me that opportunity of working with the most amazing creatives during that time. I also see the issues that sometimes funding does not get to where it should. The last Government did a review or were to do a review, which was stopped because of the general election. I want to try to find out why that decision was taken to stop Dame Mary Archer’s review into Arts Council funding.

Lisa Nandy: For the very simple reason that we wanted to pause and reflect on whether that would address some of the issues that you just talked about, Jo. As I said earlier, I have been very concerned about the way in which arts and culture has become something that is often only accessible to young people whose parents can pay, because of its



downgrading on the curriculum and because in many parts of the country, as you know, unless you have something very local, the chronic problems we have with transport in large parts of the country mean that those things just aren't accessible. In our neck of the woods, obviously Manchester is not very far away but you often cannot get a train home late at night, after you have watched a show or gone to a gig. So it is just not accessible for people.

We paused. We have not scrapped the review but we hit pause. We went away and did a piece of work looking at mapping out across the country where people have access to arts and culture and who is consuming it, who is accessing it, and who is benefiting from it. We are shortly, imminently—I hesitate to say before Christmas; that may or may not be the case—about to announce the chair of that new review. When we do, we will then set out the terms of reference and the panel that will advise.

What I really want us to be able to do is not just make sure that arts funding is enriching the lives of people in every part of the country, regardless of their background; I also want to get us away from what I think is quite a deadening debate between access and excellence. It has to be both. The last review was very much framed around those two competing poles, when if you look at the work that the Royal Shakespeare Company, for example, does, going into schools, doing spoken word work, it has a rigorous system of assessment that shows that it helps young people with wellbeing, confidence, employability skills and the chances of being employed. It is top, top stuff, but it is also accessible to young people from all backgrounds. You will see when we publish the terms of reference that we are very focused on that.

I have also given a steer to the Arts Council that for the next round of the national portfolio organisations I want it to do far more at working with local organisations to fund what is already there in communities to be able to grow and expand. My own experience of Arts Council funding is that too often people are brought in to do culture and arts to a place. I think that has not had the benefits that communities would expect. It is very open and amenable to that suggestion.

Q28 Jo Platt: Is there scope and timelines on this? I know you have said you will be announcing around Christmas, this side of Christmas, but is there any timeline for how long that process will take?

Lisa Nandy: There is a natural cut-off around the next round of national portfolio organisations that will take place.

Susannah Storey: The Secretary of State has been very clear with our teams that she wants this to be a thorough review and quite broad. ACE has announced a one-year extension so far, so what we want to do is make sure we are ready for the next one.

Lisa Nandy: Just give me the dates on that.



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Susannah Storey: It is 2026-27 that is the extension year.

Lisa Nandy: Yes, so next year, basically, we need to conclude this review. We will kick it off shortly and we will need to conclude it by the end of next year, I think is probably right to say. If that changes, I will let you know.

Q29 **Jo Platt:** Again on how we are informing all creatives, a lot of this information does not necessarily cascade down to where it needs to go. Yes, the bigger institutions will obviously feed in and that is what we usually see, but people need to submit because they need their say in this; that is an important aspect.

Lisa Nandy: I think that is absolutely right. It is interesting to hear you say that, given the Arts Council is based in Manchester, which is pretty much a stone's throw from Leigh. If smaller organisations in Leigh do not know that that support and funding exists, then we do have a problem. It is something that I will take away and we will have a proper look at to build that into the process. If the Committee has any suggestions, I would really like this to be a genuine conversation and I welcome your help in making sure that we get this right.

Q30 **Jo Platt:** Perfect. The Labour party sector plan prioritised equality of access to arts and culture, which you have mentioned earlier. What changes do you think are needed to enact that?

Lisa Nandy: There are a few things that we are looking at. The Education Secretary has initiated the curriculum review, which as part of its aims puts sport, arts, culture and creativity back at the heart of the curriculum. We are just working with Professor Francis at the moment to consider how best to do this. Our Department is very involved in that conversation and I have met with her a number of times to make sure that we do that.

The other thing that we are looking at is issues around who is accessing, so not just where you live but who is accessing not just arts and culture but sport as well. One thing that is particularly exercising me is, when I was at the Paralympics over the summer there was a campaign run by an amazing Paralympian, gold medallist Hannah Cockroft, about equal play. Only one in four young people in schools in England can access PE if they have a disability. That is three-quarters who cannot. There were lots of young people there with stories about how they were left in changing rooms surrounded by clothes while other children went off to do PE. I have already had discussions with the Education Secretary and the Health Secretary about how we change that. We are determined to change it. We think that it is about teacher training rather than about a lack of willingness in schools to grip the issue. We are looking at those things across the board to make sure that people are not prevented from accessing the arts because of their class, where they live, their ethnicity or their disability. It is something that is important to the Arts Council but it is particularly important to us as a ministerial team.



- Q31 Jo Platt:** Going back to the point that I made before with regard to the creative industries, they probably feel that they get things done to them rather than being involved and having a stake in it. How will you restore stakeholders' trust that ACE's funding decisions are completely independent of Government?

Lisa Nandy: The first thing to say is that we want to be incredibly transparent about how we go about this. They will have the opportunity to input into the ACE review so that by the end of it our intention is that they will see their voices and their priorities reflected in what comes out the other side of that review, whatever reform we decide is necessary.

The other thing to say is that in both myself and Chris Bryant you have people who are passionate supporters of the arts, particularly around the role that the arts plays in holding up the mirror to society, in challenge to the status quo, even when that is uncomfortable for existing Governments. That has always been part of the huge contribution that the arts makes to this country. You can see it in the way that we are approaching government in the Department with things like public appointments. We want those public appointments to look and feel much more like the nation itself. We are also appointing and working with people across the political spectrum, people with a whole range of views. We want the best people. We want the broadest possible coalition and that is the way that we are approaching the arts as well.

- Q32 Jo Platt:** Can I add something and get your thoughts on this? You have mentioned working across Departments with Education. Health is obviously a huge aspect of this as well. In particular, with the creative industries, neurodiversity does play a part, which can be nurtured. If you are talking from an education level and how that reaches into health, is that something that the Department has looked at?

Lisa Nandy: Yes, very much so. We are working closely across Government. One of the benefits of mission-led government is that it does bring us together to work on shared priorities. To go back to one of the questions that the Chair asked about operating in a very difficult funding environment, through the next spending review process we will be expected to put in joint bids as Departments around shared priorities. One of the frustrations with the old way of working that I certainly felt during the last spending review process was that MHCLG was having conversations about cultural projects, the DFE was having conversations about cultural projects, we were having conversations about cultural projects, but the process simply did not allow for those to be looked at in the round and for us to make joint bids. We are very determined to change that.

Susannah Storey: I echo that. The plan for change was clear, for example, under the health mission about the need for a focus on prevention. That is a big area for us, exactly as you were saying. It has been a real step change in the ways of working. On the opportunity



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mission, as the Secretary of State was saying, we are working very closely with DFE.

Q33 Jo Platt: I am neatly going to go into the same subject in a way—funding—but for sports and grassroots sports in particular. I am going to blow Leigh and Atherton's trumpet. I come from a great sporting constituency, especially from a grassroots level. Again, the same issue applies: sometimes funding does not get to where it is needed. What are your plans to ensure that disadvantaged communities engage in community sports?

Lisa Nandy: I don't think that there is any challenge for disadvantaged communities wanting to engage in community sports. The issue is often the lack of facilities. We have made that an absolute priority for the Department. I announced a continuation of funding beyond what had already been allocated after the Euros. We are determined to do it.

We also have a particular focus on women and girls. We have this Lionesses fund. I recently visited an amazing facility not far from you in my constituency, Laithwaite Park. They have built a changing room for the girls for the first time and there are now more girls' teams than boys' playing on those facilities, because that was the thing that was missing: that was stopping girls from being able to take up those opportunities.

We are also looking across the board at issues around kit provision—some of those barriers that hold young people back from being able to participate. It is not just about a place having those facilities; it is about the young people who live in that place being able to do so.

Susannah Storey: We have done a lot on grassroots sports. This financial year 559 facilities have received money right across England, Wales, Scotland and Northern Ireland. I know that this Committee is going to look at grassroots sports and it is an important area. As we look to the next spending review, with other Departments we want to look across the piece at perhaps area provision and trying to think about not just pitches but also—

Q34 Jo Platt: Is this not just old funding? It is a re-announcement of funding that has already been allocated?

Susannah Storey: The £123 million is in this year, so yes, that was allocated, but as the Secretary of State is saying, she is committed to money for next year going in. The business planning exercise that we are doing at the moment will work out how much that is. The plan is that the programme will continue.

Q35 Jo Platt: The Government have pledged £344 million over four years for the Olympics and Paralympics.

Lisa Nandy: Yes.

Jo Platt: What is the right balance between funding the elite sports, if



you like, and grassroots sports that need the investment?

Lisa Nandy: It is an ecosystem and you will know from the example of Keely Hodgkinson that you have to invest at grassroots level in order for great athletes to be able to come through. Then you have to invest to make sure that they can continue to progress without financial hardship and then to make sure that we can retain our medal position at the Olympics and Paralympics. That in turn creates a cycle that inspires more young people to want to get involved in sport. We always see a huge uplift in demand after major sporting events, whether it is the success of the Lionesses or the Euros or the Olympics and Paralympics.

We have to do both. We obviously have to do both in difficult financial circumstances. The reason that I announced early, ahead of the spending review—with permission from the Chancellor—that we were going to uplift the Olympics and Paralympics funding for LA by £9 million is because, as you will know, it is very much a marketplace. Countries will compete for the best coaches and the best trainers and if you do not invest early and you do not signal that intent early, you start to lose very good people. We are confident that by acting quickly and with the amount of funding that we have been able to commit we will be in a very strong position for LA.

Q36 **Jo Platt:** I have a tiny question with regard to education and going back to working with the different Departments. I know that you outlined how that happens in the creative industries and sports. As a point for me to make, it is down to schools where we have seen a lot of success happen. I am going to mention Keely Hodgkinson and Ella Toone, who went to the same school. Again, it is that cross-Department work within education settings and how we enable that.

Lisa Nandy: Definitely, and Health as well. Wes Streeting is on the education mission board and the opportunity mission board. We have already committed that as part of the curriculum review, we will protect time for PE in schools. Like you say, it is often to do with the level of input that those young people get in schools as well, and particularly around disability I am very passionate about us improving.

Chair: I remind everybody about pithy questions and answers because I know that the Secretary of State wants to get out of here at a reasonable time.

Q37 **Damian Hinds:** Secretary of State, we have already talked about some of the cuts. I will move on to the national youth strategy. You announced this about a month ago, but it was going to be co-created with young people. You announced at the same time that the National Citizen Service would be cut altogether. Did you entertain the possibility that the co-creators might have wanted to keep the National Citizen Service?

Lisa Nandy: Certainly, yes. As I set out when I came to the House to announce the national youth strategy and the decision around NCS, one



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of the things that I was keen to stress was that this was not an ideological decision. We know that NCS did very good work and it had over a million young people through its doors, many of whom are very proud of what they achieved. We respect that.

Q38 Damian Hinds: Was it just about saving money?

Lisa Nandy: No, it wasn't.

Damian Hinds: What was it about, then?

Lisa Nandy: It was about how we spend money well in the current context. There was no youth strategy across Government when we took office back in July. Different Departments fund different things around young people. Most of the programmes that I inherited had been pet projects for various Prime Ministers, Secretaries of State and Ministers, of whom there have been many through the Department in recent years. I think it is undeniable that the challenges facing this generation of young people are getting worse. There is an overwhelming sense among young people out in the country that Government have not gripped them and are not providing the support that they need.

Q39 Damian Hinds: I think many people would agree with that. The challenges and issues for young people are certainly different from what they were when we were young, and in many ways more difficult. At the same time as announcing the co-creation of a national youth strategy the Government also cut funding for the cadets programme. The Department for Education cuts its funding for the school instructor programme. Did that strike you as being a particularly joined-up approach or particularly mission-led?

Lisa Nandy: What we are trying to do through the national youth strategy is to make sure that we are really gripping the challenges facing this generation of young people.

Damian Hinds: So why cut the cadets programme?

Lisa Nandy: That means putting the right support in place. I cannot justify, for example, spending the vast majority of my Department's budget for youth on a summer camp for young people when, as yesterday—

Damian Hinds: It is a cadets programme. You are calling a cadets programme a summer camp?

Lisa Nandy: No—NCS. I am talking about the NCS, Damian.

Q40 Damian Hinds: We have moved on to cadets. At the same time as your Department announced the national youth strategy, another Department was cutting money from a very successful programme that was spreading cadet units through more state schools. You talk about being joined up and having this mission-led approach, everyone working in tandem with



each other, picking up the phone. Did that happen on that occasion?

Lisa Nandy: Of course I had discussions with the Education Secretary about the areas of crossover between our Departments. That was not our programme. It was not in my gift to decide what was prioritised and what was not. The problem we have is that we inherited a disastrous economic situation with very poor public finances, very poor public services and a very high level of demand for young people in particular. Yesterday I was at Empire Fighting Chance in Bristol listening to young women say they do not feel safe to go out after 4 o'clock at night in case they are raped or sexually harassed. I listened to 12-year-old boys talking about people bringing knives to school so they did not want to attend. I listened to young people who talked about drugs being everywhere and an overwhelming feeling of hopelessness. What we have to do as a Government and what we have promised that generation we will do is to work right across Government to make sure that when Liz Kendall is doing her back to work programme, we are investing in the things that will help young people to get those opportunities we are creating.

Q41 **Damian Hinds:** Some might say that the cadets is such a programme. The saving made by the DFE by cutting the instructor grant is barely more than £1 million, which in the context of the other programmes you are talking about, I would suggest, Secretary of State, is not that much.

Can I ask you about young futures hubs? Young futures hubs, as we understand it, will bring together youth work, mental health, careers services and others. You were talking earlier about work across Government. In truth, I think that it has always been possible to put in joint bids between Departments to spending reviews. The difficulty sometimes is just the management then of those programmes and the governance and the accountability. How do you envisage youth futures hubs working?

Lisa Nandy: We have been working very closely with the Home Secretary and the Education Secretary on this. You are right to say that the intention of youth futures hubs is to bring together all those things that young people want and need in one place.

We are piloting a couple of models around that, for which funding was provided in the Budget. That will be overseen by the Home Office, by the Education Department, and by my Department as well, the three of us working in tandem. However, my Department also has responsibility for youth clubs, of which there are many around the country. One of the things I have been discussing with the Home Secretary is that often the mistakes that Governments make is that they set up new initiatives in places where young people do not feel safe and do not feel they belong. That is why I was at Empire Fighting Chance in Bristol yesterday, to see how they are using the power of boxing to get young people through the door. Once they start engaging, the conversation opens up and they are able to help them, mentoring them and helping them with all those challenges that I just discussed.



We are hoping that that is how it will work, but we will have a rigorous system of evaluating those young futures hubs to make sure that we are getting it right before we take any decisions about roll-out.

Q42 Damian Hinds: Thank you. I am conscious that we need to pick up the pace. You mentioned earlier the curriculum review and creativity and sports. Of course all children should have a broad, balanced curriculum, including an opportunity to experience being taught in and taking part in the arts, music and other cultural activities. We have an ambition of two hours of quality PE a week and we want children to be getting an hour of sport or activity every day. When you talk about increasing emphasis on sport and the arts, is the intention to increase the length of the school day or is the intention to remove something to make way for more of that activity?

Lisa Nandy: We have not made any decisions or announcements around the length of the school day. The curriculum review that Professor Francis is leading for us will look at whether the curriculum is working well for young people. One of the things that I did recently was to go and look at some grassroots music venues in Ipswich with Ed Sheeran. I get ribbed endlessly by Minister Bryant because I mention this every time I go to any meeting with him. One of the things that a lot of the young people said to us there is that they are trying to work in the music industry. It is a growing industry. We are the third biggest exporter in the world. However, many young people are put off from taking music GCSE because of the curriculum. It does not skill them up to do those jobs.

Damian Hinds: There has been an increase, of course, in children doing vocational qualifications in music, as you will know.

Lisa Nandy: Yes, but we have seen a huge drop-off in the numbers of young people choosing to take arts, music—

Damian Hinds: You need to add the two together, though.

Lisa Nandy: —all those subjects at GCSE. We think that we could do better. We are going out and consulting. We are looking at the curriculum as a whole. We have already committed to protecting PE. Like you said, the last Government were also very well aware of the value that PE in school can make to the lifetime of a child if you can get young people to start doing sport early. However, we do not have any plans to lengthen the school day.

Q43 Damian Hinds: Let me ask you one quick question on tourism, and then I think that Rupa Huq will follow up. The Government have an aim to increase to 50 million inbound visits by 2030. That is quite a hike from the position today.

Susannah Storey: It is 38 million today.

Damian Hinds: Yes, from 38 million, so that is about a 25% increase. There is another way of looking at it, though, as well. I did this maths



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very roughly; I hope it is about right. If we were to increase to proportionately the number of inbound visitors that the Republic of Ireland gets per head of population, I think that number would go up to more like 80 million. Whether you aim for the 50 million or the stretched target of 80 million, the big question is: how?

Lisa Nandy: It is an ambitious target but it is one that we think we can meet. The top priority for me is addressing the skills shortages in the visitor economy. We have a lack of capacity at the moment. We have around 100,000 vacancies in the UK visitor economy. Addressing those workforce shortages and creating a talent pipeline is a priority. It is why I was in Blackpool a few weeks ago, looking at the work that the pleasure beach is doing in skilling up local young people to the most incredible jobs. They have design jobs. They have mechanical engineering jobs. All sorts of skills are being developed there. Then those young people can work anywhere in the world. They tend not to; they tend to stay and work here in the UK, particularly in Blackpool.

We are also setting up more local visitor economy partnerships. We have 35 at the moment. They bring together local businesses to help increase spending in their areas, to put rocket boosters under those areas of the economy, those communities that are currently growing. There is an exciting initiative going on up in Newcastle and Gateshead where the film industry is growing and they have inward investment coming in. An evaluation will be published from that, which we will look at very closely. Is there anything that you wanted to add, Susannah?

Susannah Storey: Chris Bryant is going to set up a visitor economy advisory council to try to bring together all the people who can help with exactly this. As the Secretary of State says, we do see a link between the fantastic story of the creative industries and some of the inbound tourists wanting to come to different parts of the country.

Q44 **Damian Hinds:** I do think that the local visitor partnerships and the higher level destination partnerships—I think they are called that—are a good thing to try to rationalise the mishmash that we have always had. Ultimately, it is the marketing spend that will make the difference in how much of that can be harnessed.

Very quickly on skills, there is no T-level in travel and tourism. There is one planned in catering, but there is no date yet for it to come in. There is a level 3 apprenticeship in travel consultancy. Skills has long been a big gripe in the industries. It is about the volume and numbers of people coming into the industry that you need, but also the skill level. Very quickly, what is your vision for the future of level 3 skills development?

Lisa Nandy: I think that point about the absence of a T-level in tourism specifically is a good one. I will take that away and come back to you on it. I think that is a point well made. We are also reforming the apprenticeship levy to make it easier for the creative industries to access.



I accept the point that you made about marketing spend, but to return to the point that the Permanent Secretary just made, one of the biggest reasons that people choose to come to the UK is TV and film; they have seen Britain on screen and they want to come. By supporting more distinctly British content and making sure that is seen across the world, we think we also contribute to the tourism strategy.

- Q45 Dr Rupa Huq:** My question is relevant to the tourism point. How receptive are you to the argument for loosening entry requirements for kids on school trips? I remember I had a Westminster Hall debate on this under the last Government. We have all done it in reverse as well—a school trip to France. They could come over on ID cards but now, post Brexit, there is this anathema to that and they are meant to have passports and visas. It is not normal in their culture, so we are stopping that soft power that you talked about. There are also the language schools. I have a few in my seat. Seaside towns have loads. Sixth-formers would come in their holidays and maybe do a shift in a bar or a restaurant or something. All that has stopped and we are losing that to countries like Ireland and even Israel. It is a huge loss. I was always told, “Ask the Culture Department.” You have an Education Minister here. What do you think of this?

Lisa Nandy: I think the honest answer to that, Rupa, is that that would be a conversation that I will need to have with the Home Secretary. She has to consider the overall numbers of people coming to the UK. She has to think about the entry requirements and national security and balance that against our shared desire to make sure that Britain is an attractive destination for people to come to, and that we facilitate people to be able to come and spend money in our economy and experience British culture. I don’t know if there is anything else you want to add to that.

Susannah Storey: No, I agree.

Dr Rupa Huq: The kids on a school day trip are nine years old; they are not going to abscond and be an Uber driver, I personally think. It is worth having a look at that again.

Lisa Nandy: I will have a look at it and I will look at the debate as well.

- Q46 Dr Rupa Huq:** The main things I wanted to ask about were pop music, heritage and public service broadcasting. I asked you in the House what is happening with ticketing; you said something would happen imminently. That was weeks ago. I have my own ready-made Bill. We could join forces. I have had a lot of evidence from people; it is all there. I know the manifesto pledge was on resale but there is also dynamic pricing. So when is it happening? Let’s do this together, Lisa.

Lisa Nandy: You have a private Member’s Bill on this, I think.

Dr Rupa Huq: I have; it didn’t make it on Friday. I have a new date. There is a lot of expertise I could share with you.



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Lisa Nandy: There is a lot of expectation out in the country as well. Certainly, the Competition and Markets Authority, as you know, has announced that it is investigating Ticketmaster over the Oasis sale, which was one of the catalysts for this, although there are lots of parliamentarians who have been campaigning particularly on secondary ticketing for a long time.

You will know that the consultation that we are doing jointly with the Department for Business and Trade is not consulting on whether we take action on secondary ticket pricing, it is how we take action on it to put fans back at the centre of the system. We are also, as part of that consultation, going to look at dynamic pricing and things like the surge model, where everyone is filtered into one system, which then increases demand, which then increases the price. We will be looking at whether that is fair or there are fairer ways to operate that model. We will also be looking at issues with transparency. Many of those people who were in that queue for Oasis tickets did not know that the pricing was going to change, only to get to the front of the queue and find out that they could not afford the tickets. That is a real source of anger for people.

Q47 **Dr Rupa Huq:** There is a lot of pressure by then as well. Do we know when it is happening? It was in the summer. Then you said it would be in the autumn. You said “imminently” two weeks ago.

Lisa Nandy: I did say imminently. “Imminently” does a lot of heavy lifting in the Government. I don’t know if there is anything more that we can say about the timing.

Susannah Storey: No. It is just soon; we are trying to get on with it.

Dr Rupa Huq: Let’s do this together. I am happy to feed in the stuff I have.

Lisa Nandy: Lovely. Thank you.

Q48 **Dr Rupa Huq:** Brilliant. Youth culture: I know that there are questions on youth work, but mods, teds, hippies, ravers—it is a great British institution, and composed of a multiple of things. What do you think of the argument that youth culture should be in the UNESCO convention for the safeguarding of intangible cultural heritage? There is a new thing that we can have—intangible assets of cultural value—and I think that it should be in there. As a Britney fan, do you think that it should be?

Lisa Nandy: I am not sure that Britney was ever part of youth culture but it certainly isn’t nowadays. I will be completely honest with you: it is not something that I have given a lot of thought to, but I will be happy to look at it.

Q49 **Dr Rupa Huq:** There is a museum of youth culture across the river—we could do a trip there. It is a good thing. In general, what is our timetable on this? The last Government said that they would implement that convention. What is going on with that now?



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Susannah Storey: We have ratified the convention and we will then get on with the consultation that follows on intangible cultural heritage. *[Interruption.]*

Dr Rupa Huq: Saved by the bell. I have a little bit more.

Chair: We will come back. The Committee is suspended. I suggest that we kick this off again in 10 minutes.

Sitting suspended for a Division in the House.

On resuming—

Chair: We will move on to our next questioner.

Q50 **Natasha Irons:** I will talk a bit about the BBC and ask some questions on that. The charter renewal is coming up in 2027. You have talked about having a BBC that means the public can, "feel ownership of their national broadcaster", and that reflects our country, and that everyone has a stake in. How will you feed that into the charter review process, and what will you be looking for in that to reflect the British public in our national stories?

Lisa Nandy: We think that the BBC is incredibly important. It plays a unique role in British life. The Prime Minister and I are both strong supporters of the concept of the BBC.

This Committee did a report back in 2015, which found that the licence fee model wasn't delivering the sustained and stable funding that the BBC needs in order not just to survive but to thrive. I think there has been a sense every year, as we have approached the licence fee discussions, with fewer and fewer people now paying the licence fee and the challenges in the world being so great, that there is always an ongoing discussion about the World Service. Successive Governments, including ours this year, have had to step in with additional funding to help safeguard those programmes. We think that that is unsustainable. So, we intend to keep the charter review process, in order to think through not just the operation of the BBC and how it thrives for the next 10 years but well into the latter half of this century. I have taken the decision, therefore, to disband the work that was being done on BBC funding, in particular by the last Government, and roll that into the charter review so that we have that discussion together. I have already started those discussions with the BBC. I had my first formal meeting with the director general a few weeks ago to kick-start that process. We are planning to start early in the new year and the review will have to be completed by the end of 2027.

Susannah Storey: Yes, that is when the charter ends.

Lisa Nandy: I would very much welcome the input of this Committee into that conversation about the sustainability of BBC funding, about the operation of the BBC, about the way in which it doesn't just commission



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from outside of London but it moves power outside of London as well so that the people who are deciding what story is told come from a very diverse range of places and backgrounds, and how we protect things that are incredibly important but not particularly profitable, like regional television, children's television and the BBC World Service as well, as part of that process.

Q51 Natasha Irons: I should declare that I used to work for a public service broadcaster before coming to Parliament.

You mentioned that you had discontinued the funding model review and that you are rolling it into the charter review process. Are you thinking about reforming the licence fee more than replacing it?

Lisa Nandy: No options are off the table, both in terms of the BBC's operational structure and funding models. I know that this Committee did some work a few years ago looking at different funding models, and concluded that there were downsides to every one of them. We are not in the business of reform for reform's sake, but in the early discussions that I have had with the BBC it is clear that there are limits in the amount of money that the BBC can raise from commercial sources, particularly with its obligations as a public service broadcaster, which we believe are incredibly important. So, we are going to have to think in the broadest sense about the options around funding and structure, and nothing is off the table.

Q52 Natasha Irons: The impacts on the wider sector—the commercial sector—if the BBC can suddenly start running advertising, for example, would be massive and might have unintended consequences. Would you be looking at the wider impact on the sector, not just on public service broadcasters?

Lisa Nandy: Very much so. One of the things about the BBC is that wherever you go in television and the creative industries as a whole, the BBC has usually played some kind of role in the success of those other institutions. It is an incredibly important part of the ecosystem. So, any reform to the BBC has major impacts on the whole sector. Of course we will consider that very carefully as part of the charter review process.

Q53 Natasha Irons: We had Richard Sharp here a few weeks ago and he described the licence fee as regressive. Will you be thinking about how we could perhaps make the licence fee fairer? Will those discussions happen?

Lisa Nandy: As I said, nothing is off the table. One of the things that we have already done is that in the first week that I was appointed I asked for a report from the BBC about non-payment of the licence fee and prosecutions. You will know that 75% of those who end up prosecuted are women, often very vulnerable women. That can't be right in a system that is fair. I know that it is something that the BBC takes seriously, but one of the things that we have done is extend the simple payment plan so that people can pay in stages—they can pay every two weeks or every



month, rather than having to find that one-off cost every year—which will double the number of households who are eligible to be able to do that. But in terms of the wider reform to the BBC, nothing is off the table.

- Q54 **Natasha Irons:** To circle back to what you said about the role of this Committee, how can we be helpful in that charter review process? I am sure that we all want to play our role in that, so what would be helpful?

Lisa Nandy: There is a formal process that we have to follow as part of the charter review negotiations. The Permanent Secretary is very helpfully waving a piece of paper in front of me that explains it. I asked for a briefing from officials about this because we have to consult with Parliament and obviously this Committee is the key means through which we will consult with Parliament. As I understand it, during the last charter review process this Committee was heavily involved from the outset. We intend to have a national conversation and we want to bring people's voices into that conversation. One of the key aims for the charter review for me is about how people feel that the BBC belongs to them and genuinely reflects their lives, because in order for it to go on and thrive, people have got to really be behind it as a national broadcaster. We will kick off a national conversation about that but I would be really grateful if the Committee would agree to be involved in that from very early stages so that we can take advice. I also know that you have done a lot of reports and inquiries into some of these issues that it would be helpful for us to consider.

- Q55 **Natasha Irons:** On to a completely different topic. I am keen to dig deeper into school sport and how the curriculum review will play into that. As has been said before, the previous Government committed to two hours per week. Do you think that that should be a statutory requirement and that we should bake it in?

Lisa Nandy: As Damian said earlier, when you protect time on the curriculum, you remove two things. You remove other things, because not everything can be a priority, and you also remove flexibility for the teaching workforce to be able to look at the children in front of them in the classroom and make a decision about what they would best respond to and what best meets their needs. Therefore, this is a balance that we have to strike. The Education Secretary and I have been very clear that sport, arts and creativity will get more prominence in the curriculum, but beyond that we haven't made any decisions while the curriculum review is still ongoing.

- Q56 **Natasha Irons:** Finally, you had a letter from Sir Mo Farah about school sport and the important role that it plays in young people's lives. What would you like to see from the curriculum review in terms of ensuring that all children, from whatever background, have access to sport, particularly through school and not just through clubs that maybe might be a bit expensive and that their parents cannot get involved in? What do you want to see from the curriculum review and how do you think that will help to make it happen?



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Lisa Nandy: I had the pleasure of meeting Sir Mo Farah recently. We did a few laps up and down Downing Street, which I won—no, I joke, I did not win. He is an incredible campaigner on this issue and he talked very movingly and passionately about how sport saved his life as a teenager coming to the UK in such horrendous circumstances. It was running that transformed his life and got him to where he is today. We want that opportunity for every child, whether it is sport, music, dance or drama. We want every child in this country to have something that matters to them, that belongs to them and helps to sustain them through tough times.

We are doing a particular piece of work, as I said to Jo earlier, about disability and looking at how we can make sure that young people with disabilities can play a full part in school sport. We think that that is about teacher training and we have been working very closely with the NEU trade union and others, and specialist disability providers, to see whether we can extend some of those sports for disabled people into schools. Bringing wheelchair rugby, for example, into schools and having all young people being able to have a go and participate is quite tough in terms of the level of athleticism that you need in order to participate, but we think that that will really help.

Another that we are doing is working with MHCLG to look at facilities out there in the community as well, because often young people get a taster of sport at school but then they want to go on to develop it. Obviously with the cuts to council funding over the last 14 years, what has often happened is that leisure centres have disappeared or sports facilities in the community have closed down. We are working with MHCLG to see what more we can do to make sure that in every part of the country there is access to a multi-use facility so that young people can explore those passions out of school.

Q57 **Paul Waugh:** I declare my interest as a member of the National Union of Journalists and a member of the Dale Supporters Trust. I will get that out there first.

Many staff at *The Guardian* and *The Observer* were very angry last week when the Board of the Scott Trust and the Guardian Media Group agreed in principle the sale of *The Observer* to the Tortoise Media. That was despite calls for more time for the deal to be considered and despite other rival bidders not being considered. They worry about the long-term future of Britain's oldest Sunday newspaper and one of the few progressive newspapers left in the UK. Your predecessor was sufficiently worried about the public interest involving *The Telegraph* last year that she issued a public interest intervention notice. What concerns, if any, do you have about the public interest implications of this sale?

Lisa Nandy: I am afraid I will have to recuse myself from answering questions on this issue because I have a quasi-judicial role as the Secretary of State. I am the single decision maker when it comes to decisions about whether to exercise the power that you mentioned and



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how to respond to the information that I receive. So, I am prohibited in law from talking about it.

Q58 Paul Waugh: I take that completely, but can we talk about the principle? When considering the potential sale of any newspaper, what factors do you take into account when you are assessing the public interest?

Lisa Nandy: I will turn to the Permanent Secretary for a bit of advice about how to navigate this. I want to make sure that I don't fall foul of the law.

Susannah Storey: Yes, it is better not to get into the specifics of that case.

Paul Waugh: I am not asking about specifics now but the principles. What are the principles that guide you when it comes to publications?

Susannah Storey: Under the Enterprise Act there are certain criteria for a public interest test and those would be the sorts of things that the Secretary of State would be looking at. However, as she said, I don't think we should get into any specifics on press mergers.

Lisa Nandy: We are talking about how we want the media landscape to operate. Plurality is obviously a really important principle: we want to make sure that a range of views and voices can be heard. One of those elements is national media but there is also local and regional media, which you know that I am particularly exercised about. I am shortly about to have land on my desk the terms of reference for our local media strategy, which we intend to kick off early in the new year to make sure that we do have that range of voices reflected in our local and national conversations. As we devolve far more power to communities and regions, it is absolutely essential that there is an ability to hold that power to account. We have seen far too many local and regional publications collapse in the last few years. So plurality is the thing that I am most focused on.

Q59 Paul Waugh: Yes, but also transparency—the principle of transparency. Does the public deserve to know who are the financial backers of any proposed takeover of a national newspaper?

Lisa Nandy: As you know, the regime that we currently have puts some, but not all, information into the public domain. It might be helpful for Susannah to explain that a bit further.

Susannah Storey: The Enterprise Act is clear about the public interest considerations. That is what the Secretary of State would look at. We have also just launched a consultation on expanding the legislation around media mergers to include online news publications. That is the regime that we would look at in any such case as this one.

Q60 Paul Waugh: Can I ask you about the Football Governance Bill? The Permanent Secretary quite rightly said that we want to get on with the



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Bill. Do you have a message for those Conservative peers who are filibustering the Bill right now?

Lisa Nandy: Yes I do, actually. This has been a very thoughtful piece of work by Tracey Crouch through the fan-led review that fans across this country have taken seriously and engaged in. Too many fans have been in the situation—like James’s constituents, like mine—of seeing their clubs either collapse or be on the verge of collapse with no tools or powers to effectively be able to do anything about it. This is a Bill that has had cross-party consensus for a long time. It was a manifesto commitment from this Government and it is high time that we got on with it. It is not acceptable to use parliamentary procedures to try to block a piece of legislation on which so many hopes and dreams rest, which was clearly something that we committed to before the election, and which my counterpart Stuart Andrew and the Conservative Front Bench fully support still. So, my message would be that we need to get on with this for the sake of football and out of respect for the fans.

Q61 **Paul Waugh:** You mentioned rightly that it was cross-party, but it was also fan led. However, while the Bill requires the football regulator to consult with clubs, with officers, with owners and with people who organise competitions, it has no requirement to consult with fans or players. Would you consider looking at giving fans a consultation role?

Lisa Nandy: We fully recognise the importance of fans—part of the intention of the Bill is to put fans at the heart of the game—but also of players. This is something that I have discussed recently with Baroness O’Grady—I think that she is a baroness—over in the other place. In the Bill, the regulator has statutory duties to consult with such persons it considers appropriate before taking certain actions. We would expect that to include consulting the players and/or the players’ union, the PFA, and obviously we would expect fans to be at the heart of that conversation.

Q62 **Paul Waugh:** Great. Research in 2023 stated that although 44% of Premier League and 34% of English Football League players were black, just 4% of managers are black. That is a massive gap. Dwight Yorke has said, “We want just fairness. I sometimes feel we have to do three or four times more before we get an opportunity”. Now, when it comes to the Football Governance Bill, there is a welcome reference to equality, diversity and inclusion for the first time, unlike the previous incarnation of this Bill, but wouldn’t it make more sense to give EDI prominence as one of the key objectives of the football regulator?

Lisa Nandy: I can take that away and look at it. I think the figures that you just gave are shocking. Yesterday, I was in Bristol doing an event with the historian David Olusoga about representation in the creative industries. He painted a very similar story of it being far easier, if you are from an ethnic minority background, to succeed in front of the camera than it is behind the camera. When you get behind the scenes and you get to the place where power lies, the ability for people to break through



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is so much harder. That is certainly something that I will take away and look at.

- Q63 **Paul Waugh:** Finally, can I ask you about women's football? We all talk about the football pyramid with the premiership sitting at the top, but there is a real risk that this Bill becomes the football pyramid of geezers, because there is no mention of women's football in it at all. Wouldn't it make sense to include the women's game in the regulator's "State of the Game" report?

Lisa Nandy: We looked at this, as did the previous Government. We think that at present it is not the right decision to include the women's game in the Bill, but it is obviously something that we will keep under consideration as the women's game develops.

Susannah Storey: That is right.

- Q64 **Paul Waugh:** If you include it in the "State of the Game" report, that is one way of doing it. It does not mean that you fully include it in the Bill but it is one way of making sure that you raise the subject.

Lisa Nandy: The Bill now adds the women's professional leagues to the list of persons to whom the regulator may disclose information, so we have strengthened the provision around that, but let me take that specific point away and have a look at it.

Chair: Thank you. I will swing quickly back to Rupa to finish off one of the questions.

- Q65 **Dr Rupa Huq:** The British Museum is in your bailiwick. Do you think that it accurately reflects what people want to see? Some people are quite alarmed that there is no acknowledgment of the British role in the transatlantic slave trade at all in there. There is a campaign by the Good Law Project at the moment called "No Room for Slavery at the British Museum". Isn't that something under-acknowledged that should be there, as a permanent exhibition, ideally?

Lisa Nandy: I have had a number of meetings with the British Museum since I was appointed to this post. It is one of Britain's most valuable institutions and I am a strong supporter of it. It is the most visited attraction for people who visit Britain; I think one in eight people visit the British Museum.

Susannah Storey: Something like that, yes.

Lisa Nandy: So, it plays a really significant role in our national life. I think that it handles difficult issues, including the light and shade in our past, in a very thoughtful way. I can certainly take the issue of slavery away and have a look at it, but I would also say that one of the things that I have really prioritised in those talks with the British Museum is how we extend the very good work that it is doing to make sure that those collections are out of the basement and into our communities. We are



doing a similar piece of work with the government art collection. There is an expense attached to it; it costs money to transport artwork and items. But these are national institutions and collections and they belong to the nation and we think everybody should have the chance to see them.

- Q66 Dr Rupa Huq:** On the point of spreading things around, I totally get that it cannot all stay in central London. Can I have a plea for suburban London as well? We always feel hard done by because everyone assumes that London means that the streets are paved with gold in the city centre. I remember raising to one of your predecessors a company in Acton that used to supply lighting and sound gear to shows all over the country. They were supplying an ITV programme in Brighton, a detective show called "Grace". Then the Nadine Dorries anti-London whatever came in and they were not allowed to do it any more. That show had to get their gear from Manchester. I know that you are a Manc MP but it was a lot of hassle, and emissions maybe—the whole logistics of it. I have raised it before. When you are a small company, you only have a number of suppliers. They went under two weeks ago, so it is a serious thing for suburban London businesses. Therefore, just a plea to you, can you please not see things in a black-and-white, London/anti-London way like the last Government did?

Lisa Nandy: Absolutely, I will give you that commitment. One of the threads that runs through what we are trying to do is to make sure that people, young people in particular, have opportunities wherever they live. I am acutely aware that if you live in outer London, those institutions can feel as remote to you as for a child growing up in Wigan. Whether it comes to contracting and supporting the local economy or it comes to those collections and young people being able to access them, we certainly are not assuming that people in London have those opportunities at the moment. We know that we need to do work to make sure that it reaches every community.

Dr Rupa Huq: Netflix does not have to do that. It is because ITV is a public service broadcaster. Yes, if you can do it on those things, it would be much better, thank you. I am so glad that you get it—Britney and everything.

- Q67 Zöe Franklin:** I have a couple of questions about the video games industry and then over to the charity sector.

We know that things have changed for the gaming industry post-pandemic. We saw a big surge but now the industry is facing more challenges. Briefly, what is the Government doing to help the industry through these challenges?

Lisa Nandy: We see video games as one of the absolutely central planks of the industrial strategy and of our growth story. There are some amazing success stories, as you know. My nine-year-old does not really like sports and he does not watch a lot of TV. Like a lot of kids he is on YouTube most of the time. However, when he and his friends found out



that I had got this job and that I was in charge of video games, I was the hero of the school playground. We see the games industry as a tremendously valuable part of the economy. You will know that we have the UK Games Fund. We have confirmed funding for that up until March 2026 and we are going through a round of business planning in the Department about priorities going forward. But for me, investment in video games and helping start-ups succeed is a priority.

Another thing that we are aware is imminent is that Ukie, the industry body, is doing some research about the competitiveness of the UK video games tax reliefs. Since we introduced them, many other countries have done the same. That is something that I will need to discuss with the Chancellor when that report is published, but we will look very closely at those recommendations.

Q68 Zöe Franklin: It is interesting that you touch on the tax relief. That is really important because one of the challenges that games companies from my own constituency talk to me about is the challenges that they face in competing with other countries when it comes to the video gaming industry. It will be really interesting to hear more on that from you.

One of the things they say is that they want to invest in UK talent—young people who are coming out of schools and universities. However, one of the challenges is that young people are not coming out with the relevant skills needed for the constantly evolving sector.

We currently have the curriculum review. What are you doing as a Government as part of the curriculum review and with higher education facilities to ensure that those skills are there? Are you talking to the industry and companies themselves?

Lisa Nandy: Yes, we are talking to the industry and companies. It is an issue that they have raised with me and Minister Bryant. We are considering that at the moment as part of the curriculum review. I was also very interested in what Damian said earlier about T-levels. We need to look at GCSEs, T-levels and A-levels together to make sure that we are finding the right route for young people to get them the skills that they need to work in what we hope will be a hugely growing industry.

Q69 Zöe Franklin: I hope that part of that will also be apprenticeships and supporting companies to have those apprenticeships.

Lisa Nandy: Yes, absolutely. We have already had some of those discussions with the video games industry, specifically around the reform of the apprenticeship levy. One of the challenges that we have had is that it did not work brilliantly for the creative industries as a whole, so we have been working with them to make sure that we get that right so that we are helping to fill those skills shortages.

Q70 Zöe Franklin: Thank you, I appreciate that. Turning my thoughts to the charity sector, post-pandemic things have been challenging for the



charity sector and there were some concerning figures—I think that they are concerning and I am interested to know what you think—showing that the UK has dropped to 22nd in the world when it comes to giving. That makes it the joint-lowest ranking. Does that concern you?

Lisa Nandy: I came from the charity sector before I was elected to Parliament 14 years ago. I was at Centrepunt and then the Children's Society. I am a huge supporter of the role that charities play in the UK. I think that they have been facing a double whammy over recent years because as well as their funding decreasing, they have also seen a huge rise in demand. There are lots of examples of charities having to step in and do the bare minimum when what they want to do is help people to thrive. The Brick was a homelessness charity. It is now better known for being a foodbank because the level of need was so great that they have had to focus on that.

As a Government, we want to support them by addressing some of the challenges that the people that they support are dealing with—making sure that people can get access to healthcare, improving living standards. We also want to support charities through a better partnership with not just national but regional and local government as well. We used to have regional development agencies, which were abolished by the last Government. Civil society had a seat at that table and they had a strong voice in helping to shape the systems and processes that then affected them. The abolition of those RDAs—I say this not to make a political point—meant that that voice was removed and they were often picking up the pieces after decisions had been made. That is why we have launched the civil society covenant, because we want a better partnership where we are bringing them in early to help inform what we do and what mayors and councils do as well.

Q71 **Zöe Franklin:** On the covenant specifically, there are two parts to my question. First, do you think that that will lead to a national philanthropic strategy? Secondly, I want to give a plug for organisations like Guildford Philanthropy and many organisations across the country that have expertise and experience in getting giving up and running and increasing giving in their areas. Will you be speaking to organisations like that to build on their expertise?

Lisa Nandy: Yes. We have the Gift Aid system, which is one of the most generous in the world and we are strongly committed to keeping that. I have asked the Department to work up a place-based philanthropy strategy. I have been struck by some of the work that the previous Government did in some parts of the country like Grimsby, for example, or in Stoke. You often have people who come from that community who may not live there any more; they may be part of the diaspora community, but they feel very strongly about the place that they grew up in and they want opportunities for people who come after them. They are far more likely to give for their place than they would otherwise, so we are working up a place-based philanthropy strategy. I have also been



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working with the Chief Secretary to the Treasury on impact investment. Is it worth saying a bit about that?

Susannah Storey: Yes. We feel that there is appetite right across the giving spectrum, from philanthropy at one end right through to something that looks a bit more like a market-investment product. The Secretary of State and the Chief Secretary did a roundtable with a range of financial institutions through to more philanthropic experts. We will bring forward some work on that, which was also announced in the budget.

Q72 **Tom Rutland:** I would like to ask some questions about prominence and public service broadcasters but first I should refer to my register of interests, including hospitality from Channel 4 and additionally having received hospitality from the BBC as well as chairing the BBC APPG and being a former employee of the Prospect and Bectu trade unions.

The Chair of the BBC has warned that the prominence of public service broadcasters on smart TVs is now at risk. What are the challenges for ensuring prominence for the PSBs on TVs and on the range of devices that audiences now use to access TV content?

Lisa Nandy: Obviously we have had the Media Act and we and Ofcom are now in the process of implementing the Act and things are broadly on track with that. Ofcom's road map was published earlier this year. It delegates certain powers, as you know, Tom, to me and to Ofcom in terms of designing in-scope services and developing guidance. We have to carry that out before the provisions in the Act can be commenced. It does mean that we will need a bit more time to engage with stakeholders to make sure that we get that right. We have met with Ofcom four times since Royal Assent and we are expecting to meet again shortly. We are aware of how critical this need for prominence is and of the need to get that right. It is something that we inherited from the last Government but that we are determined to take forward.

Q73 **Tom Rutland:** You described it as broadly on track. Are you satisfied that Ofcom has struck the right balance between taking time to consult on the new prominence regime and the need to bring that new regime into force, given the pace of technological change?

Lisa Nandy: I think, broadly, yes. We are operating in a very fast-moving, fast-changing environment and across the board, particularly for Ofcom, they often find themselves at the sharp end of that, in terms of regulation. They are aware, as expressed to me in the meetings that I have had with them since I was appointed, of the need for pace, but they are also aware that every decision that they take comes under intense scrutiny and that system has to be right. I am broadly satisfied that we are getting right the balance between moving at pace and getting the system right.

Susannah Storey: I agree. Ofcom laid out their roadmap earlier in the year and it sets out all the different parts of that Act and how they will



consult and when the codes will come in and when they will be fully effective. However, as the Secretary of State says, there is always a balance to make sure that we have really robust regulation in place. We know the strength of feeling in the PSBs, that they want prominence, and this Committee has been clear about that too.

Q74 Tom Rutland: Turning to another challenge, particularly for the commercial PSBs, what impact do the Government think that the ban on less-healthy foods will have on commercial public service broadcasters and do you have any plans to try to mitigate that impact?

Lisa Nandy: We think that we have got the balance right between allowing advertising—which is incredibly important for the TV industry and for commercial broadcasters, including public service broadcasters that advertise, in a very challenging environment where advertising revenues have fallen, particularly during the pandemic when there was a huge knock-on effect to the TV industry—and the need to protect children. We have a real health challenge in this country and, like the last Government, we feel that this strikes the right balance to make sure that we are protecting children without causing harm to the industry. They have had quite some time to consider that we are doing this. There have been a lot of conversations about the guidance about how this works, so they have had quite a lot of time to prepare. I know that it is of concern to them but in government you have to get the balance right, and we think that in this case we have.

Tom Rutland: Do you think there is a risk that if you take the direction of travel of banning different kinds of advertising, whether that is for commercial PSBs or other commercial broadcasters, eventually you reach a situation where those that can advertise are no longer able to and advertising revenues will fall even further?

Lisa Nandy: In theory, of course you could. There was a huge debate about whether to bring in these measures. Our Government, and I think the previous Government, have had a lot of conversations with the industry about it and there has been a national debate around it. Governments don't take these actions lightly. We are acutely aware of the pressures on the TV industry. It is important. So in theory yes, but in practice no.

Q75 Tom Rutland: I am trying to show some of that balance myself, moving on to physical activity. You talked a bit about being on four of the five mission boards. DCMS leads on sport policy but no single Department can drive the long-term change needed on physical activity. How are you making the case across government to ensure that physical activity is getting the attention that it deserves?

Lisa Nandy: When he was appointed, the Health Secretary said that 75% of the work that is needed to help him meet the health mission is outside his Department and his remit. Much of it is in ours but it is also in the Department for Education and right across government. I recently



met with the Secretary of State for Work and Pensions to discuss the back to work strategy before it was published. One of the elements of that is about sports being the way in which you can engage with young people who are furthest from the workplace, and being able to help them to get the skills that they need in a place that they feel particularly comfortable in. This is a Government who are taking that incredibly seriously. The missions help us to work together across government. For the forthcoming spending review we will be making joint submissions and I would be astonished if we were not making joint submissions on sport in particular and healthier lifestyles.

Susannah Storey: Also the mental health benefits from culture and the arts fit into the prevention agenda.

Lisa Nandy: We are looking at the Essex model, where you co-locate health services with sporting facilities. We are also looking at Empire Fighting Chance, the Bristol model, using the power of sport to engage with young people about other issues, including mental health and wellbeing. I have had early discussions with rugby league as well about whether there is something that we could do together to help in those parts of the country where men in particular are struggling with mental health, to use the power of sport to have those wider health benefits. It is something that is very much top of our priorities list.

Q76 **Chair:** The RFU has suffered record-breaking losses and it has made staff redundant but its top executives are taking home eye-watering bonuses. Do you agree with and share the concerns of voices like Martyn Thomas, Graeme Cattermole and Brian Baster that rugby union needs sweeping change right at the very top?

Lisa Nandy: The sustainability of rugby union is something that we are looking very closely at and I have had some discussions, as has Minister Peacock, with the industry body to talk about what more we might do. I have not looked at that particular issue, to be honest, Caroline, but I will take that away and get the Department to have a look at it. It is definitely worth us considering. Do you agree, Susannah?

Susannah Storey: Yes.

Q77 **Chair:** Can I also take you back quickly to talking about PSBs? Skydance has taken over Paramount, which means that Channel 5—one of our public service broadcasters—is now under new ownership. Have you discussed the impact of this with Channel 5 or Ofcom?

Lisa Nandy: I am due to meet Channel 5 shortly.

Susannah Storey: Yes, and we see Ofcom very regularly.

Lisa Nandy: Yes, so it is something that will be on the agenda.

Chair: Thank you. Last but not least, Liz.



Q78 Liz Jarvis: Turning back to sport, what are the Government doing to ensure that the British public will be able to watch the sporting events that it wants to see on free-to-air TV?

Lisa Nandy: We think that we have broadly got the balance right at the moment in terms of listing, but we are aware that there are potentially issues coming down the line with streaming. The Department is looking closely at that. We want to get the balance right. We want to make sure that we sustain the sporting revenues that are invested in the sports and help them to thrive, but open up our big public events free-to-air to as many people as possible. We think that broadly it is right at the moment but we are aware that we may be about to hit a bigger challenge that will mean that we might need to take a different approach.

Q79 Liz Jarvis: How do we help UK public service broadcasters to compete with the global media companies for sports rights if they cannot compete on budget?

Lisa Nandy: It is a challenge; it is certainly a challenge that we recognise, but a number of public service broadcasters have been able to win rights. The deal that has been done on the Olympics is an example. Under the current regime, at least one of those channels must be offered the opportunity to air events as part of that deal, even if the contract has been done with a streamer. We do think that that provides protection for the public. But I agree that there is a broader challenge for public service broadcasters in competing with streamers, and one of the things that we are acutely aware of as we begin the BBC's charter review is that we need to take account of that very challenging environment and the completely transformed landscape compared with just a few years ago.

Q80 Liz Jarvis: The last Government commissioned a review to assess whether digital rights should be included within the listed events regime but took no action. Are you aware of it and are you willing to legislate on it?

Susannah Storey: This was something that we debated under the last Government as part of the Media Act. As you say, it did not come through but, exactly as the Secretary of State says, we are keeping an eye on it.

Q81 Liz Jarvis: You have mentioned the Lionesses a few times. Do you agree with the view that the Saturday 3 pm blackout slot is the best time to broadcast women's football?

Lisa Nandy: These things are always very contentious. Every single fans' group that I have ever met has a very strong view about that. Football has to balance the need for global audiences with the need for fans to be able to attend and participate. In some ways, football is challenged by its own success, because not just men's football now but women's football is watched and loved all over the world. It is a tricky balance to get right. We think the Football Governance Bill will help by strengthening the voice of fans. It will make sure that fans are part of the conversation so that they are not just brought in as an afterthought. It is something that some



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of James's constituents raised with me when I visited Gigg Lane on my first visit as Secretary of State. These are tricky decisions for them to get right and it is not something that the Government should impose. But by putting fans back at the heart of the conversation we think that we may be able to get a fair settlement.

Q82 Liz Jarvis: Would you make the case for it with the Premier League, the EFL and the FA?

Lisa Nandy: It genuinely depends on the balance between protecting revenues, making sure that we can still produce top-flight football in this country and making sure that fans are at the centre of the game. It is something that I have discussed with all the bodies you just named but it is a challenge for them because they have to strike the correct balance.

Q83 Liz Jarvis: What do you want to see happen to raise the profile of women's sport?

Lisa Nandy: I think the Lionesses are already doing a very good job of raising the profile of women's sport. I think that the job of government is to take the dreams of those young girls who looked at their screens and saw young women who came from their own communities, who look and sound like this country, who are ordinary people who have gone on to do extraordinary things—I think our job is to take those dreams and give them a plan to match them. That is why we announced the extension of the grassroots facilities funding after the Euros, to make sure that we can do that. We have a particular focus on women's sport as part of that, haven't we?

Susannah Storey: That is right. There have been 14 new facilities specifically for women and girls' sports. We have to try and make sure that once they are open, people have access at the times that they want. The Minister for Sport has just convened a roundtable on women's sport, looking at some of the things that Karen Carney set out for football.

Lisa Nandy: One of the challenges, as you know, is that a lot of girls often get the later slots. We were talking about prominence with the public service broadcasters. There is a similar issue of girls often being the last in the queue to get access to facilities. The Minister is very keen that that should change.

Q84 Liz Jarvis: Finally, could I turn back to charities and the financial sustainability of charities. Data from the voluntary sector shows that charities are facing increased demand for services at the same time as costs are rising, staff are being cut and the demand for grant funding is reaching unsustainable levels. What will DCMS do to help the sector?

Lisa Nandy: The first thing we did was to host representatives of the sector in Downing Street for a roundtable and a reception with the Prime Minister to discuss how we form a better partnership with the charity sector. Under the last Labour Government we had a civil social compact—testing my memory now. I was in the charity sector at the time and we



had a compact that was led by the Office of the Third Sector that helped to ensure that charities were in the room when decisions were being made that affected them, and ensured that they were very much at the heart of government. We are calling it a covenant this time around because one of my reflections on that, as somebody in the voluntary sector, is that it was more like a contract than a genuine partnership and I think ultimately that is why it did not survive.

We are also thinking ultimately about funding and how we can best protect charities. I know that the decision on employer national insurance contributions was very challenging for a lot of charities, and Minister Peacock has had a number of roundtables with the sector to discuss that and how we mitigate the impact, including the decision that we made to increase the employer NICs rate to protect the smallest charities and to make sure that we remove the eligibility threshold so that charities can still claim employer NICs reliefs when they are eligible¹, and that next year more than half of employers, including charities, will either gain or see no change in their NICs liabilities. We are doing everything that we can to protect this vital sector. Going forward, we hope that as we grow the economy, as we improve people's living standards, as we improve people's lives and tackle some of the chronic problems that this country has—like homelessness—they are will be freed up and able to help everybody in this country to lead the richer, larger lives that they deserve.

Q85 Liz Jarvis: How do you think the increase to employer national insurance contributions will impact the services that charities are able to provide, particularly next year when the changes take effect?

Lisa Nandy: It is a tough decision and I don't want to pretend that for some charities there won't be an impact; there will. The voluntary sector is used to spinning gold out of thread every single day. I will not say "we"; I am not in it any more, but that is what charities do.

In discussions that Minister Peacock has had with the sector, although they are concerned about the impact, they recognise that we have taken these steps to try to protect charities, particularly the smaller charities. They recognise that the tax relief system is one of the most generous in the world and they also recognise that if we are able to meet the missions, that will substantially change the lives of the people who are their beneficiaries. So, we are positive about our relationship with the charity sector and I think they are very realistic that lots needs to be fixed in this country and that by working together we can do much more.

¹ Correction by witness: The employer NICs rate will increase from 13.8% to 15% from April 2025. However, it is the parallel increase of the Employment Allowance from £5,000 to £10,500 that will support small charities as employers. The eligibility threshold for Employment Allowance (which is currently only given to businesses with NICs bills of £100,000 or less) has been removed, so all eligible employers can benefit from the Employment Allowance from April 2025.



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Q86 Liz Jarvis: One final question. As someone who has worked in the sector, how would you navigate a charity organisation through the next few years?

Lisa Nandy: Like I said, we want a better partnership with them. From my point of view in government now, the value of charities is not just the work that they do directly with people; it is the research that they produce, it is how they inform policy, it is how they challenge and hold government to account. We are very keen that they understand that they do not just have a right to speak up but that they have a duty to speak up on behalf of their beneficiaries when they think that we are getting things wrong. We think that we will make better decisions as a Government if the charities understand that that is the relationship that we want with them. We would also appreciate it if they would speak up when we are getting things right, but it is absolutely right that we have an independent charity sector in this country that are able to hold our feet to the fire.

Chair: Thank you. Before we let you go, Bayo, did you want to come in on something?

Mr Bayo Alaba: Yes; apologies, Chair. I want to also declare an interest. I was from the creative sector before I came into this House. I own a creative agency and run grassroots music festivals.

Lisa Nandy: You will have to invite me sometime.

Q87 Chair: Before I let you go, I also need to declare my family's interest and connections in cricket. I want to ask you about cricket. You have spoken a lot about facilities, the importance of facilities, how you are improving facilities for girls and so on. What are the likely consequences of not committing to the previous Government's £35 million investment towards grassroots cricket initiatives in state schools?

Lisa Nandy: We are going through business planning at the moment so we have not made any final decisions about the shape of departmental funding. The Prime Minister was asked about this by the outgoing Leader of the Opposition recently in the House and he reiterated our strong support for cricket. It is on my agenda and it has come across my desk on a number of occasions. I know that cricket is a sport that brings a lot of joy to a lot of people and also that we are very good at. We want to make sure that it continues to thrive, and that young people can access it.

Chair: Cricket is something that captures the imagination of some of those communities that we are desperate to reach into as well. Thank you.

We have covered so much ground today and we have not even reached things such as libraries or gambling or a lot of arts and culture. However, I hope that this will be the first of many times that we see you in front of us, as torturous as it may be. Thank you, Secretary of State and



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Permanent Secretary, for your time and your patience with us this afternoon. We look forward to seeing you again in the future.