

Digital, Culture, Media and Sport Committee

Oral evidence: The work of Ofcom, HC 439

Tuesday 23 June 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Philip Davies; Alex Davies-Jones; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 1 – 99

Witness

I: Dame Melanie Dawes, Chief Executive, Ofcom.



Examination of witness

Witness: Dame Melanie Dawes.

Chair: Welcome to the Digital, Culture, Media and Sport Select Committee. Today we are going to look at the work of Ofcom. We have Dame Melanie Dawes, the chief executive officer of Ofcom, as our witness today. Before I set the first question, I want to declare interests. First, my own. I was at the BBC from 2000 to 2007, and I am a beneficiary of the BBC pension scheme. Giles Watling, you have an interest to declare, do you not?

Giles Watling: Yes, I do. I worked for the BBC for some years and am still in receipt of royalties.

Q1 **Chair:** Dame Melanie Dawes, good morning and thank you for joining us. Could you tell the Committee what particular challenges Ofcom has faced as a result of Covid-19, and how have you gone about meeting those challenges?

Dame Melanie Dawes: Thank you for inviting me to give evidence this morning. We have had a lot of work to do during the coronavirus crisis. I arrived in Ofcom just three weeks before the lockdown, so my first few months in the job have been dominated by that response.

I would highlight three things in particular that we have had to do. The first was to work with the mobile and telecoms operators to make sure that our networks held up, which they largely have across the country as a whole. We have seen small reductions in speeds of 1% to 2% but, overall, the connections have been there.

Secondly, the important thing has been to support vulnerable customers through the crisis. That has been mostly on the telecoms side, where the Government led work to ask the operators to make sure they were pragmatic and supportive about things like people getting into debt but also about offering additional data and services to help people working at home.

The third has been working across all our industries to understand the impact of the crisis, financially and commercially. Our broadcasters have done a brilliant job across all of the different services in putting on new content for the public during the lockdown, but they have had real commercial issues, particularly for those who have advertising at the core of their business models. That is TV, but it is also radio.

Q2 **Chair:** The Committee is running two separate inquiries, one into Covid-19 and the DCMS sectors and the other into Covid-19 and disinformation. What is your view of how public service broadcasters have performed during this pandemic in reporting and the offering to the public? Secondly, how have the social media platforms fared in combatting disinformation in relation to Covid-19?



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Dame Melanie Dawes: Let me start with the public service broadcasters. There has been a lot of pressure on them, and production has had to halt largely because of social distancing rules during the last few months, but they have performed well. They have put on very high-quality news coverage, which we can see from our research has been very valued by the British public. People have been turning to that first for their information and news during the crisis. They have also made a lot of effort to put on new entertainment and education in particular.

They have done pretty well on delivery, but what we have also seen during these last few months is that the competition has hotted up. It has been a good few months for the streaming services and the gamers, and online viewing is up as well. We have seen that the PSBs have put on what the public value, which is good, relevant UK-based content, but we have also seen that people are increasingly diversifying what they watch.

On the social media side, the question of disinformation and misinformation has come into sharper relief during the crisis. We have seen quite a lot of issues around public health and the virus itself, including links to 5G and a number of other issues. It has been interesting. Although there is no regulatory framework in place, we have seen quite a lot of action from the platforms, in particular taking steps to reduce the speed at which content is spread. For example, we have seen Twitter trialling ways of making it just that little bit harder and more time consuming to forward content that you have not read. We have seen WhatsApp reducing the number of people that you can forward content to, which I understand has reduced their overall forwarding of content by 70%. These are measures that reduce the virality, the R number—to use an analogy from the epidemic itself—of misinformation and disinformation on the web.

There are questions for the future about whether or not the Government and Parliament wish to include that kind of thing in the regime, but it has been interesting to see some of the actions that the platforms have taken over the last few months.

Q3 **Chair:** On the point of online harms regulation, the Government have said they are minded—I think the exact words—for Ofcom to become the new online harms regulator. Has there been any discussion at all with Government as to how Ofcom graduates from being simply minded to actually becoming the online harms regulator?

Dame Melanie Dawes: We are in close discussion with colleagues in DCMS, the Home Office and elsewhere at the moment. We have not been confirmed as the online regulator and it is important for me to emphasise that. We are expecting that the Government will confirm their decision on who to appoint when they set out their next steps over the next few months, but of course that is a matter for them.

Should we be appointed, we have been giving some thought to how we would do it, and it is clearly a big task. The Government have said they



were minded to appoint us because we have some relevant experience in this area. We are already established, so we could move more quickly. In particular, our broadcasting experience puts us into some of the same judgments around the need to protect and cherish freedom of speech alongside protecting the public from harm, so we do have some relevant experience.

The other thing I would highlight is that, of course, we are definitely taking on the video-sharing platforms regime, which will come into effect next year. That is allowing us to build our understanding and capability, to recruit some new people and to gear up so that, if we do take on the bigger regime, we have already had a bit of a head start.

Q4 Alex Davies-Jones: I would like to expand slightly on some of the questions the Chair was just asking about your potential position as the online harms regulator. I know you mentioned that you have started to prepare for this role should it be given to you formally. What else do you need to do in order to be fully established as the potential regulator? Is there anything else you need to do to prepare for this position?

Dame Melanie Dawes: A lot of it at the moment is about preparing the regime, which is a matter for Government, but of course it is always important to think about the operational considerations, why you are designing the policy. The Government are definitely doing that and talking to us, and to others, about how that could work. That includes features of the regime such as what penalties are available to the regulator, what kind of powers the regulator would have to ask for data and so on, as well as some of the high-level questions around who is covered, what kinds of harms and so on. That dialogue is happening.

From my perspective of Ofcom as an organisation, having arrived a few months ago, I have been doing a review of our overall capabilities, our overall structures, to make sure that we are able to take on this additional regime if we are permanently appointed. That has been looking at things like skills. We know we will need more knowledge of the technologies that are used by platforms, of data analytics, and we will need experts who can do data analysis at that level themselves in Ofcom. There are definitely some big skills that we will need to recruit. We have some of them already but not in the right numbers.

Q5 Alex Davies-Jones: On that point, do you think that you are going to be able to attract the right set of skills and the right people into this role, especially when you have to compete with the private sector and the social media companies at large?

Dame Melanie Dawes: I think we can, yes. We recruited somebody very good from Google a couple of months ago, even in advance of being confirmed as the online harms regulator—before that has taken place, even before the “minded to” decision by Government.



For anybody who wants to go into this sector to make a whole load of money, clearly no public sector role is going to be able to compete with that, but Ofcom has a great offer to make. This is the first regime of its type that is being brought in, in any country. The UK is leading here, and there is a great opportunity for people to come and join us and be part of that. I hope that does not sound like too much of a sales pitch.

Q6 Alex Davies-Jones: Not at all, it is good. With the current situation, it is good that young people and older people, who potentially may not have thought of this as an industry and a sector they want to go into, know that those opportunities are there. It is good for them.

You also mentioned in your first answer to me about your role in determining what content is legal but harmful. The Minister for Digital has told us that they want this decision to be left up to you, but do you think that is an appropriate framework or do you think that Parliament should have a say in this to ensure that decisions on content are in scope for, as you said, free speech and democratic accountability? Where do you think the line should be drawn?

Dame Melanie Dawes: If we are appointed, we will work with whatever regime Parliament decides. These are quite important questions for Ministers and Parliament to determine. A degree of flexibility is going to be important in any event so that the regulator is able to respond to events. We will need to set up research. We have some of this already, but we will need to expand it to understand the nature of harms and how they are evolving online.

We know, for example, that public attitudes have changed quite significantly about things like language. When I was growing up people were really concerned about swearing. That just is not the case anymore. People are much more worried about things like racism and offensive language in that respect. We see public attitudes changing. The regulator will need to have some flexibility to adapt to that, but the overall shape, the scope and quite how precise it is are things for Parliament.

Q7 Alex Davies-Jones: Do you have a process that Ofcom would use in order to prioritise online harm?

Dame Melanie Dawes: We will be research led, which is very much how Ofcom does its business. We have a track record in that respect. But I would expect that we will need to develop a good understanding of where the greatest harms lie. Of course, illegal harms will need to be prioritised particularly, but we will also be looking at scale. There will be some platforms where the number of eyeballs is so great that it will be very important to have a much fuller understanding of what they are doing. There will be others that might still be smaller but where they may have, for example, a much bigger younger audience. The risks to younger people are obviously something that we will need to be looking into. We will need to be flexible and proportionate.

Q8 Alex Davies-Jones: You mentioned that some of the social media



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platforms are starting to self-regulate themselves, they are starting to put in measures to prevent misinformation and potentially harmful material getting out there to the public. Do you see any potential conflict between yourselves and the social media companies if you are appointed as the online harms regulator?

Dame Melanie Dawes: I do not think I see a conflict particularly. What I would say is that, although there are some sensible steps being taken, there is no transparency about it. There is no overall standard that has been set. It is very hard for parents to know what sort of risks their children are exposed to and how they are being managed by the platforms, because we cannot police what our children are doing all day. We do rely in normal life on services acknowledging who their customer base is and responding to that appropriately.

Transparency is a big benefit that we should get out of this regime, and that we hope to bring in for the video-sharing platform side in advance of that, so that people know better where they stand. Ofcom will then need to research that and verify what we have been given by the platforms alongside the information that they give us all.

Q9 **Chair:** When you are discussing the nature of regulation, do you think it needs to be centralised, or do you think it needs to be more devolved on the companies? Are you looking potentially at a model like, for example, financial services, where financial services companies have compliance officers in place?

Dame Melanie Dawes: Do you mean devolved across the nations?

Chair: No, I mean devolved. Basically, do you imagine your regulation, if it comes to pass, of online harms will eventually involve a very large central body, or do you think some of that should be devolved into the companies themselves? Effectively, they report to you but they are based in the companies.

Dame Melanie Dawes: I am sorry, I did not quite understand before but I do now. The regime that the Government are proposing starts with requiring the platforms to be clear about what their own systems and processes are. That begins with identifying which harms are relevant, particularly given the users that the different platforms have, going through to how those harms are prevented, how they are detected, how the virality is reduced and then, ultimately, what actions are taken when the law enforcement bodies need to be brought into play and how complaints are operated from users. Those are the sorts of issues that we will expect the platforms to account for to the regulator. In that sense it is devolved—to use your phrase—to them in the first instance to put those processes in place and to operate them effectively.

Then there is an important job for the regulator to assure themselves of what is going on. The regulator will need access to data from the operators, and we would expect to be able to publish information about what is going on and what actions are being taken. With the scale of this,



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we are going to have to rely on the companies themselves to do a lot of the heavy lifting, but then the regulator's job will be to shine a light, to hold them to account and to investigate if there are issues that suggest not all is as it should be.

Q10 Damian Hinds: I will just mention on behalf of many of our constituents that a lot of people still do not like swearing and bad language in the public sphere.

I want to build on the questions that Alex was raising. In this definition of online harms, I appreciate you say that you will work within whatever framework Government and Parliament set out. What do you think is the right balance between Ofcom setting standards informed by your own polling, which is extensive, and presumably expert inputs from the sectors concerned, Government guidance, Parliament enumerating a number of areas of online harms and, finally, the courts testing what constitutes a duty of care?

Dame Melanie Dawes: Some of these are quite high-level policy questions for Government and Parliament. What I was saying earlier was that, as a matter of practicality, it is important to have some flexibility so I would expect the regulator to be able to use its discretion and to be able to keep its codes updated. That is particularly important for a regime that is as new as this, where these platforms have not been regulated before. We are treading into new territory.

What Ministers have in mind is that whatever we start out with is going to need to be able to be adapted, so that flexibility needs to be in there. It is a question for Parliament as to what sort of boundaries they put around this regime to start with. The regulator will need to work with whatever is there, but it is quite a delicate balancing act.

There will clearly need to be a role for the courts as well. The regulator is going to need to have a range of sanctions, as is usually the case, and some of those may involve going through the courts. That would normally be on specific issues and the interpretation of specific events, whereas a lot of the work that is going to need to be done here is in advance, setting up the right processes and codes with the companies long before anything ever comes through a legal process.

Q11 Damian Hinds: I was thinking more of others using the courts. Given a duty of care will be written into legislation, presumably third-party organisations, representative groups, could test out individual practices of social media companies through the courts. That is less likely the more it is codified in legislation. I am interested in what you think is the right balance between a set of very broad principles in legislation, on which you fill in the blanks and then the courts supplement, and having something much more codified in much more detail.

Dame Melanie Dawes: It is going to be a package, isn't it? You are right that users may want to use the courts as well, and I know the Government have said they are sympathetic to the idea of super-



complaints being able to be brought. I know some external bodies, such as the NSPCC, have expressed an interest in that in relation to younger people, but it is going to be a bit of a balancing act. In the end, there are lots of ways this could be operated, but some of it is about Ministers and Parliament being clear about which harms they prioritise or about deciding that they want to leave this to the regulator to a greater extent. I do not think I can comment on those big policy decisions any further, but I can say that there are a number of ways that this could work. I do not think it is a fixed thing.

Q12 **Damian Hinds:** What do you think is the balance between looking at harms to children specifically and looking at harms to people in general?

Dame Melanie Dawes: Young people are definitely a feature of the regime that I know Ministers want to prioritise, and we have seen all the various publications from Government. Even things that are not always illegal, such as bullying or unfair treatment of each other, matter more for young people. They are more likely to be vulnerable and they are less equipped to deal with the issues.

The UK has fantastic research in this area. Compared with many other countries, we have a greater understanding and have put more into understanding, for example, general issues around the internet and children's mental health. We have quite a good base to work from there. They will be a priority for this regime, particularly when you are talking about things that are not necessarily illegal but are clearly harmful.

Q13 **Damian Hinds:** Everyone would agree that children must be a priority. My question is whether you think this is exclusively about children or whether it is about the adult population as well.

Dame Melanie Dawes: On the illegal harm side, such as terrorism, it is for everybody.

Damian Hinds: I mean for legal but harmful.

Dame Melanie Dawes: That is very clear. Legal harms are a question for Ministers, and I am sure they will set that out in the coming months, but it is a decision that needs to be taken about the overall scope.

Q14 **Damian Hinds:** Can I do a quickfire round? You may feel unable to answer some of these, which is reasonable, but I am trying to get an idea of what you think should be in scope for this legislation. This is not to adjudicate on particular practices, but say whether these areas are in scope. I have half a dozen of them, so if we can rattle through them. Yes, no, maybe or don't know is fine, or you might want to say a little bit more. Should allowing the sharing of images that could be said to glorify self-harm be in scope?

Dame Melanie Dawes: I am very reluctant to be drawn on individual issues. I am sorry to be annoying about this, but I think some of these questions are important for Ministers and Parliament to answer. Clearly,



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when it comes to young people, images of self-harm can be hugely damaging, so platforms that have a younger audience will need to demonstrate that they understand the sorts of harms that might be happening on their platforms, that they have identified what those are, that they have researched the impact and that they have in place procedures to prevent, mitigate or deal with those sorts of harms when they come up.

Very harmful images are likely to come into that category. There are questions as to whether that is specified on the face of the Bill or whether we allow a dialogue between the regulator and the platforms, informed by Government and Parliament, I am sure, on the specifics. That is my general answer on many of these things. It is going to depend a little bit, and a certain amount of flexibility is likely to be helpful.

Q15 **Damian Hinds:** You wear a couple of hats here. You are the potential likely online harms regulator, and in that role, obviously, you have to be able to take on whatever regime you are handed and you have to be suitably flexible. But you wear another hat as one of the biggest surveyors of children and parents on their media habits and attitudes to what they stumble across. Wearing that hat, your organisation probably knows about as much about online harms and people's attitudes to them as anybody else, possibly more than anybody else. To what extent do you think these categories should be in legislation or in your remit, notwithstanding the fact that you will deal with whatever comes down the track?

The first one was about glorification, where most people would say glorification of self-harm is definitely in scope for online harms. The second one is harder, which is increasing the prevalence and normalisation of images of self-harm. Do you think that should be in scope?

Dame Melanie Dawes: There are boundaries there about when increasing the prevalence becomes something that is normalising or glorifying these images. What I will say is that a responsible platform would need to demonstrate to the regulator that they understand those issues and that they understand the harm. You are right that Ofcom has a good oversight at the moment of how people spend their time and what they look at on the internet, and also of what people are worried about. We can see they are worried about harm. We all know that, particularly parents for their children.

We need to up the ante in our understanding of specific harms. That is not something that we currently regulate, and it is one of the areas where we will need to deepen our understanding. We are in a good place here because the UK has extremely good research in this area compared with other countries, but research will need to inform some of those boundary issues.

Q16 **Damian Hinds:** What about the use of compulsive design to increase



children's time on the internet?

Dame Melanie Dawes: There is a general point there for children and adults. The use of AI is clearly something that is a question. Are we all—particularly young people—being incentivised to spend more time online than is good for us?

Q17 **Damian Hinds:** The answer to that is yes, but the question is whether it is in scope for a regulator to worry about.

Dame Melanie Dawes: Again, it depends to what end. If people are being drawn towards content that is inappropriate for their age, is harmful and is a deliberate part of the way that the AI is set up without regard for the consequences, that is the sort of thing that you would question about a company's processes. If people are being brought to content that is high quality and they are being made an offer that they want to accept, that is all part of—

Q18 **Damian Hinds:** Very many in the education world would tell you that spending too long on the internet is bad, full stop. Whether you are looking at good stuff or bad stuff, it is bad for your sleep, it is bad for your concentration and, ultimately, it is bad for your self-worth and your sense of balance in the world. That is why I specifically asked about techniques to increase time rather than specific content. Should we care in this regulatory framework about the total amount of time that children, in particular, are being enticed to spend online?

Dame Melanie Dawes: I am not sure we will ever come up with an absolute number or a threshold over which we should not allow our children to be online, but we clearly need to keep looking at this. I would hope that the regime is able to be flexible in this respect. If the research is clear that there are thresholds beyond which the damage becomes very clear, we would expect to be able to reflect that in the actions and the way that we question companies about what they are doing, and to publish research about it.

I obviously agree that time online can be damaging but, at the same time, as a parent of a 16-year-old daughter, it is also important to remember that these platforms have been a lifeline for children keeping in touch with their friends during the lockdown. There are benefits as well. I do not disagree with you that the issues for mental health are also there, but they do provide services from which young people, as well as adults, are getting a great deal of value.

Q19 **Damian Hinds:** Just to be clear, you will know the OECD research in this area says that there is—if we take Covid-19 out of it and think about normal times—a sweet spot of a small amount of time online that seems to be beneficial to children's wellbeing and education outcomes, but it is way lower than the average amount of time that children and adults actually spend on the internet.

I have a couple more. Should it be in scope, looking at algorithmic



methods, to prioritise posts that maximise engagement through fear, anger and disgust? In other words, people are more likely to see things that they violently disagree with because we know those are the things they are most likely to respond to.

Dame Melanie Dawes: Again, this is a challenging boundary area. What is a real problem at the moment is that we do not have sufficient understanding of quite how algorithms are being used or about the impact they are having. The sort of thing you are describing is a real concern, particularly if it is in extremely widespread use. I would answer that again, though, by saying that we need to know more. That does not mean that if Ofcom is the regulator we need to wait and see, but there is a question here about prevalence and about how widespread those sorts of harms are, about whether it is adults, whether it is also young people, and about the extent of the harm it is causing. The way that Ofcom, as a regulator, would approach these things is to understand the harm, how widespread it is and how many eyeballs are experiencing it, and to act accordingly.

Q20 **Damian Hinds:** Finally from me, because I have taken up a lot of time, should it be in scope to look at the use of techniques that, although it is not their intent, their practical effect is to make it harder to detect harmful content? I am thinking of things like end-to-end encryption.

Dame Melanie Dawes: That is a very important part of the policy debate. On the one hand, the platforms are very clear that they and their customers value encryption of some services, particularly private messaging services. On the other hand, there are legitimate questions, including from my colleagues in the enforcement agencies, about how you can know what it is going on and how the platforms can know what is going on in a way that allows them to respond and engage the agencies. That is a very live debate at the moment, but it is an important one.

Q21 **Giles Watling:** You have hit the ground running, and you have been there only three months or so. What a time to become executive of Ofcom; it is an extraordinary job you have in front of you. Things move so fast in tech that what concerns me, if you do get the harms brief, is what would you be wanting from Government? How can Government help you deal with the online harms brief?

Dame Melanie Dawes: We have already talked about some of the important features of the regime and some of the balancing act that is going to be needed about how much flexibility there is and how much clarity there is upfront about scope, nature of harm and so on. I will not rehearse that further. Some other things that matter are the nature of the penalties that the regulator is able to use, the ability to get data and so on. Of course Ofcom, or any regulator, will need support to increase staffing resources and to be able to recruit people from very competitive industries. These are a combination of design questions and operational questions.



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Above all else, it is about a constructive relationship with Government, and there are many different arms of Government involved here. It is DCMS largely, but also the Home Office on the illegal harms front. We are going to need strong partnerships with central Government and with other regulators.

Q22 Giles Watling: In the previous incarnation of this Committee, we held a grand panel in Washington and we had people from Twitter, Instagram and whatever before us. To a certain extent some of these guys, as I said at the time, invented wonderful democratising platforms in a garden shed somewhere and suddenly they became huge. They were brought blinking into the sunlight, not understanding the power of the thing they had created. We, as potential regulators, are behind the curve, and it would be up to you to get ahead of the curve. Do you think you will be able to hire the kind of people you will need to understand the algorithms, to understand how all this works, to be able to regulate, or are we always going to be behind the curve?

Dame Melanie Dawes: It is a big challenge. Nobody has been regulating in this space yet. The UK will be among the first to do so. Attracting the right people is going to be important. It is partly about who Ofcom can hire, but it is also important that we look outside to people who already have expertise in this area. For this regime, above all others, I would expect Ofcom to be thinking about the wider system. I have already mentioned the question of super-complaints and whether or not the NSPCC might take on a role there. It has suggested that it might. That is one kind of partnership.

When it comes to understanding the technology, there are experts out there who are already able to deploy their understanding. Ofcom has a good track record of using other people's research, as well as commissioning our own, to inform what we do. But it is going to be even more important on this regime because it is so new. We have a lot to catch up on. Because the skills are very scarce and because it is very technical, the only people who know what is going on at the moment are these very large companies, some of them the size of a western country.

Q23 Giles Watling: But do you think you are going to be able to attract the right people?

Dame Melanie Dawes: Yes, I think we can. We have a great offer. I have always been struck in my time in the civil service that people will come to work on important public sector projects because they care about it and because the mission is important, even though the salaries can never compete with those you can get in private industry, if you are good and if you are right at the top of your game. We are going to have to make a big effort here. I do not underestimate the challenge, but we have a great offer to make and we will put our backs into recruiting the right kinds of people.

Giles Watling: It is good to hear your confidence. Thank you very much.



Q24 **John Nicolson:** Experts who have appeared before our Committee have told us that there has been an explosion of disinformation during the current coronavirus crisis, perhaps the worst explosion since the dawn of the internet era. Would you agree with that?

Dame Melanie Dawes: Yes. I do not know whether it is the biggest explosion that we have seen, but it has certainly been significant and we have seen some very persistent incorrect messaging that is still out there, including, for example, on the links between 5G and the virus, and there are not any links. We have seen a big explosion and, as I was saying right at the beginning, we have seen the platforms taking some steps on that and the Government stepped in to co-ordinate the relationships with the platforms and did some effective work.

When we think about whether that should be covered by regulation in future, it is important to remember freedom of speech. I wanted to bring that into the debate, because we need to allow for differences of opinion, differences of interpretation of the facts, honest mistakes. That is quite an important consideration when we think about the new online harms regime in this area.

Q25 **John Nicolson:** That is why people make a distinction between disinformation, which is deliberate, and misinformation, which might be you repeating something a mate down the pub has told you—not that we are allowed to go to pubs, but somebody has told you—that is not correct. Do you think you have sufficient powers to tackle deliberate disinformation?

Dame Melanie Dawes: Not at the moment, no.

Q26 **John Nicolson:** What do you need?

Dame Melanie Dawes: It is a question about what should we need. Freedom of speech is important, and these boundaries between misinformation and disinformation are not always easy to strike. What our research shows is that the public are well aware that they can trust the information they get online much less than they can what they hear from our public service broadcasters, from sources such as Sky News and from our traditional newspapers. People know that they have to discriminate in how they respond to things. That is not enough. That does not mean we can rely on that. Continuing to give people the tools they need to be able to discriminate is important, but regulation is not the only thing.

Q27 **John Nicolson:** Specifically, if you do not have enough powers, what powers would you like to be given that would help you in this task?

Dame Melanie Dawes: As the regulator, I do not want to go to Government with a shopping list.

Q28 **John Nicolson:** Not a long one. Give me a short one. Give me two key powers that you think would help you in this very important task. You



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mentioned 5G. Folk are being attacked, workers who are setting up 5G masts are being attacked. We cannot have that. Clearly something has gone wrong. You think you could do with some more powers to help, and it would be useful for us, as parliamentarians, to have some idea about what those powers should be.

Dame Melanie Dawes: The online harms regime will need to answer the question as to whether or not disinformation, in particular, is covered. We have been concerned over the last few months to see that things have been broadcast online that Ofcom was able to sanction when they were broadcast through traditional channels and, indeed, did sanction—I am thinking here of the London Live broadcast. They appeared on YouTube and were taken down by YouTube, but not before they had been seen by quite a lot of people. It was the same content that we were concerned about; in fact, slightly longer content in this particular example. That is a concern, but I would not go so far as to say that I am calling for powers from Government in this area.

I think freedom of speech matters and, when you look across our broader system, the very existence of our strong public service broadcasters, held to very high standards of impartiality and accuracy, and our strong newspaper industry are bulwarks against some of these problems. Although we do have concerns, it does not always mean that we should necessarily regulate for them.

Q29 **John Nicolson:** For people who do not know, the London Live broadcast was the ravings of David Icke, the former sports journalist, who has a big online presence and spreads disinformation and misinformation. Are you spotting any new trends when it comes to disinformation and misinformation online?

Dame Melanie Dawes: We have been tracking that closely during the coronavirus lockdown. We initiated some weekly research in March, and the latest was out yesterday. It shows that people are saying they have seen quite a lot of misinformation and disinformation during these last few weeks and are worried about it. Parents are particularly worried about it for their children but, at the same time, what we also see in our research—and this is interesting—is that 12 to 15-year-olds go first to traditional broadcasters for their news. BBC One remains the most popular place for people to go to for news, even among younger audiences. We are tracking that, yes. We doubled our efforts once the lockdown started.

Q30 **John Nicolson:** One new trend, of course, is foreign intervention. We have seen it now with Covid; we saw it in the last presidential elections; and we saw it in the Brexit referendum. A new book by the distinguished journalist and Russia expert Luke Harding alleges that the Russian Ambassador to the UK said, “We won” as the Brexit results came in. Are you concerned that the UK Government are yet to publish the Russia report six months after the election?



Dame Melanie Dawes: I do not think there is anything I can say to illuminate that debate. That is very much one for Government.

Q31 **John Nicolson:** But you would presumably want any foreign interference and evidence of it to be exposed. That would help you in your ongoing task, wouldn't it?

Dame Melanie Dawes: It is a matter for Government. There are all sorts of questions here around elections and so on, but that particular report is something for the Government to answer to and decide.

Q32 **John Nicolson:** We all note that the Government said at the time of the election, in the run-up to the election, "We will publish it soon." We are now six months on from the election, and the Government are refusing to publish it, which of course may well be because of the embarrassing contents. Evidence from Twitter and Facebook show that they are not very serious about tackling online harm and fake news. Do you agree with me that perhaps what we need to see now is a serious discussion about punitive fines?

Dame Melanie Dawes: Fines need to be part of this new regime. My question is what else needs to be in there, because these are extremely large companies with significant financial muscle. I know the Government are also thinking about other possible penalties, including things like sanctions for directors. There are also measures in place in some of our other regimes, including for video-sharing platforms, around being able to disrupt services temporarily if a harm is serious.

Q33 **John Nicolson:** Just to be clear, you would support the idea of fines? Fines have been introduced in France and Germany. What we have seen is Facebook, for instance, taking on a lot of monitors to monitor content, with offensive content being taken down much faster because they are being hit in the money bags by regulations there. Would you support that here?

Dame Melanie Dawes: I would certainly support fines being part of the enforcement tools that the regulator has. Yes, I would.

Q34 **John Nicolson:** There is a lot of evidence that not only is foreign interference and disinformation on Twitter, for example, a problem but so are a lot of anonymous accounts. We talked about this before, and we always get a reaction on Twitter when we say this. So just to be clear, I am not saying that people should not have the right to anonymity when they post things—a lot of people do not feel safe using their name so, of course, they should be able to post things anonymously—but a lot of these accounts are bots and fake news accounts, and a lot of them emanate from St Petersburg and elsewhere. Do you think there is a case for Twitter checking people's identity when they sign up for the platform while allowing them anonymity when they are posting stuff?

Dame Melanie Dawes: This is a good question. I do not know what the specific remedy is, but we need to know a lot more about the different



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behaviour of anonymous users and those who identify themselves, and to understand the relationship between anonymity and the degree of harm, in lots of different respects, that is being perpetrated on the internet. This is an important area and, again, one where transparency is just not good enough at the moment and where we need to be able to expose the patterns and the precise link between anonymity and harm.

Q35 Chair: I would observe that you are relatively reticent about your wish list of powers that you need to make Ofcom work in this space. Is that because you are living in limbo at the moment and you are worried that you may not get the gig if you demand too much, if you seem like you will be too robust a regulator?

Dame Melanie Dawes: It would be presumptuous of me to ask for detailed power for a regime that we have not yet been asked to operate. We are working very closely with our colleagues in Government, but a lot of these questions are about high-level policy design. The role of the would-be regulator, the minded-to regulator, is to inform that debate and, in particular, to make sure that Government have a full understanding of the operational issues that the regulator would face. We are doing that, but at the same time I am very conscious that we will basically be operating powers that are given to us by Parliament. It is important for us not to get ahead of ourselves.

Q36 Chair: But you are willing to say that you want fines to be part of the regime, so we can tick that one off. We know that is something that is going down the line from Ministers. What about another recommendation?

Dame Melanie Dawes: I have also mentioned things like needing data, needing skills, needing a certain amount of flexibility. There are plenty of practical things like that, which we are absolutely bringing to bear in the debate.

Q37 Chair: But you have said specifically about fines, so we can tick that one. That is one we know is almost certainly coming down the line. What about criminal sanction? This Committee, in the last Parliament, recommended that, in egregious examples of social media platforms failing in their duty of care, there could be the option—and it would have to be a very extreme option—of criminal sanction. Do you support that, yes or no?

Dame Melanie Dawes: Criminal sanction for criminal activities is incredibly important. Then you get into questions as to whether or not a platform where those criminal activities have taken place has been part of that and whether it has wilfully allowed it to take place and, therefore, should be subject to a higher degree of sanction, a higher legal process than the civil codes, which will be the majority of this regime that we are operating.

It is a question, but these are very serious sanctions. They are not normal across the rest of Ofcom's regimes. At the moment, we have



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criminal enforcement only when it comes to people interfering in spectrum operation, for example. It is not very common in a regime like this.

Q38 **Chair:** But you are open to the possibility?

Dame Melanie Dawes: We would have to know that people were complicit in some way in the harm that is being perpetrated.

Q39 **Chair:** You framed it in a way of being wilful. You are open to the possibility of it. It is something that is within scope, something that is a potential. Is that correct to say?

Dame Melanie Dawes: I am not saying this is something we are actively considering or that Government are actively considering. I hope I am conveying a sense of openness about how this regime could operate. Provided there is enough flexibility, there are lots of ways this can be run. It is going to be new and very ambitious. We are not going to be able to do everything immediately. A certain amount of prioritisation is going to be needed, but I am not sitting here before you today saying that Government are not listening or are not aware of these issues. What I am saying is that they are quite difficult judgment calls for Ministers and Parliament about the balance of this regime.

Chair: I am not sure whether or not openness is the correct description of your approach to criminal sanction.

Q40 **Damian Green:** I would like to move on to digital connectivity. We have all observed that the broadband network has, broadly speaking, held up better than we might have expected during the extra pressures of home working. Looking further ahead, the Government have this huge ambition of full fibre broadband to everyone by 2025. Has the Covid crisis made that more difficult to achieve? Has work stopped on that kind of thing?

Dame Melanie Dawes: The work behind the scenes has not stopped at all. We are still on track to get Ofcom's main contribution to this in place, which is our access review that sets a new regulatory framework. That will be in place for next spring, which is the timetable we had originally published.

Interestingly, we have also seen during the crisis that the business case for investing in full fibre has been reaffirmed. We have seen all the companies involved either expand or confirm their existing investment plan. BT has said it is going to invest towards 20 million premises, which is around 70% of the UK. We have seen Virgin Media confirm its commitment to upgrade its cable network. We have seen some of the new providers come into the market. I saw this morning that Fibrus is going to go into Northern Ireland, and we have CityFibre confirming its commitment to Inverness, and so on. If anything, the pandemic, while slowing people down in the very short term, has confirmed the business case for this, and people are planning to get on with it.



Q41 Damian Green: There are areas where there is unlikely to be network competition. I am fascinated that Ofcom estimates that 30% of premises will be in areas where there will not be network competition, but the Government's commitment to £5 billion applies only to 20% of the hardest-to-reach households. What does this disparity tell us? Are there millions of households that are going to fall down a gap?

Dame Melanie Dawes: It is a very good question. The Government's £5 billion is aimed at those areas where there is no commercial solution because the cost is not there or people are spread too far apart for it to be commercially viable. It is an important and, at the moment, very active conversation with BT and others about how much of that next 10% might be able to be covered. For Ofcom, this is the difference between our area 3, which we expect not to be competitive, and area 2 where we think there might be more than one provider. We are having that debate at the moment, and we are learning more about the providers' investment plans. It is a little bit like piecing together a jigsaw puzzle, as you can appreciate, but hopefully things will start to become clearer over the next few months.

Q42 Damian Green: But that does not necessarily resolve the problem. Presumably they will invest in places where they can make money. Particularly in a competitive market, they will have to assume that others are eating part of the cake as well. The Government, in all honesty, are saying £5 billion will cover 20%, but is there a danger that there might still be a gap that may need to be covered by more Government investment?

Dame Melanie Dawes: We are saying that there might be a gap, but there might not be a gap. It depends on the investment plans of the operators, and it is a bit of a chicken-or-egg situation. We have just had our consultation close, and we have all the details of the pricing framework and how it will operate in those areas that are on the borderline of being commercially viable.

What I am saying is that I am a little bit more optimistic than that, that there will be commercial options in some of those areas, and that is what we are discussing very actively with the providers. We are going to be piecing this together, and the Government's £5 billion will clearly be focused on those areas where there is no other solution.

Q43 Damian Green: The view of your predecessor was that you needed three competing networks to have proper competition. Does that still hold?

Dame Melanie Dawes: On broadband and investment, three is great but two is also good. Some of the smaller investors can give Openreach a run for its money in some areas. We do not have a fixed view on that. It is about there being more than one.

Q44 Damian Green: That is interesting, because it feels like a relaxation. Are you thinking that because, if there was a hard rule of trying to promote three in any area, it would reduce the pace of rollout? I am still interested



to know whether you think 2025 is a practical proposition for 100% rollout?

Dame Melanie Dawes: The 2025 ambition from Government is certainly very stretching, there is no question of that. That is a good thing because it is focusing everybody's minds, including Ofcom's. When it comes to two or three, overall what we want is coverage across the country as quickly as we can. The reason why we get concerned when there is no competition is that we do not want Openreach to be able to get support from the Government's money and also to be able to make a commercial return, which would be a double count in that respect. Where there is competition, we will adapt our pricing rules to support it. I am not aware of our having a rule around three in this respect.

Q45 **Damian Green:** When you say "adapt our pricing rules" what does that mean? Does that mean you will allow people to charge more?

Dame Melanie Dawes: Where there is nobody competing with Openreach we will expect to operate a charge control regime, which is stringent, recognising that the costs are higher as well. But it is preventing over-charging by Openreach and BT.

Where we think there is likely to be competition, what we have said so far—and you will appreciate that the details of this are absolutely live at the moment and that our consultation has only just closed—is that we will allow prices of the core product to be able to rise at inflation, which gives a margin that makes the investment commercial. We will need to be mindful of pricing for the consumer across the piece, and we have broader work that we do on affordability and broadband pricing that feeds into that.

Q46 **Damian Green:** One final question on the other side. Do you see it as part of Ofcom's role to stimulate consumer demand for the services that full fibre will enable? Talking to people like BT and Openreach over the years, they say it is all very well providing it but a lot of people do not require this type of bandwidth and do not see the need for it.

Dame Melanie Dawes: That is an important point. In the end, it is for the commercial operators to make sure that they are marketing and advertising their services, but there are definitely things we need to think about like clarity and the language that is being used. The Advertising Standards Agency has looked into things like the use of the word "fibre" in the past and has found that consumers can navigate their way through because they know that what they need to look at is things like speed and cost, but it is something we need to keep under review. It is certainly something where all the operators are quite concerned that there is a lack of consistency at the moment.

You are right that even superfast broadband, which is available today to 95% of UK premises, is not taken up by quite a lot of households. We only have just over 50% take-up. That tells you something about how



even that core product is not always taken up by people, even when it is available to them.

Q47 **Kevin Brennan:** I am going to ask some questions about public service broadcasting in a second, but first I will follow up something the Chair asked earlier about online harms and your interaction with Government on that. Do you feel from that interaction, which you described, that there is an urgency in Government to get on with this?

Dame Melanie Dawes: Yes, I do. Government are keen to get on with it, from all the interactions I have had with them.

Q48 **Kevin Brennan:** You, as an organisation, have been having a consultation called Small Screen: Big Debate on the future of public service broadcasting. Do you think the current system is broken?

Dame Melanie Dawes: No, I do not think it is broken at all. We have seen over the last few months the value of the public service broadcasters and the content they put on. That has been valued by the viewer, and our research illustrates that. What we have also seen during this crisis is that the streamers have done well, the gamers have done well, and so the competition has made further inroads into the traditional territory of the PSBs over the last couple of months.

All our research shows that the core offer of the public service broadcasting system, of high-quality UK content and high-quality, accurate news and current affairs, education services and so on, is valued. People recognise it is there, they value it and, as long as it is relevant to them and their families, it is something they still want to watch.

Q49 **Kevin Brennan:** Another way of phrasing the question: is that valued regime under threat?

Dame Melanie Dawes: It is certainly under challenge. It is under challenge from the competition, and it is also under challenge because particularly younger audiences are increasingly turning to the internet, to gamers and streamers and so on, rather than to linear TV. You can see that in all our data. That is a big issue for the broadcasters. At the same time, it can be done. You can see that younger audiences do come if the content is relevant to them, but it is increasingly difficult.

Our review will look at some of those questions, and it will look at viability. It will look at what is valued. It will look at what works, what can be provided commercially, where public subsidy might still be needed and so on.

Q50 **Kevin Brennan:** That is a key question, because you have agreed it is something that is very valuable and is valued by the British public. You have not quite agreed that it is under threat. I think it is under threat. I think "challenge" is a civil service-type word. It is under threat because of the nature of the technological change that is going on, and because of



the integration of all media to the extent that “public service broadcasting” may not be the relevant term anymore for this regime. Maybe we should call it “public service media” in the future.

What are the sorts of things that will be necessary to stop this valued and valuable UK asset withering on the vine in the next few years as a result of the challenge of technological change and the powerful nature of the tech companies and other largely foreign interests that challenge that important part of our culture?

Dame Melanie Dawes: You have touched on some important points. There is a question as to whether this is about institutions, broadcasters, or whether it is about the content that is produced that people value. That is one of the questions.

In the end, there will be questions about what the role is for public funding. We have the licence fee at the moment, which is a form of public funding. One of the things that I think is important here—we will be doing some research particularly into commercial models that we will bring to bear in the work we are doing—is what needs to be provided through the public purse. For example, last year, with Frances Cairncross’s review into journalism, it was clear that local news is very hard to fund commercially anymore. That is the sort of thinking that needs to be done.

I would not say that this is a system under threat. That is putting it a bit too strongly, because we have lots of options for the future.

The other thing I would add is that I agree there is competition from quite low-value content in a number of respects, but we also see some great content increasingly being produced by the commercial broadcasters, whether it is from Sky or from some of the streamers. I do not know about you, but I am increasingly looking at a whole range of sources and seeing some great content out there. From the point of view of the viewer, that competition is a very good thing in many ways.

Q51 **Kevin Brennan:** I agree with you about Sky. It is a multichannel platform that behaves in a way—partly because of the gravitational pull of public service broadcasting in Britain—like a public service broadcaster with a lot of its output. Part of the reason for that is because a number of people successfully headed off Rupert Murdoch’s attempt to take it over last year. That means it now has a 10-year guarantee of editorial independence for Sky News, which is not owned by the Murdoch empire—a lot of people do not realise that. I agree with you on that point.

Do you think public service broadcasting will survive unless the Government take radical measures to protect it over the next decade, or will it simply wither on the vine, which is the danger?

Dame Melanie Dawes: I hope it will not wither on the vine, and our work is designed to provide some options here. We have talked about funding, but there are other issues such as prominence, which does have



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some value still, and the wider regulatory regime in relation to competition.

Q52 Kevin Brennan: Can I probe you on that issue of prominence, while you mention it? You said it still has some value, but can public service broadcasting survive unless prominence is protected, even on voice-activated devices, even on the Sky Q box, even on all these ways that people are accessing content these days? Isn't the value of public service broadcasting, if we think it is important and valuable, that it cannot be locked away in a cupboard where people cannot find it?

Dame Melanie Dawes: I completely agree with that. In fact, Ofcom, at the request of the Government, has given some ideas on how to extend the current prominence rules to things like smart TVs. You are quite right, at the moment it is becoming less and less of value, so we are going to need to take steps to protect it, and the broadcasters are very clear about that.

The other important thing is advertising. Of course, we would probably have been talking about the viability of advertising in the longer term even without the coronavirus period, but we have seen that model become very challenged in the last few months. There are some signs of a pickup, but clearly it is a vulnerability. That is not just for our public service broadcasters; it is also for commercial radio and other important parts of our ecosystem.

Q53 Kevin Brennan: Does that suggest, therefore, that one of the things that might be needed to protect the commercial public service broadcasters, who rely on advertising revenue, is more effective regulation of advertising online? They frequently complain that they face a very unlevel playing field in relation to the regulation of advertising that they have to go through, compared with what happens online.

Dame Melanie Dawes: Yes, that is one of the interesting questions. The Competition and Markets Authority is doing a review of advertising online at the moment. It is another important question.

Q54 Damian Hinds: Just to build on what Kevin was asking about, you were talking about content prominence in general. What about quality news? To what extent is it part of Ofcom's role to ensure that people are exposed to high-quality news on the platforms or technologies they are using?

Dame Melanie Dawes: It is an important part of our role to make sure that we have high-quality news as part of our public service broadcasting system. That is available not just on linear TV but in all sorts of different ways.

That is a very important question for the future, because one of the challenges I would give to the PSBs is that, as well as producing great content, including good news content, they also need to think about how they distribute. Linear TV will only ever go so far, catch-up services will



only ever go so far, but the streamers and some of the other companies are very good at reaching the viewer. They are very customer-centric in that respect. That is quite an important question as to whether distribution is one of the ways they can balance some of the challenges they face.

Q55 **Damian Hinds:** What do you mean when you say distribution is one of the ways they could address that?

Dame Melanie Dawes: I mean going to where the viewers are, rather than sometimes fighting a losing battle of drawing people to the more traditional ways of viewing, particularly younger audiences.

Q56 **Damian Hinds:** It is clear that public service broadcasters, daily newspapers and others want to be in the places where people are, not least because those that are ad revenue driven have to have eyeballs. The question is more whether the platforms have the same interest as the quality news providers.

Dame Melanie Dawes: The platforms are generally quite keen, if the content is good, to have it on their platforms. This is quite an open question. What I am saying is that I sometimes wonder whether the PSBs need to do more to think about how they distribute their content. Yes, they might have to strike a deal with some of the platforms, but if that is where young people are, it is where we should increasingly be thinking about expecting to see things being made available, rather than always trying to defend the traditional ways of viewing things, even though those will remain important, particularly for older viewers.

Q57 **Damian Hinds:** Given that quality news costs to produce, do you have a view, or should Ofcom have a view, on how the distributors of quality news are remunerated by the platforms on which they appear? In other words, what is a fair formula for ad revenue share?

Dame Melanie Dawes: Again, that is quite a topical debate at the moment. The Australians have recently made some moves in that area to set out some formal rules. The CMA is doing the study that I referred to earlier. It is quite a live debate.

Q58 **Damian Hinds:** Yes, indeed. I am just wondering if you have a view in that debate.

Dame Melanie Dawes: All of these things need to be brought to bear. I do not think we will create a sustainable PSB system for the future without a number of different interventions. We need to think about where public funding is needed, the future of advertising, things like prominence and wider regulation. This question about news and advertising online is another important piece of the jigsaw, and it needs looking at. It is being looked at at the moment by the CMA, and we are staying quite close to that.

Q59 **Damian Hinds:** In a world where, among young people aged 16 to 24,



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all the growth in their viewership or in the share of their media consumption time has been either in streaming services or, more particularly, in YouTube—they may see content from the BBC, Channel 4, ITV or whomsoever—how does your role change?

Dame Melanie Dawes: If we have the online harms regime alongside our broadcasting role, it gives us a pretty broad view of what is going on and of what matters. Our research shows at the moment that, for 12 to 15-year-olds, the BBC—in fact, BBC One—is still their go-to news source, which is interesting. All the other news sources they go to are online, whereas for adults, after the BBC, you tend to find the other PSBs, Sky and the newspapers.

It changes and, as I say, potentially broadens Ofcom's role because we will be able to join up the dots a lot more. I wonder if I have answered your question properly there, though.

Q60 **Steve Brine:** How do you think the PSBs have handled the crisis so far, in your personal view?

Dame Melanie Dawes: In my personal view, they have handled it really well. They have had huge challenges. As we have been discussing, they have had big issues around revenue just falling away on the advertising side, even though the BBC has come under financial pressure as well, and production had to be largely halted almost immediately with social distancing rules coming in. Despite that, they have done a really good job of informing, educating and entertaining the public over this period, alongside the streamers. As I said earlier, it also shows some of the challenges that they face in even sharper relief.

Q61 **Steve Brine:** Do you think they could have done more to protect themselves financially in this unprecedented situation?

Dame Melanie Dawes: That is a question a lot of companies are asking themselves across the economy as a whole—

Q62 **Steve Brine:** Are you asking them that question? Every organisation has a risk register, doesn't it?

Dame Melanie Dawes: Sorry, I did not realise you were asking whether we were having that conversation. We are certainly talking to them about what is going on. It is for them to manage their overall financial position; it is not for Ofcom to oversee. We do not have a role in that respect. We have certainly been keeping a very close eye on things, and I know some of them have been talking to Government. This is a very competitive industry, more and more so.

I am not sure that you are saying this, but I think it would be a bit unfair to say they should have been better prepared financially coming in. They all have plans and strategies in place to keep growing, and those have taken a bit of a knock from the virus. Some of that was very hard for them to prevent.



Q63 **Steve Brine:** Yes. They have been given this 12-week grace period around their public sector obligations. Could you talk us through how that came to pass? I am not sure an awful lot of the public watching this will understand the obligations and what the grace period is exactly designed to do. Could you touch on that?

Dame Melanie Dawes: What we did very quickly was issue a statement to all our industries—but the broadcasters were some of those that needed it the most—to say that although we have not changed any rules, and that is important for me to emphasise, we will be flexible about enforcing if people do not meet targets that are almost impossible for them to meet, given the circumstances. In fact, we have extended until the end of the year that approach on the broadcasting front. We have recently announced that we are giving a longer period of forbearance.

Having said that, on things like, for example, regional quotas, we are cautiously optimistic that over the year as a whole, which is the period over which the targets apply, the broadcasters will largely be able to meet their previous commitments. Where they cannot, we will want to know why and what they are doing to get back on track for next year. We are going to stay very flexible around this.

Q64 **Steve Brine:** That is good to hear. Presumably you talk to your opposite numbers around the world and hear how they have approached this. How has the response to the crisis from our PSBs measured up to how they have done it in other countries?

Dame Melanie Dawes: Yes, I have begun some of those introductory conversations. I have not completed them by any means yet, but we do keep a close eye. To be honest, I am not sure I can add a great deal. I do not have any information on what has gone on in Europe or elsewhere, but there are few countries that have a system that is of such a high standard as our public service broadcasters in the UK. As I say, I think what they have managed to pull off during this crisis has been pretty impressive, given the circumstances they have faced.

Chair: We are going to take a short break, as we will have a moment's silence at 11 o'clock to remember the victims of the Reading attack. We will be resuming at 11.01 am. Please stay on the line.

One minute's silence was observed.

Q65 **Chair:** We are resuming the hearing into the work of Ofcom. Dame Melanie, before I turn to Julie Elliott on regional broadcasting and how the BBC has been slashing regional news coverage, I am intrigued to find out what your impressions are of how forthcoming the BBC has been about complaints. I know your predecessor had a little bit of frustration about how the early part of the regulatory regime was working in that respect. Is it being as open and transparent as it needs to be when it



comes to complaints?

Dame Melanie Dawes: It has room for improvement here. We are still only three years into this new relationship with the BBC and things are still evolving. We are learning things on both sides.

On complaints specifically, the Naga Munchetty episode last year clearly highlighted for us that there were real issues around the transparency of the process and how the BBC was operating it. We required it to publish a lot more data. We were glad to see that it has overhauled all its processes and published new ones, just a couple of days ago in fact. We will keep a close eye on this. It is a really important part of how the public are able to challenge the BBC when they need to.

Q66 **Chair:** Yes, but you are saying there is room for improvement. I have to say that, after three years, room for improvement seems quite short of the mark in many respects. Are you saying that, effectively, you have seen an improvement recently? Would that be fair?

Dame Melanie Dawes: We have seen an improvement recently and, as I say, it was quite clear last year that there was significant room for improvement. It has done things to put better processes in place, but we will keep a very close eye on this.

Q67 **Julie Elliott:** Good morning, Melanie, and welcome to the Committee. This is the first time you have appeared before the Committee in this role.

I want to talk about the BBC's regional coverage. You may have seen my questions last week to the BBC. I understand that, as part of the BBC's operating licence, one of the things Ofcom must ensure is that audiences in England, Scotland, Wales and Northern Ireland are well served. In fact, last night, in an adjournment debate in the House on this very issue, the Minister said that providing regional coverage is one of the purposes that the BBC is required to fulfil. That is what the BBC has to do. That is what you, as the regulator, have to make sure happens. Yet, at the moment, in the regions of England there is no current affairs coverage at all. *Inside Out* has been scrapped for the foreseeable future. Regional elements of *Sunday Politics* are not happening, with no date for it to start again. Do you think that is fulfilling what the BBC is meant to be doing?

Dame Melanie Dawes: I know there are very strong views on this, and the BBC has had really serious representations only this week on the specific programmes you mention. It does need to answer those questions. It is a very important part of its remit that it represents the whole of the UK. It does mean that particularly sometimes in the English regions, because they do not have their own channels, they can end up feeling that they are not represented adequately by the BBC.

Q68 **Julie Elliott:** This first came to light in the BBC's annual plan this year, where it says that it is going to look at changes and said, "These proposals are likely to require changes to the BBC's Operating Licence",



for which it would have to come to Ofcom. Have there been any discussions, formal or informal, with Ofcom on this subject?

Dame Melanie Dawes: I am not aware of where it has got to in terms of that specific licensing decision but, as you say, it is something we would need to agree with the BBC. We will expect to ask it questions, if it is changing some of its programming, on what it is doing instead to make sure that the needs of its viewers are met. I am not absolutely sure about what conversations have taken place so far but, as you say, they do need to take place, and that is part of what we do as a regulator.

Q69 **Julie Elliott:** Is it not Ofcom's job and your job, as chief executive officer, to know whether formal discussions have happened? Can you go away and find out what formal or informal discussions have happened and write to the Committee on that?

Dame Melanie Dawes: Yes, I am very happy to do that. I am sorry, but I am simply not aware of whether the discussions have taken place yet. We have had a number of discussions on the annual report, which came out reasonably recently. I am very happy to give you an update on that, and I am sorry that I do not have that information today.

Q70 **Julie Elliott:** Thank you. No, it is fine. Can I just stress the importance of knowing whether formal or informal discussions have taken place, both things?

Dame Melanie Dawes: Yes.

Q71 **Julie Elliott:** Will you be resisting any attempt by the BBC to dilute the dedicated regional programming we already have in England?

Dame Melanie Dawes: We would expect to be asking really hard questions about why the changes are being introduced and, as I say, about whether the balance is being maintained overall. There are conditions set out in the current licensing arrangements, and it is something to which we attach a really high priority. I can certainly reassure you of that. It may be that a different balance is okay, but we would expect the BBC to be able to demonstrate that and to show that it has done the research into what its users want and need, and that it is acting on the basis of that and not for some other reason.

Q72 **Julie Elliott:** You have just said the difference in balance might be okay. That alarms me a little. I am in the north-east and Cumbria region of the BBC, which has the same population as Wales, twice the population of Northern Ireland and only a couple of million less than Scotland, and yet we have no regional current affairs or regional politics programmes at all at the moment, in line with every other region in England. Yet the different balance might be okay. I am very surprised at that. At the moment *Inside Out* is scrapped for the September series, and there is no date yet for regional politics to come back on Sundays. When would you expect the BBC to start formal discussions with Ofcom, bearing in mind this is for September programming?



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Dame Melanie Dawes: Things are in train already. Where this is going to affect their commitments for this year, those discussions are already in train and I can confirm that. As I said earlier, the whole question of regional quotas is really high in Ofcom's mind in holding the PSBs to account during this period.

In the end, if they are not doing any new production, it is very hard for them to meet formal quotas because the numbers just do not stack up, but if they are going to remove programmes that are really popular with the viewer—when I said it could be okay to change the balance, what I meant is that sometimes programmes fall in popularity and it is right to shift the focus and provide a different offer. We would not support that unless it took place in the context of the overall offer to the viewer remaining really strong and recognising, as I said, that the regions of England do not have their own TV channels, so individual programmes really matter.

Q73 **Julie Elliott:** If you are saying that things might change—things evolving is the gist of what you said—and there might be a different offer, would you think it acceptable if we currently have half an hour a week of regional political programming on a Sunday, until Covid started and it stopped happening at all, and then *Inside Out*—would you expect the same amount of time to be devoted to that type of broadcasting, even if it is in a different format?

Dame Melanie Dawes: Yes. It would be pretty hard to argue, if you were reducing the amount of time, that you were still serving the needs of the viewer, unless the programmes were very unpopular, hardly watched and so on. It has to be taken a little bit in the round. In the end, the overall programming schedule is for the BBC to determine, but these are the sorts of dialogues that we have with it. We are very happy—indeed, we see it as our job—to be very robust about those conversations when we need to be.

Q74 **Julie Elliott:** If any such changes are proposed to the BBC's operating licence around this particular issue, will you be putting that out to public consultation?

Dame Melanie Dawes: I am not sure I can answer that question. I would not want to mislead you with a yes or no answer, but I am very happy to write with more information about what conversations have already been had, both about the short term and the longer term, and also about what Ofcom's next steps would be on any of that, if that is helpful.

Q75 **Julie Elliott:** Yes, including whether it would be going out to public consultation?

Dame Melanie Dawes: Yes.

Julie Elliott: Lovely. Thank you very much.



Q76 **Steve Brine:** Do you see Ofcom as the guardian of the public interest in this kind of stuff? With respect to some of your responses to Julie Elliott, you seem rather passive about all of this. You talked about popularity, and about programmes waning in popularity. I represent a seat in Hampshire, Winchester. BBC South serves some 8 million people. On a Sunday, the BBC South politics programme in our area has an audience bigger than Andy Marr, so there was no waning of popularity. In the adjournment debate in the House of Commons last night, a number of MPs across the House made similar points. I wonder whether we can have a more muscular opinion from Ofcom about this.

Dame Melanie Dawes: To answer your question, yes, we do think we are there to defend the public interest and to make sure that the BBC and others are putting on what they are required to do in accordance with their overall remit.

If there is any hesitation on my part, it is because they are individual scheduling decisions. If Ofcom gets into those and starts to express a view on every single programme and whether it should continue, whether it should be moved and so on, we really are interfering in matters that are properly for the companies themselves.

When it comes to something like this, where there are really strong opinions and where people can very easily be left out of the mainstream offer because it just is not relevant to them and to their local area, that is where we would expect to be asking a lot of questions. That is already happening, but Ofcom will play its part in it, too, and is expecting answers, I should add.

Q77 **Philip Davies:** Dame Melanie, welcome. Do you think there are legitimate concerns about the political bias of the BBC and, for example, *Channel 4 News*?

Dame Melanie Dawes: It is a much debated issue, isn't it? What our research shows is that trust in our PSB news coverage has been higher than ever during these last few months of the pandemic. People have known that they can get impartial and accurate information from the PSBs, including the BBC. Generally speaking, our research shows that that confidence has held up for a number of years, but we saw a survey from Reuters recently, in January and February, showing there had been a decline, particularly for the BBC but also for others. I do not think it is something they can take for granted.

We did a big review of BBC News specifically last year, and it showed that while trust is still there, people expect the BBC to be airing all sides of the argument and that it does not need to be passive. It should trust in its strong investigative journalism and the quality of its people, and it should be bold. I do not think, personally, that—from the point of view of our research—you can see a crisis in that data, but it is existential to the BBC that it is able to continue to persuade that it can be trusted to draw the right line.



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Q78 **Philip Davies:** You are the chief executive of the regulator. I want to know what you think. Do you think there are legitimate concerns about the political bias in the BBC and, for example, *Channel 4 News*?

Dame Melanie Dawes: Not when I look at the overall data, no. In the years that we have been regulating the BBC, Ofcom has not upheld a complaint on the question of impartiality. As I was saying earlier, it is really important that the BBC is much more transparent about its complaints, and in this respect particularly. We have asked it to do that, and it will be publishing more data on it. That will be another way that we can look and see what people are complaining about and what the BBC is doing about those complaints.

Q79 **Philip Davies:** You have hit the nail on the head about Ofcom not upholding a complaint. Basically, to millions of people in the country, you have a metropolitan, remain-dominated, liberal, middle-class, left-leaning regulator marking the homework of metropolitan, remain-dominated, liberal, middle-class, left-leaning broadcasters. Millions of people in the country see that as a massive issue. Do you not see there is a problem there?

Dame Melanie Dawes: I do not accept that characterisation of Ofcom, no. If you look at our decisions—as I say, we have had relatively few come through about the BBC’s news coverage—on impartiality around news and current affairs, you can see that we really do prioritise freedom of speech and have often supported broadcasters where there have been a lot of complaints that somebody has been too challenging, too rumbustious, crossing a line. We have said, “No, we think it is okay. The balance was there.” We have a long track record in this, and I do not accept that characterisation of Ofcom and our decision-making.

Q80 **Philip Davies:** Let me give you an example. Have you looked at, for example, the number of BBC programmes that have explored the threats and dangers of Brexit and the number of BBC programmes that have focused on the opportunities of Brexit? Have you done any kind of analysis like that?

Dame Melanie Dawes: I am not aware that Ofcom has done any analysis like that. As I say, I only arrived as chief executive three months ago.

Q81 **Philip Davies:** Would you not think that the public might expect that overall, in the four years since we voted to leave, there might have been pretty much a balance in the BBC exploring those two things? Just as an example, do you not think people might expect a balance in those sorts of things?

Dame Melanie Dawes: I think the public do expect a balance, yes. As I say, we have looked at the BBC’s news coverage overall. I do not think we have specifically looked at the balance of its coverage on leave versus remain, pro-Brexit versus anti-Brexit or whatever. I am certainly not



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aware of that, bearing in mind I arrived at Ofcom only in the last few months, but these are important questions.

These are quite polarising issues, aren't they? People hold very strong opinions on all sides of the debate, and it is our broadcasters' job—not just the BBC—to bring all of those various views and differences to the debate. That is what we expect of it.

Q82 Philip Davies: Absolutely, so will you go away and ask the broadcasters to provide evidence to Ofcom of the balance they have provided in their programming between the opportunities and the dangers and threats of Brexit? Will you go away and ask them for their evidence to show that there is balance in these London-centric, remain-dominated, metropolitan broadcasters? You do not seem to notice, but I think you need to get out a bit more into the rest of the country. Lots of people around the country do see this bias, and it seems that Ofcom is completely oblivious to it.

Dame Melanie Dawes: Just to be clear, I said I do not accept that characterisation of Ofcom. I think that the BBC and others have more to do to persuade people that the decisions they take are not too London-dominated. Ms Elliott was raising questions earlier about specific programmes. The other thing that is really important is who holds the budget and who makes the commissioning decisions. It is not just where programmes are made; it is also where the decisions are made. For example, Channel 4's decision to set up a new base in Leeds is a really good thing in that respect. I would challenge the BBC to change the balance of its decision-making.

Q83 Philip Davies: Basically, the upshot of this conversation is that you do not think there is any legitimate concern about the political bias of programmes like *Channel 4 News*? You do not think they have a political agenda, a left-leaning agenda or anything like that? You have not seen any evidence of that in your role as chief executive of the regulator, who presumably watches these things? You have not seen in your time any evidence of that at all? Is that what you are saying to me today?

Dame Melanie Dawes: I have been in Ofcom for just over three months and I can say, first, that the question is a really important one. We looked into Channel 4 quite recently and concluded that it was broadly fulfilling its remit. We also looked into BBC News. We need to keep them under close scrutiny in that respect. This is incredibly important, as I said earlier. It is existential, if you are a public service broadcaster, that you can be trusted for impartial and accurate news coverage.

The debate here is a challenging one for the broadcasters to operate in. I would be amazed if we ever got to a situation where there was no disagreement about whether there was bias. The very nature of our politics and of the public debate in the UK is to air the issues, and sometimes to air them with really strong views. Our PSBs are trying to steer a line down there.



I am not saying that I do not think there are any issues for our PSBs. I am saying that their jobs are quite challenging. I work on the evidence, rather than on my own personal opinions, and that is what Ofcom is there to do. At this stage, we do not see any particular trends here that suggest there is some kind of sectoral decline in the ability of either Channel 4 or the BBC to steer their way through this. Perhaps you will not agree with me.

- Q84** **Damian Green:** I want to pick up on one very niche area of impartiality, partly because it is new and has emerged in the last few years. I would be interested to know if Ofcom has a view on it. It is the development of the personality current affairs presenter. It used to be the case that, in the traditional words of the BBC, anyone who was presenting a news programme or current affairs programme had to leave their opinions at the door, and that was adopted by all other broadcasters as well. Now that has been relaxed, and we get very good broadcasters on either side of the political divide who make no secret of it. On the right, Iain Dale, Julia Hartley-Brewer, people like that. On the left, people like James O'Brien and Shelagh Fogarty.

The BBC insists that its presenters do not do this, which is itself controversial, but what is Ofcom's view about this? Where is the line drawn about somebody presenting a political show who has clearly expressed their views and does so continually? Are there any rules now, or does anything go?

Dame Melanie Dawes: No, I think it does matter. It is very hard to argue that you are providing an impartial service if the views of your key presenters and journalists are evident in the way they are doing their job. It is a good thing, for example, that the BBC is looking into social media because, for their political journalists and those covering news and current affairs in particular, the perception of bias and personal opinion swaying what they do is really important. This is a very important area, and it is all part of how you persuade people that you are maintaining the right standards.

- Q85** **Damian Green:** I am not particularly talking about the BBC here—that is a separate debate—but other broadcasters who come under your general regulatory purview. I suppose the prime example is they will use Members of Parliament—Jacob Rees-Mogg presents a show—or non-Members of Parliament. Nigel Farage has presented a show in the past. If that is acceptable, why isn't it acceptable for individual journalists to project their views on social media or, indeed, when they are presenting a show?

Dame Melanie Dawes: The role of those presenting the shows is, generally, to provide an impartial service, to bring people's views to the table. That is why the impartiality of presenters is so important. It does not mean, though, that every show has to have only impartial, very neutral—extremely boring, probably—content, and it does not mean that you cannot have shows presented by people who clearly come from one



side of the debate rather than another. It is all about balance. When you are presenting a news programme, the role of the presenter to be neutral and to be seen to be neutral is quite a core part of the impartiality of those programmes.

Q86 Damian Green: You draw a line between news programmes and discussion programmes. They often have phone-ins on the radio, and things like that. Those are two separate things as far as you are concerned?

Dame Melanie Dawes: The role of the host is important as well, the role of the person who is presenting and compering the discussion.

Q87 Damian Green: Is any of this written down somewhere? Is there Ofcom guidance on this? It strikes me from first principles that it would be extremely difficult to write, but have you written it?

Dame Melanie Dawes: Our broadcasting code sets out the general principles, and then it is a job, specifically in the case of the BBC, for the corporation as a whole to turn that into operational guidance. From time to time, it is the kind of thing that we might look at. I am not aware that there has been a great disagreement between Ofcom and the companies we regulate here. Obviously, there has been one very high-profile case for the BBC recently, which is going through its complaints system, and I do not want to comment on it specifically because it might come to Ofcom later. I do not think this is an area that is very contested at the moment. There is a question around social media, which is certainly being looked into by the BBC, and that is a good thing. It matters.

Q88 Damian Green: As increasing numbers of news and current affairs services are being set up to compete with the BBC, some of them connected to newspaper groups and so on, where it is clearly in their commercial interest to weaken the BBC, are presenters under any constraint from expressing views that they may have expressed in their individual newspaper columns saying that the BBC should be closed down or defunded, or something like that? Are there any Ofcom rules that stop them doing that when they are broadcasting?

Dame Melanie Dawes: I am not aware of any specific rules on this, no. I am very happy to take that one away and answer the question properly for you, but I am not aware of anything.

Damian Green: Thank you.

Q89 John Nicolson: It looks very much as if the BBC will again delay hitting pensioners with new television licence fees. Pensioners currently get free TV licences but will have to pay for them in the future under a deal struck by the BBC Director-General, Tony Hall, and the Government. With the benefit of a bit of hindsight, how much damage do you think that deal has done to the BBC and its ability to do its job?

Dame Melanie Dawes: It is clearly a really difficult problem for it to find its way through. As you say, there was a deal struck on funding as part of



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the last BBC Charter renewal around which the BBC is facing a lot of real difficulty. Has it damaged the BBC? It is hard to say. I think most people who look into this can see the challenges they face in that it is quite a difficult set of choices, and it did do a deal around it. The question is what it does next. That is a question for the board, and it is a difficult one.

Q90 John Nicolson: It is certainly damaging for pensioners who will have to find the TV licence fees themselves, and in this Covid crisis we know that many pensioners rely on their televisions to deal with loneliness and to keep them company. Only those who are in receipt of Universal Credit will get free TV licences. All of us know, as constituency MPs, that many people who are entitled to Universal Credit do not claim it, for a variety of different reasons, so many people will struggle to find the money for that.

I want to focus a bit on the BBC. I remember when Lord Hall appeared before our predecessor Committee and said this was a terrific deal and that it was widely celebrated among staff at the BBC. I remember saying to him, "You are certainly not talking to the same BBC staff that I am talking to." Let's just confirm exactly what the damage is. As I understand it, because of this delay, the BBC is going to have to make a further £125 million-worth of savings this year. Do you think that is accurate?

Dame Melanie Dawes: It is certainly what it has said, and I can see there is an inexorable fact that if it decides not to go ahead with the licence fee change, it will have a gap in its budget. It will have to do something about that. I do not envy it this choice. It is a very difficult one. As you said, older people are much more reliant on their TVs—

Q91 John Nicolson: Nobody forced Lord Hall to do this. In fact, when a previous Government tried to do this to the BBC, the Director-General threatened to resign over it, as did his board. Lord Hall has confirmed he never made that threat, so it was very much the Director-General's choice to go ahead with this. The consequences were obvious.

The figures on employment are really shocking. You were talking to some of my fellow Committee members about regional broadcasting in England and job losses. One of the reasons that it cannot afford regional broadcasting in England is because of this, and it has had to make so many cuts because of it. There are 450 job cuts in BBC News alone. That is a shocking figure, isn't it?

Dame Melanie Dawes: It is a very high figure, and the BBC has not been immune from some of the problems of the lockdown. It has added to its costs and reduced its revenues. It has had to halt production, and some of its commercial income has been reduced. It is very challenging for it, as well as for those broadcasters that are relying on advertising where the hit has been even greater. These are really difficult choices for it and, as I say, I do not envy it the decision-making, but the numbers do seem to be quite clear about the overall financial hit.

Q92 John Nicolson: It is certainly challenging for the 450 people who are not



going to be able to pay their rent or their mortgage, and for their families. A series of human tragedies has unfolded because of this—professional tragedies, employment tragedies—just at the BBC alone. This is a time, surely, when, given the challenges of fake news and disinformation, we need more journalists working for public service broadcasters, not fewer. These job losses are the direct result of a deal that Lord Hall did with the Government, and a whole series of awful consequences has unfolding for the BBC and its staff. What advice would you give to the next Director-General about how he should repair some of this damage?

Dame Melanie Dawes: Longer term, the BBC needs a really clear strategy. To some extent it has made moves towards being able to generate more commercial income from overseas and so on, but some of the longer-term pressures on it from alternative sources of entertainment are very evident, as we have been discussing already this morning. It is going to need a strategy to find its way through what is quite a challenging set of problems.

The licence fee is still in place, of course—Ministers have been very clear about that—until the next licence fee renewal, so it has a period of time, and I hope that our proposals will contribute to this, although it is definitely not just about the BBC. It has some time to think through how it is going to be able to balance all of its different competing objectives. I think a new strategy is clearly what the new DG is going to need to focus on. I am meeting him early next week for the first time in his new role, and I am looking forward to hearing what his thoughts are.

Q93 **John Nicolson:** I certainly hope that the new Director-General does well, and I welcome him to his post, but given how much focus there has been recently on diversity and how poor the BBC's record is on diversity, were you a little bit disappointed that we find ourselves once again with a white, middle-aged man as the BBC boss? I am very conscious that this Committee is not exactly diverse, so people will think this is a hypocritical question, but are you a little bit disappointed?

Dame Melanie Dawes: It is a bit unfair to talk about just one appointment.

Q94 **John Nicolson:** Let's talk about all the appointments. The BBC is not diverse.

Dame Melanie Dawes: Exactly.

John Nicolson: He is the boss of the BBC, so there is a great deal of symbolism attached. We are about to replace a Member of the unelected House of Lords, a white, middle-aged man who is the current Director-General—I always think it is bizarre for journalists to go into the House of Lords and accept titles—with another white, middle-aged man. This is no disrespect to him as an individual, but it is not a good look when we are trying to encourage diversity, is it?



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Dame Melanie Dawes: As I say, I would not focus on just the one appointment. What I think we need to do is look across the whole of the BBC's structure, and it is clearly not representative on most measures, whether that is gender, ethnicity, disability and so on. That is an issue. As I was saying earlier, even if it was more representative, a lot of the decision-making is done in London and that leads to a certain London-centricity. I do not think you can avoid that being a consequence if everything is going on inside the M25 by way of decision-making. This is really important for the BBC.

It made a big move yesterday with its announcement about what it is doing on diversity and inclusion. That was very welcome, but if it is going to continue to be compelling to the country as a whole, tackling these problems is something that it has to do both in front of the screen and behind the screen.

John Nicolson: I would certainly echo that. Lots of great journalists work at the BBC in Scotland, but we know in Scotland the BBC is less trusted than in any other part of the UK, and that is the BBC's own analysis of its performance.

Q95 **Chair:** Finally, on the subject of BBC funding, is the BBC's idea of an ISP broadband levy to pay for public service broadcasting a goer?

Dame Melanie Dawes: In the end, for the precise mechanism by which the BBC is funded through the public purse, there are lots of different options. I spent a number of years in the Treasury looking at different tax policy proposals. The bigger question that Ofcom will address is where public funding is likely to be needed, rather than the precise mechanism by which it is provided.

The great advantage of the licence fee, having said that, is that it is dedicated, it is predictable and the BBC has more control over it. Once you move away from those models, you are much more dependent on the vagaries of the economy. It is a less stable form of income. At this stage, I would say all ideas are surely welcome.

Q96 **Chair:** This cuts across two of your areas: digital and public service broadcasters. What are your thoughts about the idea of effectively a poll tax being imposed on broadband provision in order to service public service broadcasting? Is that a good idea, yes or no?

Dame Melanie Dawes: It is an option. Whenever you are designing a tax policy intervention, you need to look at the base you are charging it on—is it reliable, is it stable—particularly if it is hypothecated and going towards a service that cannot flex its spending up and down every month in accordance with the tax revenues.

A tax on broadband services that people buy for their homes would certainly go straight to the consumer pocket. Whether it would have any impact on the service providers, which I think is what people are trying to get at here, to tax the internet platforms, I am not sure that would reach



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into them. It would instead reach into the telecoms providers. You might think that is a good idea, but it is probably going to have a slightly different impact. I am now talking about the design of tax policy, which, given some of my background, I am always tempted to do, but these are questions largely for the Treasury.

Q97 Chair: Yes, but you must have a view about whether or not, for example, such a tax would damage the digital infrastructure and the take-up of broadband, an issue we have discussed during this session. You must have a view on this.

Dame Melanie Dawes: Yes. I have just said it would go to that bottom line, wouldn't it? There are already issues where, even when broadband coverage is available, people do not always take it up. That is not always for affordability reasons. In fact, our research shows that affordability is relatively low down the reasons why people do not take up those offers. The more you marginally change those prices, the more you are going to affect people's willingness to take up the better services, the fibre services that we want as many households as possible to reach.

I would also be worried if that had a bigger impact on lower-income households, where we know take-up is lower than it is for everybody else, including families with children, which is a particular concern. These are all things that people weigh up.

Q98 Chair: The plan will damage lower-income households and will also lead to a deterioration of the digital infrastructure. That is fair enough, isn't it?

Dame Melanie Dawes: Yes, it could slow down investment. The devil will be in the detail, and I think I am now significantly reaching beyond Ofcom's remit in talking about detailed design of tax proposals. I am always happy to share my views where I can.

Q99 Kevin Brennan: Briefly, in the last few minutes BBC Wales has announced that it is making 60 posts redundant. Similar announcements were made in BBC Scotland and BBC Northern Ireland at the same time this morning. Following on from what John Nicolson was saying earlier, what is your reaction to the announcement of those redundancies, which are part of the £125 million savings that the BBC is now being required to make?

Dame Melanie Dawes: It is really sad. As John Nicolson was saying earlier, this is people's livelihoods, families' incomes. What we are seeing here are some of the consequences of the lockdown being felt in different industries, including the BBC, even though that might seem surprising given that it is licence fee funded. As I said, the pandemic has had a wider impact on its finances. It is very regrettable but, in the end, the BBC now has some big decisions to make about its future strategy. It is not easy for it, but I hope Ofcom can contribute to the debate and provide some ideas and some challenge as well.

Chair: Thank you very much for your evidence today, Dame Melanie



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Dawes, CEO of Ofcom. I am sorry it has overrun, but that is the nature of things in such a lively debating area. Thank you.