

Culture, Media and Sport Committee

Oral evidence: BBC Royal Charter Review, HC 140

Tuesday 30 June 2026

Ordered by the House of Commons to be published on 30 June 2026.

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Members present: Dame Caroline Dinenage (Chair); Mr Bayo Alaba; Vicky Foxcroft; Damian Hinds; Dr Rupa Huq; Liz Jarvis; Jo Platt; Jeff Smith.

Questions 419-502

Witnesses

I: Martin Baker MBE, Chief Commercial Affairs Officer, Channel 4, Magnus Brooke, Director of Strategy Policy and Regulation, ITV, and Stephen Lotinga, Group Managing Director of Corporate Affairs, Sky.

II: Theo Bamber, Chief Executive, News Media Association, Jessica Cecil, former BBC Chief of Staff and journalist, and Chatham House, and Stewart Purvis CBE, former Editor-in-Chief of ITN and Ofcom Regulator for Content and Standards.

Examination of witnesses

Witnesses: Martin Baker MBE, Magnus Brooke and Stephen Lotinga.

Q419 Chair: Welcome to this meeting of the Culture, Media and Sport Committee. Today is the sixth oral evidence session for our BBC royal charter review inquiry. We are joined by our first panel, Martin Baker MBE, the chief commercial affairs officer at Channel 4, Magnus Brooke, director of strategy, policy and regulation at ITV, and Stephen Lotinga, group managing director of corporate affairs at Sky. You all have very complicated job titles, but you are all very welcome. Thank you very much for joining us today.

Before we begin, I remind Members to declare any interests before asking their questions. I would like to kick off, gentlemen. You all know that the Green Paper suggests various ways to fund the BBC. Some have been eliminated from inquiries, but some are still there. One is advertising. Martin, are there ways in which the BBC could get revenue from advertising in a manner that would be acceptable to commercial broadcasters?

Martin Baker: If the answer to that question implies that it is advertising carried around public services, no. The BBC does have revenue from advertising through its commercial channels portfolio, UKTV—Channel 4 has acted as its agent selling that for 16 years or so—but that is a secondary activity outside the primary. So we say no to that. The primary reason is that there would be a flood of inventory provided as a result of doing that, and the advertising market would not respond to the increase in inventory available, so the revenue would be transferred. We have done some modelling, and we think that if you were to move entirely in that way, it would still leave an enormous funding shortfall for the BBC. But the short answer is no.

Q420 Chair: Magnus, what do you think?

Magnus Brooke: I would say exactly the same thing, and I would add that it would also change the incentives of the BBC. In effect, if you can take advertising revenue, every incremental pound that you make from advertising is an additional bit of money, and therefore it there would be a feedback loop in terms of the programmes that the BBC commissions and the demographics it chooses to serve. Ultimately, the more commercial it becomes, the more revenue it gets to supplement the licence fee, assuming it is joint funded.

You also have look at the broader market and the incredible competition that we all face now for revenue from global streamers, YouTube and all these other global businesses. As Martin says, the money would come out of commercial PSB and go straight into the BBC, so I think it would be completely self-defeating.

Q421 Chair: Okay. So as far as you guys are concerned, advertising is off the table. Stephen, in your written evidence you said that the BBC should also reject a subscription approach to funding. Why do you think a subscription

model is not the right mechanism?

Stephen Lotinga: First, for audiences, it creates a two-tier environment that would not be fitting with the BBC's desire to be a universal service available to everybody. We also think that ultimately it would not be of benefit to the wider sector. It would create a scenario where the BBC would be more focused on creating content that is suitable for people paying a higher-tier subscription. What the BBC does best is focus on areas that are not provided by commercial providers. That means investing in high-quality British original content, trusted news, kids' content—a whole range of areas. Creating a subscription tier within the BBC would create some perverse incentives about the type of content it should create.

Q422 Chair: Are you averse to a subscription model across the board? A number of those who have given us evidence have suggested that the BBC should work on part-free basis, but with some premium content, such as high-end drama, or older content available on subscription. How do you feel about that?

Stephen Lotinga: The licence fee is kind of like a subscription already, in the sense that people are already paying. What we are talking about is creating an additional tier that requires people to pay over and above that.

Q423 Chair: Or instead of the licence fee.

Stephen Lotinga: It could potentially be instead of that. We have to ask ourselves what we are trying to achieve. If one of the ambitions of creating public service content is to ensure that we are informing as much of the general public with this content as possible, one of the other areas that we will explore later is the concern about the fact that this is not available to enough people. Putting it behind a subscription tier—we obviously run a subscription business ourselves—creates a very different environment in which we are asking people to engage. It would not ensure the benefits of having a universally public funded BBC, enjoyed by all.

The thing about subscription tiers is that when you really get into the fundamental questions of what content would be behind a paywall and what would not, you find how difficult it is to assess what the BBC would be able to do on that front. We would be talking about a very different type of BBC if we were to pursue that option.

Q424 Chair: Do you dislike it because it is effectively a similar model to Sky? Sky News and, in some cases, Sky Arts are available to people, but a lot of your content is behind a paywall. Do you object to it on the principle that it almost replicates the Sky model?

Stephen Lotinga: Transparently, we would have concerns about the impact it would have on other subscription models. At the moment, based on the evidence that we have seen and our analysis, people largely do not see the licence fee as a subscription payment; they see it as "the licence fee". It would clearly have an impact on what people view and prioritise in terms of what they pay for, but we have not done a detailed assessment of what its impact would be on our business.

Q425 **Chair:** Do Channel 4 and ITV have a view on the subscription model, whether it be full or part, for the BBC?

Martin Baker: We think that it would change the character of the BBC. I agree with Magnus: if money comes in a particular way, behaviour is likely to follow that, so one would see a change in what they chose to provide. Universality feels like an important principle of the BBC, and a two-tier set-up feels inconsistent with that. It is also not possible to have a subscription basis through DTT as the gating does not exist, so it would inevitably lead towards not everyone being able to get it. We believe that universality is an important cornerstone of the BBC, and that it should not be undermined.

Magnus Brooke: I would add that subscription television is a ferociously competitive market. Obviously, there are global players that are spending billions and billions of dollars to try to succeed in this market, and frankly, not all of them will. The BBC is coming very late to this, and you need to spend a lot of money on original content to persuade people to subscribe—on subscriber acquisition, marketing and so on. It is hard; Stephen, you live this every day. It is about all the things that everybody else has said, but also, it is not easy.

Q426 **Liz Jarvis:** Good morning. Sir Peter Bazalgette told us that a version of the licence fee will probably be an outcome of the charter renewal process. On 19 May, Pat Younge of the British Broadcasting Challenge told this Committee, “We have advocated for a universal licence fee that is tied to your ability to receive the signal—so it is not tied to a TV set; it could be a mobile phone or a tablet.” Starting with you, Martin, what concerns would you have about potential changes to the licence fee—for example, extending it to all devices on which content can be accessed?

Martin Baker: I do not have a very strong view about alternative mechanisms for the licence fee, but—to the point just made—if it impacts on universality and changes the way that the BBC creates content and puts it in front of people, that would be a concern. Beyond that, we do not have a particularly strong view on that subject.

Magnus Brooke: We are very clear that the BBC needs to be proportionately and appropriately funded from public sources. As to the precise mechanic, like Martin, we do not have a strong view. We do have the strong view that if you go down the road of changing the licence fee mechanic, for example, to encompass more services, so that if you use certain other services—SVoDs or whatever—you have to pay a licence fee, you do not distort competition by including some services in that category but not others. For example, YouTube would have to be in a category that triggered the obligation to pay the licence fee. The SVoDs and BVoD services and YouTube all compete with each other for viewers and revenue. If you did not spread that obligation across all the services, it would seriously distort competition, as it would be a major disincentive to use the services that required you to pay the licence fee and give an enormous boost to those that did not.



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Connected to that, we do not want to find ourselves in the position of having to enforce the licence fee—to prohibit people from using our service because they have not paid it. In terms of data, legal risk and all sorts of other impacts, that is a world of pain for commercial players, and I do not think it is appropriate. That is not what we do at the moment: you have to pay the licence fee if you watch ITV as a linear channel, but we are not asked to enforce or publicise the need to pay it. The BBC is perfectly welcome to buy advertising on our services, but we do not, by law, have to promote the payment of the BBC licence fee.

Stephen Lotinga: In our evidence, we said that the universal licence fee is the way to continue, but there are arguments for looking at broadening what it applies to. As a Britain-based business that has its operations here and focuses on the UK, we feel that we are at a competitive disadvantage. There are obviously competitors out there who are producing services. They are increasingly a central point for discovery and content, and their users do not have to pay the licence fee. I think there is an argument to look at that. As Magnus has said, we would have very strong concerns if we were put in a position where we were being asked to collect the licence fee on behalf of the BBC.

Q427 **Liz Jarvis:** Would you support a household levy to pay for the BBC?

Stephen Lotinga: I think that is a question for Parliament, to be entirely honest. Our starting point is this: what are we asking the BBC to do? We are focusing on that, and then on how it is appropriately funded, and what the levels are. The mechanism for whether or not a licence fee is appropriate at the moment, considering the cost of living pressures that people are facing, is really a matter for Parliament, rather than a view we have.

Liz Jarvis: Do you agree with that Magnus?

Magnus Brooke: Yes. It needs to be properly funded and independent, but how is not for us to opine on.

Q428 **Chair:** One thing we quite often hear from people who work at ITV is that they do more than the BBC for less money, or as much as the BBC for less money. We know that the BBC is struggling financially—fewer people are paying the licence fee, and the cost of making programmes is going up. If you were the director general of the BBC, what do you think it could do less of, if it was forced to make further efficiency savings?

Magnus Brooke: The BBC does a lot—I don't think we would ever deny that as ITV, and it certainly does a lot of things that we don't do, to be fair to the BBC. We also recognise that it has had a real-terms decline in funding for a variety of reasons that are quite well publicised—we recognise that. On the other hand, it does get £3.8 billion of public money a year. It is a very big organisation. Our experience of running a large organisation is that there always seem to be addressable costs every year. It must be a constant thing to take costs out, and there are things you can do. To be fair, the BBC is starting to do that in a systematic way, which I think is sensible because it is a lot of money. We flagged one area in our



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submission, which is US acquisition. The BBC spends about 4.8% of the licence fee on US acquisition, or acquisitions every year—that is about £87 million a year, which is nearly £1 billion over a 10-year charter period. We regularly find ourselves in competition with the BBC for US content that we want to put on to ITVX, and we regularly find ourselves being spectacularly outbid by the BBC.

In most cases, that is a question of the BBC sort of buying share, and buying reach for its services, in circumstances where that content is going to appear on a free-to-air service in the UK. We struggle to see the justification for the licence fee for that, and you could make very significant use of that money. The BBC's central thesis is that it is venture capital for the UK's creative industries, but that is a lot of money that could be put back into the UK's creative industries.

The only other thing I would say is that I have a certain sympathy for the BBC in terms of structural change. The BBC finds it hard to make big structural changes to its services. Whenever it proposes to withdraw a service there is an enormous outcry, and that is hard. We don't have quite that same pressure in the commercial sector, so I have a bit of sympathy with that. For the BBC to have some cover to do some of that—I can see why it would need that as the market changes.

Q429 Chair: A couple more questions on that. In terms of those US acquisitions, are you talking about actual programmes, or are you talking about IP?

Magnus Brooke: I am talking about programmes. I can give you lots of examples. "Scooby-Doo" was a stalwart of our kids offer for a while, and the BBC came in and massively outbid us for the whole franchise. Most recently, "Schitt's Creek"—this is in the public domain, and the BBC significantly outbid everybody else to acquire that. "Suits"—there are lots of example of US content where the BBC has outbid the market in ways that we couldn't compete with.

Q430 Chair: The other thing I wanted to ask you is whether you think the BBC sufficiently sweats its assets. If I think about the region where Liz, Damian and I are based in the south—in your case it would be the Meridian region, or BBC South. You are based out of an industrial estate just north of Fareham, and the BBC has a giant palace next to the Guildhall, right in the centre of Southampton. It is a gigantic piece of real estate, which to me never feels particularly busy or full. That might be because I tend to go there on a Friday afternoon to record "The Politics Show", but it feels a bit like the Marie Celeste. Do you have any thoughts about the efficient use of the assets—the estate and other facilities at the BBC—and whether the BBC sweats them in the same way the commercial sector does?

Magnus Brooke: I have been to the ITV office you mentioned. It is a perfectly sensible office. We have a studio there, a gallery and so on. It is convenient, but it is not at the heart of Southampton. I can see that, from the BBC's point of view, there is a bit of tension between the symbolism of being at the heart of community—in Wales, for example, they have a very prominent site right by the station—and the fact that, as a commercial



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business, we are under constant pressure. Our shareholders expect us to run things efficiently and to be the first people doing multi-skilling—our journalists record both the pictures and the sound while also being journalists.

We have that constant pressure to efficiency. That is one of the reasons we have ended up optimising our estate and minimising our spend all over. It also makes you smarter. You have to employ fewer people. Beyond a certain point, if you have too few people, it does not work, but sometimes having slightly fewer people makes you more efficient. People do not spend time dealing with each other and trying to negotiate silos, different fiefdoms and so on. They just have to get on with doing the job, so there is an efficiency benefit there.

It is very helpful in some ways to have to produce a set of accounts for the year and be judged on them by your shareholders and by the market, because there is a constant impetus of, "Can we do this better, more efficiently or differently while maintaining the quality of what we offer?"

Q431 Mr Alaba: Morning, gentlemen. I want to talk about partnerships and iPlayer. What appetite is there for opening up BBC iPlayer to Channel 4, ITV and Channel 5? Magnus, can I start with you?

Magnus Brooke: It is a sort of partnerships question, isn't it? We have a number of partnerships with the BBC. What we observe in those partnerships is that the successful ones involve sharing risk, funding and control. Those are the ones that work and those are generally in distribution. They are generally things like Freely, Freeview and Freesat. The reason for that is that none of us can do it by ourselves. Crucially, the BBC cannot do it by itself, so it has to co-operate with other people in a constructive way.

We do not have a huge amount of detail—there is one sentence in the Green Paper about the proposal for iPlayer—but if we apply that framework to what they have proposed, it feels like an invitation to become a tenant on iPlayer rather than create a shared thing that we all control and share in that becomes a genuine shared resource for PSB. I do not think that is the proposal. There is not that much detail in the Green Paper response about exactly what is proposed, so I would not want to shut it down. Theoretically, it has some interest in a world that is globalising and where scale is becoming more important

The other thing I would say, subject to those details, is that there is no advertising capability on iPlayer at the moment. In a world of data-rich, addressable advertising, it would take a long time to construct the apparatus that you would need for us and for Channel 4 to go on to iPlayer. There is also a four-way commercial negotiation between the PSBs and the BBC. That would take a long time. There are quite a lot of practical challenges in going from a sentence in the Green Paper response to actually being a service in the market. If you look at the speed at which our competitors are moving and all the hurdles to get over, that looks quite challenging to us.

Q432 **Mr Alaba:** Martin, can I come to you?

Martin Baker: We think it is an extremely interesting proposal. I do not disagree with Magnus's points, but, nevertheless, it is a very interesting proposal and a way to potentially achieve scale quicker. Scale is going to be important. I would not underplay the complexities, but it feels like a really interesting thing that should be pursued.

Q433 **Mr Alaba:** Stephen, do you have anything to add?

Stephen Lotinga: We would have to look at it very closely. As others have said, there is not a lot of detail in there. We believe that competition in distribution matters as much as content in programming. By that, I mean that a healthy competitive environment is one of the reasons we have so many different and varied ways that people can watch television in this country. It is worth noting that despite the general trends and the large amount of global competition, we are talking about public service broadcasters that have very significant market share. We would need to look very closely at anything that was coming forward on that basis.

Q434 **Mr Alaba:** How would a streaming partnership between PSBs work in practice? I am conscious of the enforcement issues that two of you just referenced. For example, who would prioritise the content and the algorithm recommended? Again, this question is to all of you, but may I start with you, Stephen?

Stephen Lotinga: I wasn't quite clear on the question; I'm sorry.

Q435 **Mr Alaba:** In terms of streaming partnerships with PSBs, how would they work in practice?

Stephen Lotinga: Are you talking specifically about the iPlayer or more generally?

Mr Alaba: The iPlayer.

Stephen Lotinga: I don't know my views about how it would work on the iPlayer. As I said, there is not a lot of detail in the proposal that I have seen, so I am not clear about exactly how it would work. More broadly, we have really healthy partnerships with all the PSBs. As a business that also provides a platform that distributes content, we strike very comprehensive deals with all the PSBs.

We sometimes find it more difficult with the BBC to reach the outcome that we think is beneficial for all our audiences. For example, we recently had a request to remove what is called native VoD—video on demand—content. Effectively, if you go to the Sky Q platform, you are able to watch the digital content from BBC in real time. Their preference is to move that into an iPlayer-only environment in the future.

We will probably come to this later in relation to YouTube, but it is one of the things that is really important for us as part of this charter renewal process: we would encourage the BBC to strike deep and broad partnerships, but also to ensure that that is done fairly across the board, so that particular platforms—particularly US-based platforms—are not

getting preferential treatment and we are not pursuing a two-tier approach, with BBC iPlayer sometimes in the UK and broad partnerships with US platforms elsewhere.

Magnus Brooke: I think your question highlights just so many issues that we would have in negotiating that streaming service. This relates to the point I made earlier about a four-way negotiation. One of the difficult questions would be how you would allocate relative degrees of prominence between the public service broadcasters on the shared service. It would be one of many, many issues that you would have to settle.

That is not to say that it could not be settled, but again this goes back to the point about control. If it is a BBC service on which we are tenants, that probably sets the tone for those conversations. I think they would be quite difficult, because there would be an expectation that the BBC would have a majority of that sort of exposure. I think it is one of the many challenges that will be raised by such a collaboration, particularly if you did not go in on the basis of shared control.

Martin Baker: To some extent, one can already see a bit of this, because earlier this year the U service, which is the on-demand service of UKTV, the BBC's commercial channel, came on to and has carried on full streaming. So you can already get a sense of how things could work.

That said, I do not disagree with what my colleagues have said about prominence being a big issue. The up-weighting of public service media content within platforms is obviously really important, wherever they are, and that would be no less of a conversation with them than it would be with anybody, I guess.

Q436 **Mr Alaba:** Thank you. How else can UK public service media collaborate for the benefit of all?

Stephen Lotinga: We already collaborate an enormous amount. It is done best when there are very clear shared objectives about what can be achieved. We already collaborate, for example, on skills. There is a common recognition that we cannot solve that issue by ourselves, and that ensuring that there are high-quality skills coming into the broadcasting sector and the creative industries more broadly is a common challenge that we should work collectively on.

There are other areas where we face challenges, particularly around artificial intelligence. We are working in collaboration with the BBC and others around the use of our news content by AI companies and trying to ensure that there is a proper, healthy working market. The important things in partnerships and collaboration are clearly shared and aligned goals and values in what you are trying to achieve. We do this all the time, but there are clearly arguments that we could do it more comprehensively in lots of areas.

Magnus Brooke: We are always interested in partnerships with other PSBs and, indeed, with non-PSBs, as far as that goes, because we are

always interested in making sure that our services are as good as they can be and that we run them as efficiently as we can.

We have lots of partnerships with the other PSBs already, particularly in distribution. Most recently, there is Freely, which is our online successor to Freeview if you like, growing out of ETV, which also provides Freesat and Freeview. We are constantly looking for those partnerships. We are also looking particularly for other areas where we can collaborate around technology, for example.

There are practical challenges around things like the existing contractual arrangements we might have with other people that potentially make collaboration more difficult, as well as issues around the reach of our services and making sure that we are all in the same place. To Stephen's point, alignment is really important: if your objectives are shared and you share control, risk and funding, you are much more likely to get a successful partnership.

Martin Baker: If by "all" one means the audience, there is probably quite a lot that can be done behind the scenes to generate efficiency via collaboration and co-operation that supports the provision of public sector media. We would say that maintaining plurality of provision has been really important and continues to be, so we feel that there is a lot that can be done.

Q437 Vicky Foxcroft: My first question is for Stephen and Magnus. What would consolidation between broadcasters mean for the future of the UK's public service media?

Stephen Lotinga: Perhaps we are being encouraged to speculate about an area on which we cannot comment. ITV has made it clear to shareholders that there are ongoing discussions between our two companies and there is no guarantee that there will be any agreement. More broadly, Ofcom have set out very clearly that they think that increased partnerships will be necessary to ensure that we continue to enjoy the wonderfully varied and productive British media sector that we have enjoyed for so many years. Clearly, there are lots of us who are trying to ensure that that will happen in the future.

Magnus Brooke: I would agree with everything Stephen has said, and I am certainly not going to comment on the discussions. I would say a couple of things. One of the characteristics of the market now is increasing global competition for viewing and advertising. The competitor set is enormous, growing very rapidly and has the sort of scale that national players do not have, and it is a really important feature of the market. The other important feature of the market is disintermediation—so the extent to which in online television you have global tech platforms that stand between you and the viewer, who are selling prominence and are trying to extract money from the content providers on their platforms. Those are two important features of the market that we operate in today, and the result is that scale is quite important. As Stephen says, there are a variety

of ways in which you can create scale, and some of those have been set out by both Government and Ofcom.

Q438 Vicky Foxcroft: It makes sense for me to ask my next question to Martin. What concerns does Channel 4 have about any deal between Sky and ITV? How do you see that affecting the overall ecology of public service media as we move into a predominantly online world?

Chair: Pretend they are not sitting next to you, Martin.

Martin Baker: I was going to say if you had let me answer the previous question, it would have been good—in effect, it is. Clearly, we need to wait and see what is going to happen. A story was leaked before Christmas and there are still leaks, so whatever it is seems to be taking some time. For us, the key things are whether it has an adverse impact on competition in the advertising market and what impact it has on the provision of trusted news supply, because clearly that would be an issue for us. Those are the two things that we will be really interested in looking at, as and when it comes. We imagine that there will be a regulatory process that it will go through, so we will take our part in that.

Q439 Chair: I am also concerned about the news. Channel 4 news comes out of ITN, and ITV is a big shareholder in ITN, although obviously it has its own substantial news offering. Hypothetically, what happens to news in this imaginary scenario that we do not have any confirmation of at the moment?

Martin Baker: On the face of it, were there to be a suggestion that there would be a consolidation of what are currently two sources of news creation—Sky and ITV—that would be a matter of concern. But I imagine that is something that those who are involved are thinking carefully about in those smoke-filled rooms. It would be a key focus for us because it would feel that that reduction in supply would not necessarily be in the interest—I should say that ITN does a great job for us all, and it also creates some of our news. If you did not know they were all produced by the same organisation, you would not get that from the screen, so that is a very important thing for us.

Q440 Chair: Magnus, what would you imagine that people in those smoke-filled rooms are discussing about this?

Magnus Brooke: I really cannot comment on that. As Stephen said, all that we have said in public is a list of companies that are in active conversations. That is really all I can say about that specifically.

Chair: Presumably, Stephen, you will give me the same answer.

Stephen Lotinga: I am afraid so, yes.

Chair: You are all very tight-lipped, aren't you? We will move on.

Q441 Jeff Smith: As usual, I should put on the record that I am chair of the all-party group for the BBC. I am also a regular attender and a member of the ITV all-party group. The BBC has increased its investment in the regions.



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How do your individual organisations and the commercial sector generally benefit from the BBC's investment in regional production clusters and skills?

Martin Baker: It is really important—that is the bottom line—because the BBC spend is critical to underpinning the ability of independent producers, for example, to run businesses from the nations and regions. That helps us, because there is more choice from the point of view of supply—more competition between suppliers. It is a really important thing.

We absolutely welcome the BBC's commitment to spend more and have more people operating outside London. As you all know, we ourselves have had quite a bit of devolution since 2019 in the number of people: about a third of our workforce now work in the nations and regions. That has done us the world of good. We would welcome very much seeing the BBC doing more of that. It is really important, is the short answer.

Magnus Brooke: I entirely agree with everything Martin just said. We make about 1,500 hours or so of content outside London every year; about half our staff are outside London; and we spent, last year, over a quarter of a billion pounds outside London. There is no doubt that having the BBC as an anchor investor, an anchor tenant, in any particular place is helpful, because that increases the supply of, particularly, skilled labour. It means that there is more of a hub.

We have experienced that definitely in Salford: the BBC went there first, and we then moved out of central Manchester to Salford. That is now a proper hub. You can see similar things in Cardiff as well, where we have a big production facility in Boom, in Cardiff. There is no doubt that Cardiff has been helped enormously, although it has also been helped by the market—a big investment in Cardiff was Bad Wolf, which made a big difference—and by the Welsh Government. There is a partnership effort here, I think, between the regional screen agencies, the BBC and the commercial sector to turbocharge these hubs.

The only thing I would say is that you need to be slightly careful that you don't try to create a hub in every town and city in Britain, because the economics of television would make that quite difficult. The danger is that you would spread everything too thinly. You need to say that we are going to have a relatively small number of bigger hubs, which are capable of supporting a critical mass of production and labour, rather than trying to do that in every single place around the country.

Stephen Lotinga: I am in incredible agreement. Sky employs 20,000 people in the UK, and about half of those are outside London and the south-east, but I also would not pretend that we replicate what the BBC does. The BBC's investments in the nations and regions are incredibly important.

Of course, one of the things that we all benefit from when we are filming and commissioning content is a healthy independent production scene, as well as the fact that all the skills that underpin being able to produce TV



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are supported and helped by the work of the BBC. For us, that should be one of the core parts of the focus of this charter renewal, ensuring that the BBC is laser-focused on its investment.

Q442 Jeff Smith: Martin, you said that the BBC could do more. What more could the BBC do to develop skills and career pathways in the sector, especially for under-represented groups?

Martin Baker: When I said more, I think that the BBC could do more in the way of decision making and spending money in the nations and regions. If you take that decision in principle, some things tend to follow from spending money and creating production. That leads to the creation of opportunities and that then leads to demand. As a generic, it is that the BBC should do more. The extent to which it chooses to do that by way of investing in training, as opposed to investing in programming, I think would be a decision for it, but the emphasis of not allowing everything to be decided inside London is an important thing. We have learned a lot from that experience, I would say.

Q443 Jeff Smith: Magnus, you were talking about the BBC investment in programming. Should there be more investment in training and skills, rather than in programming?

Magnus Brooke: It is a difficult balance. The BBC is already the superpower in investment, training and development. One of the things that perhaps the BBC could do is to collaborate more with the industry in terms of where it puts its money. More money could probably be put via ScreenSkills, for example, and not just spent by the BBC on its own training. I would not for a moment decry the BBC funding its own training—it is very important to have somebody who has a critical mass in training—but there is also a collaboration that the BBC could do across the industry, in terms of us all agreeing where the real gaps are and then using the BBC's heft financially to help plug some of those gaps in training.

Q444 Jeff Smith: In your written evidence, you said that there is a question as to whether the BBC could go further in spending outside London. Is that what you are referring to, or are there other things you would add to that?

Magnus Brooke: The BBC could always go further in spending outside London. The BBC still clearly has a lot of spend in London and the south-east, so it could always go further.

Going back to the conversation about efficiency, one of the things I would say is that, beyond a certain point, it probably is not as efficient to spread your resources in lots of places around the UK. I think we need to recognise that. In the end, having a big concentration of resources and not having lots of offices and duplicated resources around the UK is more efficient. So there is a tension between the BBC spending its money across the whole country, because everybody across the country pays the licence fee and therefore ought to get some economic return from the BBC—that is not the most efficient way of running the BBC, arguably, but it is probably the right way to run it. There is this tension between how much

you spend efficiently in a small number of centres versus spreading it out more widely.

Q445 **Jeff Smith:** Martin and Magnus, is there more that Channel 4 and ITV can do to increase your spending outside London?

Magnus Brooke: We already spend significantly in excess of our quota obligation outside London. We are well ahead of our actual obligation—tens and tens of millions of pounds more and with lots more hours filmed outside London than we already have to do.

Obviously, we have regional news, which is a very significant commitment, which none of our commercial competitors have—none of the streaming services and nobody else. Collectively and cumulatively, our contribution out of London is really very significant.

If you take something like the soaps, they are enormous engines of the creative economy in the north of England. I read the other day that we have about 12,000 engagements each year on the soaps collectively. That is a combination of full-time employees but also masses of engagements of extras and people doing all the technical work, and freelancers and actors and so on.

These are big engines of the creative economy, because they are hungry beasts that need to be fed with talent the whole time and are very active in developing new talent, onscreen and offscreen. They really are powering the drama ecologies of the north of England. So I think we make a very significant fixed investment across the UK, but particularly in the north.

Martin Baker: It is a similar story: we exceed our statutory quotas. We have been asked to do more and have delivered that. Clearly, one has to commission the best ideas and one cannot guarantee that they are necessarily going to come from where you would want them to come from. But that said, the long-term trend is clear that it is on the way up, in terms of a proportion of our total spend.

Q446 **Vicky Foxcroft:** Magnus, you talked about regional news. Even though I am a London MP, I was brought up in the north-west. When I was around 12 or 13 years old, I was the junior arts reporter of the year on Granada News. [*Interruption.*] Yes, I had to get that in once.

Chair: Are you declaring your interest?

Vicky Foxcroft: It is about the confidence you get as a young person being able to take part in that. Regional news is really important. How do we ensure that if anything happens in the future—I am not asking you to talk about things you can't talk about—we protect regional news?

Magnus Brooke: There is a simple answer, which is that we have a licence to 2034, which obliges us to provide regional news—a PSB licence enforced by Ofcom. That is the answer. We have to adhere to those licences.



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Stephen Lotinga: Can I come in on this hypothetical situation we are talking about? It is worth reminding people that Sky provides Sky News—we spend millions of pounds every year on Sky News. News has been part of our DNA for 35 years. We have won RTS news channel of the year for nine years running. News is absolutely fundamental to what we do and deliver, and we really believe in its importance.

Q447 **Vicky Foxcroft:** Martin, do you have anything to say on that?

Martin Baker: No, other than a small plug for 4Skills, which has allowed 51,000 young people to have some engagement with us as a business, although sadly not onscreen—in reporting and arts. It is a really important part of connecting to younger audiences and helping to promote media literacy.

Q448 **Chair:** I have a couple of quick questions. Martin, do you think that the BBC could learn anything from Channel 4's move to Leeds? What would be your top learnings that the BBC could pick up from the move to Leeds?

Martin Baker: I think the top learning would be the enthusiasm with which the city received us. It was extraordinary. It has benefited us and them. The BBC probably is in Leeds—I should know that; I apologise if it is already in Leeds. We should not underestimate the way in which local communities can be energising for you and you for them. More of that, rather than less of it, is a good thing. I am not arguing with the point about economy of scale and the like, but it is a good thing for us.

Q449 **Chair:** Has it proved to be more costly? Magnus made me feel that it could be a more costly venture to move out of London. Have you found that?

Martin Baker: No. I think the cost per head of having things outside London is cheaper, simply because of the scale of property cost in London, although it depends on what you choose and where you go, to your point about the palace in Southampton.

Q450 **Chair:** Exactly. Clearly, you are talking more about decentralisation in the sense that you are spreading yourself more thinly and not having a central hub. We heard last week from Dino Sofos, the guy who started the company Persephonica, which does lots of very popular podcasts. It is based up in Sheffield. He spoke about there being huge commercial potential for using these out-of-London studios—which, in many cases, the BBC already has—to help grow small, innovative businesses and be part of the solution rather than the problem. Do you see potential in the BBC using its existing assets around the country more effectively to grow an ecosystem?

Martin Baker: Potentially, yes, although running studio facilities is a tricky business. You need throughput and supply. We have not been involved in that for more than 20 years. Producers or creators working for us being able to choose between facilities more than would otherwise be the case could be beneficial, including if some of that is BBC-provided.

Q451 **Damian Hinds:** We had the Green Paper, "Watch this space", last week, without a huge amount of fanfare, although it seems that it may be quite



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significant. On the technical stuff, and this 2034 or 2044 question about IPTV, what would be the pros and cons and commercial risks at either end of that scale?

Magnus Brooke: There are pros and cons. That is the long and the short of it. There are significant pros—

Q452 **Damian Hinds:** What is the balance between the pros and the cons?

Magnus Brooke: We have been clear with the other PSBs that we think a managed transition to online television is in the national interest. That is partly because—

Q453 **Damian Hinds:** Sooner or later?

Magnus Brooke: Sooner, because we think that it could be part of an overall national initiative to get everybody online, which would make a big contribution to social inclusion. *[Interruption.]* Well, actually, the vast majority—95%—of people have broadband TV-capable internet at home now. This is—

Damian Hinds: Sorry, my facial expression was not saying that I thought that was impossible. Most people are online, including old people.

Magnus Brooke: We recognise that there is a challenge, because there is a small group of people who are excluded in one way or another, whether socioeconomically, through age or both. It is a national challenge to get those people into a situation where they are capable of living a bit online. With Freely, we have introduced as simple an IPTV service as we can make. It has really easy access to the linear channels, with a guide and all the numbers that you would expect. One of the things that is coming here is voice recognition. Voice control could be a really significant way in which that last group of people can finally make the journey into IPTV.

Q454 **Damian Hinds:** I love the idea that there is a tranche of elderly people who have been waiting for voice control to use digital television—maybe it is true.

Magnus Brooke: But it is absolutely coming. The other thing from the PSB point of view is that, at the moment, we are paying very substantial and increasing amounts of money for distribution. We are paying for DTT—or Freeview—for which costs are rising sharply, and we are also paying for IP costs that are going in the same direction.

Q455 **Damian Hinds:** To summarise, you want it to be as soon as possible—

Magnus Brooke: Well, not as soon as possible.

Damian Hinds: And 2034 is the earliest mooted date.

Magnus Brooke: Yes, 2034 would be earliest, and we think there is a window to get there.

Q456 **Damian Hinds:** Okay. Martin, do you agree with that?



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Martin Baker: We are not sure. The Green Paper posits the date being either 2034 or 2044 as a binary, and we are not sure that it needs to be binary. I essentially agree with Magnus that it should be a point at which the cost of changing has as minimal an impact on people as possible. If the cost results in money being taken out of the system that pays for the creation of the content, that would not be a desirable result.

Q457 **Damian Hinds:** On the pros and cons, can you mention more of the cons?

Magnus Brooke: On the cons, there will have to be some kind of national support programme, as there was for the digital switchover that finished in 2012. There was a help scheme to help those last few—although one of the lessons of that scheme was that an awful lot of people who were eligible did not need it, because neighbours, their children and others had helped them to adapt to digital television.

One of the striking things about the digital switchover was that it was announced at a point where there were far lower rates of adoption of digital television than there are people with internet television today, and they were of an order of magnitude smaller. We are arguably much further down the road towards a switch than when the then Labour Government announced a switch to digital television.

Q458 **Damian Hinds:** Possibly the biggest implication in last week's Green Paper relates to prominence. Stephen, who would you expect to get prominence in this regime?

Stephen Lotinga: Are you talking about trusted news?

Q459 **Damian Hinds:** I am asking you. The Green Paper sets out something that says public service media is a yes, and I think it also says "potentially" a range of trusted news sources. That word "potentially" obviously does quite a lot of work, and the word "trusted" does a lot of work in that sentence. What would you expect to be included, and how would you define it?

Stephen Lotinga: That is a very hard question, and I do not know the answer to it. We have argued for some time that we believe what is most important is the content, as opposed to where it originates from. For example, we have argued that Sky News or Sky Arts should qualify as public service media.

One of the things we will have to do is work through the process of the Green Paper, which has obviously come out only very recently. I think we have to respond by some time in August, and we will look very closely at that. We believe, as a highly regulated broadcaster, that all the content that currently goes on to our channels has to comply with what Ofcom requires, so therefore we should qualify on that basis.

When you start broadening that definition, there is clearly content on streaming platforms that could potentially also qualify, such as the likes of "Adolescence", which is a high-quality, original drama made in the UK—I know I am broadening it beyond trusted news.



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I suspect that you are trying to tempt me into looking at other channels or other content creators, but I think that is very hard to do. I think the starting point is to look at what Ofcom currently regulates, and what they broadly produce. If you put yourself into a situation where the Government are trying to individually decide each piece of content that qualifies, that would be quite difficult to do.

Q460 Damian Hinds: I think 1695 was when we last had licensing of the press to define a “news source”, so it is a very difficult question. Magnus or Martin, can either of you take up the challenge of defining what should make the cut? To keep life a little simpler, let’s just talk about news for the moment, rather than content in general.

Martin Baker: Stephen used a good term a moment ago: “regulated news”—that is, news that is created in an environment where those who consume it can complain.

Q461 Damian Hinds: You would expect that to be included?

Martin Baker: Yes.

Q462 Damian Hinds: I think that is probably a given; we would expect the BBC, Channel 4 and ITN to be included. My question is: what do you expect to be included with them?

Martin Baker: I cannot answer that question with precision, not least because the Green Paper has just been published. By the way, there is lots to welcome in the Green Paper; it feels like the right questions are being asked, which is good. We will form a view about that specific question in our response, but Ofcom regulates more than just public service broadcasters, of course.

Magnus Brooke: I am not sure that we as ITV will form a view on that in our response, because I think that is ultimately a matter for Parliament. We would obviously have a strong view about the PSBs being included, but I think it would be a matter for Parliament to say which other categories of provider, based on what definition, should be included or not included within that.

Q463 Damian Hinds: For what it is worth, I am very much in favour of this provision in the Green Paper. I think that it is a fundamental change that we need to make in the algorithmic serving up of content. But when you come up to reality, the difficulty is knowing exactly how you do it. Whether you or not agree with their definition, have you come across anybody who has come up with a good definition, to draw a line around trusted news without Government making judgments about what they approve of, which is, I hope, something that we all want to avoid?

Magnus Brooke: It is the right question. We think about that from time to time as a thought experiment about where you would do it. There are a series of circles you can draw. The smallest circle is the PSBs, which is where we tend to end up going because we know what we are going to get there. You can draw a slightly bigger circle, which is Ofcom-licensed providers. You can draw a bigger circle around people who are subject to



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IPSO and Impress, I suppose, and then you can draw an even bigger circle that includes pretty much everybody else. In a way, you can take a view about how far you want to go down that road, who is in and who is out, and what the consequences of that are going to be.

Q464 Damian Hinds: I do not want to try our Chair's patience too much, but another thing in the Green Paper is the possibility that PSB and PSM providers might have some enhanced duty to promote media literacy. What would that look like in practice?

Stephen Lotinga: We do not know at the moment. We would argue that we do a lot on media literacy already. We have what we call our Sky Up hubs all across the country. There are 100 hubs operating in the most deprived parts of the country. We give them a grant of £100,000 a year to make sure people have access to technology skills training.

We also have Sky Up Academy Studios, through which we have taken 2 million children. Those are the kinds of things that I think demonstrate what a responsible business wants to do to try and ensure that there are good media literacy skills and that people are able to access our industry.

I do not yet know what the Government's intention would be. Again, we would broadly welcome the idea that, if there is going to be a link between a broader set of benefits, particularly in relation to news, the Government are to expect something in return, but we will have to work through what that looks like. Obviously, I am assuming that providers will have a choice about whether the trade-off between the prominence they would receive, and what they were being asked to contribute, was worth it.

Q465 Damian Hinds: Let us just take it as read that it is hard. The Green Paper has only just come out, so it is not unreasonable to say, "We do not know yet." In case there is a different answer to that, Martin or Magnus, is there anything you could do if you had that duty on media literacy?

Martin Baker: Not in specifics, no. The devil will be in the detail. It should not create a burden that is disproportionate, but it is an interesting idea in principle. I need to see more.

Magnus Brooke: One thing I would say is that we spend £150 million-plus a year on news, and we hope that that is a way of getting reliable facts and eyewitness reporting in front of people every day. We think that that is quite a significant contribution towards media literacy.

The challenge we have is the platform challenge: how do we get the platforms to serve content to people who are not already looking for it online. How do we avoid speaking to the same people? That is the core of the challenge. How do you get to people who, algorithmically, are being served lots of stuff that the platform thinks they are going to like but which often does not include accurate and impartial news? That is the nub of the media literacy challenge as far as we are concerned.

Then there is a subsidiary challenge in how they distinguish between what is reliable and what is not. But that is connected to the way in which the platform is serving information.

Q466 Damian Hinds: During this inquiry I have asked a lot of people whether it is a stable equilibrium to have your own video-on-demand platforms, other video-on-demand platforms that carry some of your content but not all of it, and one massive platform called YouTube that carries absolutely everything from everyone. As you are strategy people, if that is not a stable equilibrium, what is the end state in this market?

Stephen Lotinga: Gosh!

Magnus Brooke: The end state in this market?

Damian Hinds: Do you have one platform for the world, and TV companies just produce and provide bits of content? Or do we somehow regain brand loyalty, and everybody has their own following? Or is there one public service platform that is distinguished from American and other entirely commercial offerings?

Magnus Brooke: One thing that is clear is that YouTube is getting bigger, and it is getting bigger quite fast. The most surprising statistic I have seen recently is that more than 50% of YouTube consumption is now on the big-screen television in the home, which gives an idea of where it is going. YouTube says, "We are television." I would not bet against it becoming very important and very powerful.

Even Netflix seems slightly scared of YouTube, which is why, in the Green Paper, it was so important that the Government continued the work that was done by the previous Government through the Media Act in looking at how PSBs access and get prominence on YouTube and other social media platforms. In addition, and even more crucially, they need to get fair commercial terms, because one of the most difficult aspects of YouTube is the pay-aways that we have to make to it from advertising revenue. If you are a PSB with a low margin—11% or 12% in our case, and 5% to 6% in STV's case—you cannot give away very substantial amounts of revenue to the platform.

Martin Baker: Distribution is a market, and domination of a market is generally not a great idea in principle, so one would expect that to be a feature. In the end, the balance between whether you publish in one place or in many places is something you strike based on how much public service media you want. I would say that the impact of public service media in this country over the last 40 years, since the arrival of Channel 4, has been better than it otherwise would have been as a result of intervention. It seems likely that intervention in a new form will be needed to deliver the policy outcomes that you and your successors will want.

Q467 Chair: Thank you, gentlemen, for joining us today. Were there any final parting messages that you wanted to leave us with, or was there anything we have not asked you that you particularly wanted to get on the record?

Martin Baker: I don't think so, no.

Magnus Brooke: No.

Stephen Lotinga: No.

Chair: In that case, you are all welcome to leave. Thank you very much. We are going to take a short break while we bring in our next witnesses.

Examination of witnesses

Witnesses: Theo Bamber, Jessica Cecil and Stewart Purvis CBE.

Chair: Welcome to our second panel this morning. We are now going to hear from Jessica Cecil, former BBC chief of staff and journalist at Chatham House, Theo Bamber, chief executive of the News Media Association, and Stewart Purvis CBE, former editor-in-chief of ITN and former Ofcom regulator for content and standards. Welcome to all of you, and thank you very much for joining us. I will pass over to Rupa for the first question.

Q468 **Dr Huq:** My questions are most appropriate for Jessica, as she is an ex-high-up in the BBC, along with Stewart, who is from the opposition. Since I have been on this Committee—since before the election—it has felt as though the BBC has been hit with scandal after scandal, culminating in the Trump lawsuit that is still hanging over it. What conclusions could the corporation draw from all these recent high-profile controversies about editorial standards?

Jessica Cecil: From my point of view, it is a big organisation. It necessarily devolves editorial decision making down, because producers on the ground need to make critical decisions, and mistakes will happen. The most important thing is to look at the culture and work out whether there is a broad understanding of the editorial standards and internal mechanisms for trying to work out what went wrong and what to do about them, along with the fact that the BBC must be seen to be as accountable and transparent as it possibly can be.

In the BBC's defence, the scandal that resulted in the BBC finding out that "Panorama" had misedited two pieces of footage was discovered because the BBC itself went out and commissioned a review into that. Subsequently, as I understand it—I am obviously not there—there has been an attempt to strengthen editorial structures and areas that were under review, such as BBC Arabic, where a new member of staff, specifically an Arabic speaker, has been brought in to look at editorial standards within the World Service.

I would hope that the culture I knew, which was extremely strong around the values of impartiality and integrity, is still there. Certainly learning from what has happened, acting on it and being externally accountable is more important than ever. However, I think that the BBC has weathered those storms.

Q469 **Dr Huq:** What years were you there?

Jessica Cecil: I was there as chief of staff from 2007 to 2014, and I left the organisation five years ago.

Stewart Purvis: Soon after I retired from ITN, back in 2003, my telephone rang and it was “BBC Breakfast” asking me to comment on the Hutton affair which was basically to do with the BBC’s reporting of weapons of mass destruction at the end of the Iraq war. Ever since then, my phone has rung whenever there is a BBC scandal and my arrival in the BBC newsroom normally signals that there is a scandal.

From my vantage point, I judge that surprisingly few of these so-called scandals are actually about journalists in BBC newsrooms making mistakes on the day. I am sure mistakes are made, but quite often the issue has been the handling of these issues by the management and, to a certain extent, by the board. On the Trump issue, credit to the BBC adviser for spotting that there was a mistake. However, we then had indecision at the very top of the BBC about what to do about it. That was a factor that led eventually to it appearing in *The Daily Telegraph* and all that followed. I am here today to speak up for the journalists at the BBC, but I am not always here to speak up for the bosses.

Q470 **Dr Huq:** We had evidence from James Harding of Tortoise Media and he mentioned Robbie Gibb. Your examples are also quite old. The Hutton affair was during the last Government and you were in that role until 2014. When you have a prolonged period of Government with one person, it is possible to pack the board. That is what James Harding was telling us, that there is a “star chamber”, that very small committee, the Editorial Guidelines and Standards Committee or EGSC. In its published minutes—I remember asking Tim Davie, God rest his soul, about this before; he is gone now—from March 2025 and its public agenda, which is on the BBC website, it talks about a “plan for Reform voters”. That struck me as a bit odd. The BBC wants to move with the times, but there is a special strategy for Reform voters. Where is the strategy for Green or Corbynite, left-wing voters? Those have also grown in recent years. Is there anything equivalent at ITN? Do you have any comment on that?

Stewart Purvis: I think it was a mistake to use that form of words. For me, it would be possible to talk about the demographic reach of different BBC programmes. For instance, I remember that when 5 Live was set up, the BBC had identified a sector of the British public that was underusing the resources of BBC News. It is perfectly proper to think, “Are we serving all licence fee payers?”; I do not think it is proper to identify them by a political group.

Jessica Cecil: I agree; I think that is right. The BBC rightly spends a lot of time thinking about reaching all licence fee payers, but I do not think that talking about it in those terms is helpful.

Q471 **Dr Huq:** Again, James Harding said that if you have someone from a very strongly identified political background calling the shots, that skews things. Having been very high up in the BBC, he also worries that it is the



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Government who have the purse strings, which is going to affect things. What do you say to that?

Jessica Cecil: In my time as chief of staff, I did not see overt or covert pressure from the Government of the day. I have not been there when Robbie Gibb has been a non-executive director, so I really cannot talk about him or what happened then. But as you know—you have taken evidence from him—Samir is an assured, very capable and very experienced chair. In any unitary board, a non-executive director has a certain role; they do not stray into executive matters, and I have confidence that Samir would be well aware of that.

Q472 **Dr Huq:** Do you think that there should still be political appointments to the board?

Jessica Cecil: Personally, I think that, whatever happened in this case, the perception of political interference is not helpful for the BBC. My view is that the chair of the BBC should continue to be an appointment by the Government of the day. I am not sure it is terribly helpful that other members of the board should be political appointments. Again, in any other board structure you would have a nominations committee, constituted from members of the board, that would deal with that.

Stewart Purvis: Perhaps I can offer a perspective from my time at ITN. We came under similar pressure from time to time in my years. I noticed that the BBC went out of its way to respond in some way to the pressure; we just ignored it. I suppose that comes from accountability because of the licence fee. I can give you examples when Alastair Campbell would send faxes, which tells you how long ago it was, almost demanding that certain things appear in the programme. I know that the BBC can write quite long replies, but it was, frankly, not appropriate for us to reply.

Q473 **Dr Huq:** Are we seeing a TikTok-isation or sensationalising of news? If you see the programme “Newswatch”—it is every week—where viewers put in their issues with the news, they say that the Henry Nowak murder or the Belfast riots—those kinds of things—tend to go to the top of the bulletin when the perpetrators of crimes are from ethnic minorities. The Belfast riots resulted in people’s houses being torched after a stabbing, whereas Mishal Husain points out that an Edinburgh mosque attack on five people barely registered. When the victims are ethnic minorities and the perpetrator is white British, it is a bit different. There was also a Cambridge killing—not just a stabbing—of an Arab student. That has been highlighted by the viewers on “Newswatch”. Do you worry that we are going down a sensationalist route, pandering to the GB News or Reform voter audience?

Stewart Purvis: I do not see any evidence that the BBC has done it. I did see those “Newswatch” programmes, so I heard those complaints, and I think they are as much about the scale of the coverage and certain parts of it, but not about the fact that these stories were being covered. I think that what is going on is that the public service broadcasters are trying to maintain the highest standards, particularly when there are issues of public safety involved—when there is the potential for an incident to



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escalate through social media. I think public service broadcasters are very conscious of that. For the first time, we now have a licensed broadcaster in the shape of GB News that sees a business opportunity at those moments. That is what has happened in the broadcast market, alongside what is happening in the social media market.

Jessica Cecil: I would agree. In the greater plurality of news, it becomes all the more important to have accountable and evidence-based news, and a BBC that you can hold to account. I do not see the evidence, but if there are concerns about that, there is a way in which you can hold the BBC to account, unlike many other sources across social media.

Q474 **Dr Huq:** Let me ask two very small yes/no questions. Now that there will be a deputy DG—it felt previously that there was a lot on the shoulders of one man, and that he was always in here apologising—do you think that Rhodri Talfan Davies, with his journalistic background, should now take the role of editor in chief?

Jessica Cecil: No. I worked closely with Rhodri, and I think he is an excellent appointment. As I understand it, the way that he will be line managing the editorial policy function, but the director of news will be reporting directly to the director general, is probably appropriate, so that you have two strands that are slightly different. That creates what we were talking about earlier, and a culture internally where you can hold the news division to account when that is necessary.

Stewart Purvis: I think the new director general has to make a decision when the first problem arises. Is he going to speak for the BBC at that moment, or will he ask somebody like the deputy, or some other senior executive? I go back to the days when there was an accountant as director general of the BBC—a man called Michael Checkland. He appointed John Birt as deputy director general, and he said, “John Birt is, on a day-to-day basis, the editor in chief, but I am still the overall editor in chief.” I think a version of that could play well for Matt Brittin.

I do not personally think that the director general of the BBC has to be the person who immediately answers what has gone wrong the morning after. I am sure the Chair would love to continue correspondences, as she has done with various director generals, but there has to be some level of hierarchy. Somebody has to take responsibility, and then has to report to the director general. What we have not had in recent years is that transparency about the hierarchy that made those decisions. We have had the director general taking the pain, and occasionally the credit, but we have not had a clear explanation of who further down the line has made the mistakes.

Q475 **Dr Huq:** Lastly, when GB News is slapped with fine after fine yet carries on being so imbalanced, is Ofcom fit for purpose?

Stewart Purvis: No—and if you look at this month’s digital news report by Reuters Institute at Oxford, you will see its scores on trusted news. If you take the trust and then the distrust, you come up with a net trust score. The net trust scores for ITV and Channel 4 are at plus 42%, the

BBC is at plus 35%, and GB News is at minus 19%. That is an extraordinary situation for a regulated broadcaster, and I would be interested to see what the new chair of Ofcom makes of it.

Q476 **Dr Huq:** Is it fit for purpose, Jessica?

Jessica Cecil: We have a new chair of Ofcom. Let's see what they make of it.

Q477 **Mr Alaba:** Morning to you all. This next session is on news and local news sustainability. Theo, in what ways does the BBC's presence support or impede local news publishers?

Theo Bamber: Good morning and thanks for having me. The first thing to say is that throughout this whole process, we see a massive opportunity for a much stronger partnership between the BBC and news publishers, and your question exemplifies that. You will know that across the country, indeed in your constituencies, local news does really important work, particularly at times of challenge or unrest, and around key events like elections, where we know that misinformation and disinformation are rife and only growing. The concern we have regarding the way that the local news sector and the BBC interact is really about distinctiveness, and understanding that commercial publishers are doing a great job in those regions. They are local publishers that know the area, the people and the issues. As the BBC's expansion continues and that encroachment gets larger, there is a challenge created for commercial publishers.

Between 2022 and the start of 2025, the BBC share of page views increased by about 12%, which lines up with a time when it was also increasing its online services overall. We know that in the charter there are obligations for the BBC not to have negative impacts on the commercial sector—indeed any other commercial sector. We also know the BBC's advantages when it comes to how it is funded and its obligations there. To answer your question, there is a negative effect because the BBC does have certain advantages over local news publishers when it comes to what it is able to do. Given the brilliant work that these publishers do every day—reporting on really important issues and giving communities the news and accountability that they deserve—that is problematic. It is something that we would really like to see looked at very carefully and changed in this process.

Q478 **Mr Alaba:** You suggested in your evidence that an expansion of the local democracy reporting service could be a challenge, and you elaborated a little more. Given the £500 million of BBC cuts, do you think it is an appropriate use of limited resources at the BBC when it comes to local democracy reporting?

Theo Bamber: I was at the BBC partners symposium last week, which was a really great event, bringing together partners from across the spectrum that work with and alongside the BBC. The central theme was, unsurprisingly, partnership, but it was about making sure that the BBC meets people where they are and delivers what it can in the most effective and efficient way possible. On the LDRS, it is worth remembering that the



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BBC itself derives significant value from that scheme. This is not just the BBC giving away money to publishers or journalists. The BBC is able to use that content itself, which is obviously valuable for it. That content is then also available to the 1,000-plus local news partnership publishers who can use it as well. It is a really important part of making sure that local journalism is available.

It is worth saying, for clarity, that publishers themselves bear significant costs as part of this scheme. It is not a "One and done, and here you go." There is everything from national insurance to the time that it takes to train some of these people, the editorial time and the time it might take to replace one of them if they choose to leave. That is all with the publisher. Yes, the BBC plays an important role here, but it is worth being clear on what its overall financial obligation is. Because of the wider benefit that the scheme delivers, it is absolutely worth it, which is why we believe it should be expanded.

Q479 **Mr Alaba:** Stewart, given your experience at Ofcom and in the news industry, do you think the BBC local news provision makes life more difficult for local publishers?

Stewart Purvis: I used to subscribe to that when I was a paid competitor of the BBC, but I could never quite find a resolution to the problem, if the answer was, "Make the BBC's service not so good". There has never been an easy solution to that. Among my other previous convictions, at the time of the last charter review I was on the so-called expert panel advising the Secretary of State, which is why I supported the introduction of the LDRS in that charter renewal. I could offer a view of that. We always hoped that it would be encouraging and would inspire some new players—some independent, sometimes not-for-profit news services, and sometimes based around local websites—that would actually benefit the BBC's coverage and, as the NMA says, share in this content.

When I look at the annual report for 2025 and I see that the LDRS is funding 165 reporters, I think that is great. But then I read that half of them work for the Reach group of newspapers. I suppose you would expect the biggest player in local newspapers to house some of them, but I would rather see more of these independent news sources coming forward. The BBC say they have awarded contracts to four new suppliers, and I hope that trend continues. Otherwise, although I am sure the LMA would deny this, it can look like a subsidy to financially challenged news organisations. They may, for instance, take the opportunity to let go—shall we say—or fire their local government correspondent and take on the local democracy reporter to get access to their copy. That is not what we intended.

Q480 **Mr Alaba:** On that point, there is obviously a disproportionality in where some of the reporters live, for want of a better phrase. How would you change that? How would you make it more representative? How would you have more diversity of voice?



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Stewart Purvis: I think that goes to the newsroom those people are based in. If you base some of them inside a Reach newsroom, inevitably they are within the culture of the Reach organisation. Let us be honest, I am a supporter of the local newspaper industry—I buy my local paper every week even though it is not quite what it was—but the fact is, we can create new forms and new models. Let me give you one example; I think it is called the Spirit of Alfreton in Derbyshire. It has effectively a philanthropic model: it is funded by a local business, it works in partnership with a university and, from my glancing at it, it looks like a reasonable website. Would a local newspaper group provide a better house for some of the LDRS correspondents? Possibly, but I think those new players have to be given a chance in the market rather more than they have so far. That is the way you will get diversity.

Theo Bamber: I think it is problematic to suggest that publishers are using this purely as a means to try to counter some of the wider commercial challenges that they face. As I said and will reiterate, the publishers themselves bear significant cost as part of the programme. Perhaps one way to look at the evidence you are hearing is that we certainly need an expansion because if we had an expansion there would be more reporters available. It is important to remember that local titles across the country, whether they are part of a larger group or not, provide a really important democratic service. When we start to play one of them off against others that is deeply problematic as a principle. I do not imagine, for example, that the Basildon and Southend *Echo* would like that as a concept. It is important to remember that.

Q481 **Chair:** Theo, can I ask you about something that is puzzling me? Do you think that the BBC has its priorities right? It feels to me like it is very gently disturbing the very delicate ecosystem of local news coverage, or local provision. Let me try to explain what I mean. The BBC is cutting some local radio services but, at the same time, investing in more digital. At a local level, that digital undermines what some local newspapers need to do in order to backfill the fact that people are not reading local newspapers in the traditional way any more.

For example, we had the dreadful Henry Nowak murder in the Southampton area. The trial of Vickrum Digwa was livestreamed digitally by the *Southern Daily Echo*. That was a really important story for it, and one would argue that the trial was potentially also a national news story because the BBC was also livestreaming it. To what extent do you think that the BBC should be treading on the toes of the local media in a story like that? To what extent do you think that the BBC has its priorities wrong by cutting local radio, which a lot of people rely on, and investing in local digital, which is an important source of income for local press? To what extent will that undermine the future viability of the entire ecosystem?

Theo Bamber: I think what you describe is a bit of a crowding-out effect. That is exactly the problem. At the same time, you have also articulated the fact that it is often the local news publishers that go first to such stories and lead the reporting on them. As I said at the start, recent examples are unfortunately around really challenging civic events.



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Whether it is what was going on in Southampton, or a couple of years ago in Southport, or in Belfast, or challenges around elections, the local news publishers often lead those stories. The question is: if they are doing that, why is the BBC able to expand into that territory and step on the toes—and worse—of those publishers?

That is why I would come back to partnership. Yes, the LDRS is an example, but there could be an obligation on the BBC to look at how much traffic it is sending back to publishers' websites when it uses that content. On that, there are examples of the BBC taking that content, because it understands the value of it, and using it on its website with no attribution. There are also examples of attribution being there, but being quite hard to find, so the link back to publishers' websites is not clear and, therefore, a user-behaviour problem exists because people will not always go and click through.

There are wider challenges that publishers of all shapes and sizes are facing. For example, their relationships with AI and the technology platforms, which already have and will continue to have a significant impact on their ability to be really top-notch commercially for all the reasons that I am sure we are aware of here, are a problem. As you have identified, they are providing a vital democratic function on really important moments in the lives of local communities and people. That should be recognised and supported.

Q482 Chair: Does anyone else have any other comments on that?

Stewart Purvis: I am not in favour of restraining the BBC or any public service broadcaster from properly investigating any story that they want to if they think it is relevant to their audience. In fact, I wish they did rather more of it.

Q483 Chair: At the expense of cutting back on local radio or as well as?

Stewart Purvis: You raise a bigger issue about the allocation of the BBC budget. If you look at the public purposes, during the last charter review, the White Paper put impartial news and information as the No. 1 public priority. Up until that point, there has been a fairly fuzzy No. 1 priority.

If you look at the BBC annual plan, it rightly breaks down how some of those public purposes are being delivered and it shows you examples. What it does not do is show any kind of financial breakdown of how the public purposes are delivered. There is a perfectly logical reason for that; some programmes deliver across more than one public purpose so how could you do that?

If you look at the BBC accounts, they show that more is spent on television, film and drama than on television, news and current affairs. That may not be the net figure, because I suspect some of that BBC drama is sold abroad which contributes to the number. But to raise the point that Magnus Brooke made, the amount of money spent on US acquisitions by the BBC could frankly be better spent on local news.

Chair: That was helpful, thank you.

Q484 Liz Jarvis: We have touched on this already, but I would like to go back to the issue of the spread of false information and disinformation. After the devastating Southport attacks in July 2024, the spread of false information helped fuel riots across the country. In Epsom in April this year, the so-called rage bait frenzy that followed a crime that did not actually take place was truly astonishing. Should the BBC have a new public purpose devoted to countering misinformation and disinformation?

Stewart Purvis: I think it would be relatively easy to put some extra words in the existing public purpose to give extra emphasis to this enormous issue, which is confronting us in all kinds of ways across civil society. I will believe that public purpose No.1 should remain No.1 and I think it should be strengthened to give the BBC an even greater role in combatting disinformation.

Q485 Liz Jarvis: Would you agree with that, Jessica?

Jessica Cecil: I would not, but not because I do not agree that it is a massive challenge. We have the examples that you have talked about, and we have an information war in which foreign adversaries are attempting to sow division in our country through planting malicious and false media.

The reason why I do not think that there should be new wording in the public purposes is because “disinformation” is a highly contested term. The BBC should interpret the most important first public purpose as dealing with mis and disinformation, first and foremost through the creation of accurate news that is available to everyone, and through debunking, working with others and media literacy. But I do not think that it should be reflected in the public purposes.

Q486 Liz Jarvis: What are your thoughts, Theo?

Theo Bamber: I am not going to comment on the details of the BBC—I worked there—but one thing that is very clear in all the situations that you have alluded to and that I did earlier is that, whatever the BBC is doing, if it is in a dominant position, it is narrowing the range of sources of information that are available. At times a real challenge, when people are looking for trusted information, the more trusted news that is out there, the better.

I agree that the amount of mis and disinformation is growing and it is a serious problem. I would say that that is a problem that has to be addressed directly with the tech companies; it is not for news publishers alone to try to work out what the solution to that is. Of course—we have seen this in the DCMS’s own data and that of others—local news and that trusted journalism is the most effective counter to it. But ultimately, we know where the problem lies and that is where efforts to address it have to be directed.

Q487 Liz Jarvis: One of the biggest concerns is that young people in particular are accessing a lot of their news via social media and that is leading to the spread of disinformation. But some of the organisations that you represent

have been challenged on some of the content that they have published. So what part can your organisation play in counteracting the spread of disinformation?

Theo Bamber: Can you be specific about that?

Liz Jarvis: For example, one of your newspapers has had regular complaints made about its accuracy.

Theo Bamber: Which one?

Liz Jarvis: The *Daily Mail*.

Theo Bamber: Editorial standards are of the utmost importance across the industry. We heard that from the BBC, and I would absolutely say the same. The industry runs a very effective process around this. I am not going to comment on specific editorial decisions that were made, but I think the thrust of this is that the value is in trusted, accurate reporting, and that is what the industry as a whole, from the smallest publishers to the biggest, is really committed to. It is really important that that is what we focus on.

Q488 **Liz Jarvis:** Okay. What do you think the role of the BBC and other public service media is in supporting media literacy? Stewart, can I ask you that first?

Stewart Purvis: When I was in charge of media literacy at Ofcom, I did find it quite difficult to engage with people in, shall we say, the traditional media about their roles in this, and I helped to set up a consortium of media organisations that believed they had a benefit, if you like, in spreading media literacy. I think that the switchovers that we have had—in terms of broadening people's access to digital media and digital television and, now, the changeover that was talked about earlier—offer more and more opportunities for messaging about what you are actually seeing.

In other words, can we help to use these new media to explain to those who need it the potential downfalls and pitfalls of these advantages, rather than regarding them as just new ways of watching what they were already watching? It is a challenge to engage. As I say, I found that in my time at Ofcom; I think the fact that media literacy seems to have slipped even further down the Ofcom priorities is a further reflection of that. But the challenge remains.

Jessica Cecil: The BBC is in a very strong position to help foster media literacy, and I think it is incredibly important in the information environment we have heard about in which more and more fake news is maliciously spread. The BBC already, through Bitesize, works on media literacy, but it also has a unique position to cohere and convene with partners to deliver on educational aims.

About a decade ago, I ran an initiative called Make It Digital, which was about getting everybody to learn to code. We worked with over 30



partners, from Microsoft to Arm and everyone else, to deliver coding skills to kids, but also to older people. The BBC had a unique role in being able to bring those partners together. We created a little codable computer called the micro:bit and gave it for free to 1 million kids across the UK.

The BBC's ability to have relevance across the United Kingdom with different types of audiences and to talk directly to audiences through its platforms means that it can convene, cohere and deliver educational aims at minimum cost to the licence fee payer, in that case and, I imagine, here, because times are clearly extremely straitened. The need is absolutely there. If you look at Norway, for instance, and the need for a whole-of-society response to security, media education is an absolutely vital part of that for kids and older people.

Theo Bamber: The industry as a whole of course has a responsibility here. We work with DCMS on a really successful project in the north-west about trying to engage young people in what the media does and what the opportunities for them in it might be.

Stepping back, part of this for us is thinking about making sure that young people have access to a lot of options in the media and can go and find information in different places in different ways. That again speaks to the diversity of the sector that we really want to promote. It is about specific initiatives, but it is also about making sure that, underneath that, there is a commercial model that underpins the sector, so that when young people, or people new to looking at the news in any form, are going out and trying to find it for the first time or in those early stages, they have a lot of options to choose from and can look around and get the information they want.

Q489 Jo Platt: I want to drill down into the challenges of digital media. The new Reuters Institute report suggests that consumers, especially the under-30s, are increasingly getting their news from social media platforms. Does the BBC have a particular role to play in delivering news and information in a more polarised world? Jessica, I am looking at you.

Jessica Cecil: It absolutely does—you would expect me to say that. You have to look at several factors here. First of all, those movements create a position where it is harder and harder, as Theo said, to make money out of news gathering. News gathering at the local, international and national level is increasingly becoming a market failure. You can make money out of talking about the news, but gathering the news is an absolutely essential attribute. You need to have the BBC there as the reference point of last resort if, in a very plural world, there is no one going out and doing the expensive work of finding out what is actually happening on the ground. First and foremost, the BBC's role is to be the news gatherer and reference point of last resort.

That is in the context of a world where we know, even today, that we live in an increasingly strained geopolitical environment in which state actors are attempting to get their position across. We know that the Russians have become increasingly sophisticated at doing that; they have learnt in

Ukraine. We know that manipulating the information environment has never been easier and quicker because of AI and the digital environment we are talking about. We know that, when they launched drone attacks into Poland, for instance, they preceded that with an information campaign so that the LLMs would find their message first. First and foremost, the BBC is absolutely vital as a reference point of last resort in this country, and obviously around the world. That relies on it being findable and people knowing about it—obviously, 450 million people do know about it.

The final thing is that it is also an opportunity. It is interesting to see that the BBC has created a new language service in Polish, and it has just announced that it will do another one in Romanian. It is also drawing on AI to repurpose news that has been created in other languages, so it is an opportunity as well as a threat.

Q490 **Jo Platt:** Stewart, do you have anything to add?

Stewart Purvis: I have a particular interest in the impact AI is having on news consumption, as this has perhaps not had as much attention as the issue of fakes and things like that. I ran a little experiment this morning. I typed into one chatbot, "What is the main news in the UK today?", and to be honest I got a pretty good summary of the news of the day. There were eight stories, with three lines on each, but there were no sources for where the information had come from other than a very small link provided against each story.

On seven of those eight stories, the link was to the BBC. But when I used another chatbot and did the same thing, the BBC did not get any links. There were links to *The Guardian* and Sky Sports, and rather obscurely, a British financial story was sourced from a Malaysian website. It tells you something about the unpredictability of AI in news consumption, depending on the algorithms used by the AI. Indeed, who knows what deals may or may not be going on behind the scenes between media organisations and AI providers?

Q491 **Jo Platt:** Fascinating. As politicians, we speak to a lot of people, and sometimes you can guess what algorithms our constituents are on based on the feedback we get. Should the BBC be doing more to reach younger people with news and information? And if so, what?

Jessica Cecil: Clearly, there has been some controversy about whether the BBC should be working with TikTok to meet younger people. It has to go where audiences are. If that means working on TikTok, that is what it should be doing. As well as being a substantial news gatherer, it also needs to use its heft and industry authority to try to get the best deal for evidence-based news providers.

Prominence is important, but it is also important that it works, for instance, with TikTok, which now allows any news source to provide links back to the original news site. We have not yet seen that on YouTube. Click-through rates have collapsed in the last couple of years as AI summaries have taken over. We really need to think about the sustainability of news gathering, as well as regulation, in this debate.

Stewart Purvis: Following from Jessica's point, what was so interesting in the Reuters report on the issue of AI is how people like the AI summaries, which you do not get on the search engine. On the search engine, you are just taken to the story, and that puts the AI providers in a very powerful position—research has been done and the data is available. These are global figures, so we should not draw too much from the impact on the UK, but they show that, of the active, mostly young users, the number of people clicking through the little links I mentioned is tiny, compared with the figure for search engines, which is 15% or 25%. Because the AI provides a summary, people don't bother with the link.

Jessica Cecil: A report was done at the end of last year by an American company called TollBit, which showed that you were 13 times less likely to click back to a news provider's own site from an AI summary. That gives you some indication of the difficulty. We are all very concerned about the market that pays for original news gathering, which in turn makes the BBC so important.

Theo Bamber: The fundamental problem is the platform behaviour. It is crucial that we recognise that fair payment for content is absolutely fundamental. Regardless of what else happens on top of that, we know the pace of change that technology companies and their platforms are going through, but establishing a principle and a really strong mechanism of payment for content is something that we think will stand the test of time, because as the technology changes, that will be in place.

Fundamentally, to the point about what we need to have in place to make sure we are doing the news gathering, a free press is theoretical, in some ways, unless publishers can afford to exercise it. It is really important to remember that. It is about dealing with the cause of this directly and making sure that mechanisms that are already there in legislation and regulation, which the CMA is now working on, are properly delivered at pace—we know that the CMA needs political support to do that. Tackling this at source, and we know what the source is, is fundamental.

Q492 **Jo Platt:** You have mentioned some of the benefits that AI could have for journalism. Is there anything else from which the BBC could harness the benefits?

Jessica Cecil: Clearly, it already does. It thinks about how it can cut costs, and translation is an obvious way of doing that. It can also think about search optimisation, and it does that as well. But clearly, it needs to think about the entire ecosystem—there are a lot of concerns—and what role it can play in national security, frankly, by supporting a fair environment in a world where there is much more slop and disinformation. It is absolutely essential for democracy, here and around the world, to have information that has been evidenced, is widely available and can be trusted.

Q493 **Jo Platt:** My last question, as we are short of time, is on the Government's proposal to ensure that PSM news content is given prominence on social media platforms, which Stewart mentioned. Do you



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have anything else to add?

Stewart Purvis: Only to agree with one of your colleagues. It will be extremely difficult to define which organisations should be added to the list of PSMs and what the criteria are. I appreciate the idea behind it, but I think I have shown you the difficulty in the case of GB News. That organisation is theoretically regulated by Ofcom, so on that basis alone, you might say it can be added to the list of PSMs, but, by another score, it has completely failed to justify being in that special group, so there is the challenge.

Q494 **Damian Hinds:** I will pick up on that and ask this question to Theo specifically. Public service broadcasters are a given for this prominence regime. Your members, rightly, might find it unthinkable that the BBC and Channel 4 could be given prominence but not *The Telegraph* and *The Guardian*—I do not know if they are your members, but I mean newspapers in general. How would you draw a line around who should be included?

Theo Bamber: This comes to the heart of a lot of what we are talking about: people getting the information they need and deserve. As a country with a free society, I think we would want our news media at large to be able to deliver that. We would be very wary of any process around a Government picking winners when it comes to defining trustworthy news; there is no real clarity in the Green Paper on how that would happen, and that is really concerning as a principle.

Q495 **Damian Hinds:** Do you not think that a line must be drawn? They are going to do it for the public service broadcasters—that is now a given—so the question is whether what we used to call the print media, and other news sources, are in or out alongside them. If they are out, that does not seem like a particularly fair competition for your members compared with broadcast media sources. If we say that everything that claims to be a news source is in, everyone has prominence and therefore no one has prominence. These days, in theory, anyone with a camera phone is a journalist, especially in a breaking news situation, so do you try to draw that line?

Theo Bamber: I think journalists might have something to say about that last point. There is a huge amount of skill, time and craft that goes into it, so yes, people—

Damian Hinds: They may well, but the organisations that all three of you represent use content that has come from someone's camera phone in a breaking news situation, and that is part of the report. There is a whole sector on the internet of people who do exactly that. They call themselves citizen journalists.

Theo Bamber: I recognise and understand that, but in terms of professional news gathering, I think there is something different there. Look, as I said at the start, this is a very difficult question and it comes to the heart of what we are talking about here. It would be very difficult to determine how this is done and, frankly, the idea of it being done behind



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closed doors and then us suddenly being told what that regime looks like is really problematic. We are going to engage in the consultation like everybody else, and do that properly, but as a whole we are very wary of anything that would see winners and losers being picked by Government or by Government algorithms.

Q496 Damian Hinds: You have just drawn a line, because you said that citizen journalists are not the same thing as professional journalists. You are not going to find anybody around this table arguing with you about that, but that draws a line, right? How would you define that in regulation?

Theo Bamber: I think it draws a line between what is a professional journalist and other types, rather than saying what should get prominence. I think that is different. The idea that some of our members would not be included in a range of trusted news is quite difficult to consider, and having a situation where the full range of trusted news—

Damian Hinds: I did not suggest that at all.

Theo Bamber: The idea that it would not be covered is difficult. There is also a question of how VSPs would default to different public broadcasters in this situation and whether it would lead to just the BBC getting that prominence, for ease. There is also a massive problem about how this would be enforced. As far as the Green Paper goes, it is outcomes-based, which, given our ongoing dealings with the technology platforms—we will all have our own experience of that—is really problematic.

There are lots of things to be answered here and, as I say, we will be engaging with the consultation.

Q497 Damian Hinds: I accept that, and we will have to wait for your formal response. Would it be fair to infer from what you are saying that you are against the whole idea?

Theo Bamber: We are going to engage with the consultation.

Q498 Jeff Smith: Finally, and briefly, Jessica, do you think that the Government should take back responsibility for funding the World Service?

Jessica Cecil: Yes. I think it is not helpful, particularly now, to have the jeopardy around a mixed system. It is also hard to justify licence fee payers paying for services that they cannot understand and will never use.

Q499 Jeff Smith: Interesting. But it is part of the public good though, isn't it?

Jessica Cecil: Absolutely—it is essential. I personally think that the World Service should be put on a more secure footing, which means Government funding, and that it should probably have, if possible, expanded budgets so that it can reach more people—450 million means there is headroom for many more if it had the budget to do so.

Q500 Jeff Smith: If we get to that situation, what protections would you put in place to ensure that it retains editorial independence?



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Jessica Cecil: I do not think that it was an issue in the years until the 2010 licence fee settlement. Up until then, it was the Foreign Office and there was not a huge issue about it being in hock to the Government, and I do not think there should be again. It obviously has very robust editorial standards and accountability mechanisms, and I would argue that it should not be an issue.

Stewart Purvis: Can I offer a slightly different version that is certainly worth considering? If you take the audio services that are currently on BBC Sounds in the UK, which includes the World Service in English, and you deem that to be PSM in the UK, that could and should be paid for from the licence fee. There is already an overlap going on. We are told that "The World Tonight" will now be replaced by a World Service programme, and if you go in the BBC newsroom, it is impossible to tell who is working for the World Service and who is working for the domestic services. That is a good thing. Anything other than that—for instance, all the BBC foreign language or non-English language services—should be paid for by the Foreign Office or the Government unless and until a commercial partner can be found in some territories. Basically, I would say that is the divide—put the World Service in English inside the licence fee or whatever succeeds it; for anything else in non-English languages, make the Foreign Office pay for it.

Q501 **Chair:** Before we let you flee, Stewart, can I take you back to the questions we asked our previous panel? I think you were here. We had a little discussion about smoke-filled rooms and the ongoing discussions between ITV and Sky. I presume you can be a little more loquacious on this subject.

Stewart Purvis: I do not have shareholders to report to.

Chair: Exactly, and neither do we, so we are all in the same boat. If the ITV-Sky deal goes through, what do you think the implications would be for the plurality of news and the editorial independence of broadcasting in the UK if public service media is owned by American corporations?

Stewart Purvis: At the most extreme and very outside possibility, you could have an American organisation being the news supplier to its satellite or online platform of Sky News, to ITV News, to Channel 4 News and to Channel 5 News, because those are existing customers of ITN, which is 40% owned by ITV. Is that likely to come about? I am pretty clear that Comcast-Sky are aware that is a plurality problem in the UK, and I would be very surprised if the CMA and Ofcom are not involved.

What are the mitigations that could prevent that, and why does it deserve mitigation? It deserves mitigation because the state of the market in the United States is that major media organisations are being bought and sold at a bewildering rate. A new change was announced yesterday, which actually goes to the heart of Comcast, which will split itself in two, and Sky will go into one bit. With this fluidity in the market, who could end up owning this American-based news organisation providing British PSBs?



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I take a more optimistic view. I think that the regulators and, indeed, the organisations themselves have the common sense to see that is not a sensible situation, and they will try to find a way through it. At the end of the day, you have to remember that ITV, Channel 4 and Channel 5 are voluntary customers of ITN. If they wish to make a break with ITN, they are entirely free to do that. I should declare an interest: as an ITN pensioner, I would not welcome that, but that is a possibility. The worst-case scenario I outlined is unlikely, but it should warn us of what the possibilities are and why they need to be taken into account.

Q502 Chair: To bring us back to first principles, what does this mean for the BBC charter?

Stewart Purvis: We have not taken the big, big picture about editorial standards. The role of competition to the BBC is constantly understated in the discourse about the BBC. The phrase is often used: "It keeps the BBC honest," but it does much more than that. Every day, there are people in newsrooms sweating that the other side has a story that they have not, or that they might make a mistake that their competitor will have a field day with. This is a very healthy competitive market, and I would be against anything that diluted or diminished the role of competitors to the BBC because of the impact it may have on the BBC.

Chair: That is very helpful. Thank you all for your time today. Are there any questions that we did not ask that you are burning to tell us some information about? Are there any last messages you want to leave us as we go away and start thinking about our response to the charter review? No? In that case, my job here is done. It has been a pleasure to see you all today.