

Digital, Culture, Media and Sport Committee

Oral evidence: The Work of the Department for Digital, Culture, Media and Sport, HC 361

Wednesday, 11 October 2017

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Members present: Damian Collins (Chair); Julie Elliott; Paul Farrelly; Simon Hart; Julian Knight; Ian C. Lucas; Christian Matheson; Brendan O'Hara; Rebecca Pow; Jo Stevens; Giles Watling

Questions 1 -208

Witness

I: Rt Hon Karen Bradley MP, Secretary of State for Digital, Culture, Media and Sport

Examination of witness

Rt Hon Karen Bradley MP.

Q1 **Chair:** Good afternoon and welcome to this session of the Digital, Culture, Media and Sport Select Committee on the work of the Department. We are delighted to have the Secretary of State with us this afternoon. For the benefit of people in the room and anyone else watching the proceedings live, there is a very high probability that we will be disturbed by a vote in the House of Commons during the course of the session. If that happens the Committee proceedings will be suspended but we will return to continue our questioning as soon as possible after the vote.

Secretary of State, if I could start with the announcement that you have made today on the Government's internet safety strategy, a very important document in its own right and coming out in the new legislation as well. In the Conservative party manifesto there was considerable emphasis on the sanctions regime for non-compliance with future codes of conduct and, indeed, some of the law at the moment. Many people will be aware that sometimes these social media platforms are supporting

content that is not just in breach of the law but in breach of their own community guidelines. Do you believe there has to be some clear underpinning sanctions to any future regime of good governance and good compliance from the social media companies?

Karen Bradley: Thank you very much, Mr Chair, and I am glad that I could extend the name of this Committee to Digital, Culture, Media and Sport to take you from the CMS Committee to the DCMS Committee. I think that is a great achievement for me.

You talk about the internet safety strategy. I think it is worth putting into context where it sits inside the digital charter, because it is a pillar of the digital charter that we talked about in the manifesto. Then perhaps I can come on to how we envisage it perhaps working in the future.

The digital charter, which builds on the digital strategy that we launched earlier this year—you can see why digital is now in our name because digital comes up quite a lot—is about making the UK the best place to run a digital business, to use digital in your business, to exploit the opportunities the internet provides but to do so in the safest way possible. I do want to be clear: I mean the UK to be the safest place to be online, not the internet, as I misspoke earlier on Radio 4.

As part of that, the internet safety strategy is clearly a very important part of how we make sure we keep people safe online. This Green Paper that we are releasing today is the first stage in that internet safety strategy. So this is the consultation paper. This is the normal way Government would carry out business, a Green Paper followed by a White Paper and then potentially legislation if that is needed.

So today we are starting the discussion. What do we need to do? How do we best do it? I would welcome comments from industry, from interested parties, from academia, from elsewhere about how we actually make this work. I rule nothing out. I would like to do as little legislatively as is possible because I think legislation is a blunt instrument that often does not deliver what you want it to deliver, but I don't rule out bringing in new laws if that is what is required. I think the sanctions you are talking about refer to the code of conduct. Of course, the code of conduct does have statutory underpinning. We did legislate for a code of conduct in the Digital Economy Act but we now need to flesh out how that code of conduct will work and how exactly we do hold internet companies to account.

Q2 **Chair:** That includes—as it says in the Green Paper—if necessary a sanctions regime to ensure compliance?

Karen Bradley: That is right. The first part of the process is to get to the point at which we can say with confidence that the UK is the safest place to be online. As I say, I rule nothing out. I would like to do things as quickly as possible and that generally does not involve legislation, but if it is felt it is needed then clearly we will be ready and willing to do whatever we need to do.

Q3 **Chair:** What is your general impression of things as they are at the moment? You could run this process and simply codify a series of protocols and practices that already exist, or it could herald something which is tougher and puts greater obligations on the companies. What is your view on where we are?

Karen Bradley: I think you are right, there has been an awful lot of good work and we perhaps have not given internet companies credit for some of the good work they have done, but there is no doubt that they need to do more. There is no doubt they need to go further. I sense a real willingness within the internet companies. I think I said earlier on the radio that there is a number of leading people from internet companies, people who have set up tech companies, perhaps in their 20s, who have said to me that they, when they set their internet company up, believed in freedom and liberty and they wanted to make the internet this place that would revolutionise the world and they didn't think of the consequences for people who were more vulnerable. Now they have teenagers themselves, they are recognising the limitations.

Let's be clear, the internet is a force for good. Remember when we had pen pals? It would be four or five weeks before you heard anything, it was such a slow process, there wasn't any real connection, you were just almost ticking the box on a school process. Now, a pen pal is someone you can Skype and you can be on Facetime with, and you can speak to, it is an amazing thing for young people. Incredible opportunity. For all our retailers, previously your marketplace was literally your physical marketplace, now the marketplace is the whole world thanks to digital. That is an incredible thing. We are this year going to see more devices connected to the internet, data connections to the internet, than there are people on the planet. This is an amazing opportunity but we have to do it in a safe way. That is why I say this is the start of the process in terms of consulting. I would like to see progress as quickly as possible. I am very much open to internet companies that want to come forward with suggestions and ideas, and I would like to hear from the Committee as well and from all interested parties so we can get this right and we can genuinely say that we are harnessing all the benefits of the internet but we are doing it in the safest way possible.

Q4 **Chair:** I suppose what I am getting at is, are you satisfied with the status quo?

Karen Bradley: No, clearly not, that is why we have published the Green Paper today. Clearly, we need to do more.

Q5 **Chair:** Last week the Home Secretary said that it was not enough for companies to take down harmful content but they should be acting to stop it going up in the first place. Do you sympathise with that view too?

Karen Bradley: I do. When I was working in the Home Office I used to work on the indecent images of children. Now, we have seen the internet companies being proactive. It was not quick. I am not saying to you that the internet companies immediately ran forward and said, "Yes, here we are faced with 4 billion pieces of content every day, we want to actively

monitor it and stop it going up in the first place” but there are technological solutions to these problems. We have seen it with indecent images of children, the fantastic work the Internet Watch Foundation does on its hash clearing house, where it is proactively looking and stopping those images going up before they are ever available for anybody who wants to view them. The only way we are going to stop the exploitation is if we stop the source material. We need to prevent as much as we need to pursue the bad guys.

So, absolutely, the status quo is not good enough, we do need to do more. It is quite clear that there has been unacceptable behaviour and it should be case that what goes on on your computer screen should be no different from the way someone would behave to you if they met you in the street. That is where we want to get to. There is no one silver bullet to do that. There is no one answer to the problem; if there was we would have all done it by now. But we have to start and we have to make progress on this and I want to work with the internet companies, I want to work with parents, I want to work with schools and I want to work with academia, I want to work with people who have great ideas with technological solutions to stop that content being there in the first place.

Q6 Chair: I know other colleagues want to come in on this but if I could just ask a couple more questions. The Green Paper, quite rightly I think, has its focus on stopping the distribution of harmful content but there are other types of content, which while not inducing the same amount of physical harm, is still serious. As you know, the Committee is investigating the impact of fake news on our media and on our democracy. A number of us were recently involved in a discussion about the way copyright infringement is exercised online and through closed groups, to make that easier as well. Do you feel that should be part of this strategy as well? Should a future code for the social media platforms include their social responsibilities to act against other sorts of content that could be considered harmful to society as well?

Karen Bradley: I am very interested to see the Committee’s results of the inquiry on fake news and you are right also to highlight the point about copyright infringement. That is a piece of work we are doing in the Department about how we protect intellectual property. How do we make sure that those content providers get properly rewarded for producing excellent content? We are never going to succeed as a country if we cannot let our creative minds produce amazing, incredible content that they get rewarded for. We are absolutely cognisant of that.

At this stage the internet safety strategy is about harmful content. We need to make sure we don’t get too much scope-creep on it at this stage. We need to get some positive outcomes from it, get some tangible deliverables and make progress, but use the learning we have had from indecent images of children, which is helping us on extremist content, which is helping us on harmful content, which will then help us on other content that is perhaps undermining society and democracy.

One of the things I get a lot in the tea room is you just need to ban anonymity. Well, for example, anonymity is a force for good in an oppressive regime. You need to be able to be anonymous to be able to speak freely where you are oppressed but in a liberal democracy it needs a different treatment. I would say that we need to work with the internet companies to get to a point where in a liberal democracy the internet is the force for good that it needs to be; it is not undermining that liberal democracy.

Q7 **Chair:** Effectively what you are doing is you are creating a schedule of social responsibility that companies have and a requirement that they act to fulfil them or if not face sanctions for failing to do so.

Karen Bradley: I don't know if you would call it a schedule.

Q8 **Chair:** A list? In your answer you listed a number of things out and we could add to that list as well, but that is effectively what it is, isn't it? You are saying to the companies, "You have a social responsibility to act against this sort of content, to take it down and act against the people putting it up where necessary, and if you don't do that then ultimately there will some form of sanction imposed on you".

Karen Bradley: That is what we want to consult on with the code of conduct.

Q9 **Chair:** But that is what it is, isn't it? What is in the code of conduct is out for consultation but, in essence, that is what it is, isn't it?

Karen Bradley: I guess you could portray it in that way but I am open to hearing if people have other suggestions for how best to describe it. I am not wedded to any one solution here. It is how we get to the right end result. It is the end that I am interested in.

Q10 **Chair:** Is that how you see it, though? You could put it in that way but what you have described is a list of obligations the companies will have and if they fail to meet those obligations then down the line there will be sanctions imposed on them.

Karen Bradley: It may well look like that but that is what we are consulting on, to find out how exactly it will look and how we make sure that we do deliver.

Q11 **Ian C. Lucas:** The UK is especially strong with artists, musicians, film and they are saying to me that there is quite an urgent situation in terms of continuing to have the UK as one of the best places in the world to do business within their particular field. You seem to be giving a lower priority to protecting them on the internet to the other avenues you have been discussing.

Karen Bradley: Absolutely not. There is no lower priority, I just think we have to tackle these things in different ways. So the issue about copyright protection is something that we have been looking at in the Department for a long time, working across Government with colleagues from BEIS and other Government Departments. As I said earlier, if a

creative brain cannot provide creative content that they can get monetary reward for, they will not provide that content.

It is interesting; I had meetings only this week with a number of the creative industries on exactly this point, how best we do it. We have taken some steps. We have worked on the optimisation, the algorithms, so that you don't get the pirated sites as the first things that come up when you put things into a search engine, which wasn't the case previously, but there is a lot more to do. We are looking very carefully and I think this comes to a point I suspect you may be alluding to about the status of the internet companies and whether they are a mere conduit or publisher, which I know came up yesterday in your session. We need to get the balance right. We need to get the balance right that we have a free vibrant internet that we can harness all the benefits from while protecting the intellectual property that is ultimately the thing that differentiates the United Kingdom from other parts of the world. We can commoditise anything but it is our creativity, our innovation that makes people want to buy British and we need to make sure that we are doing that. This means that we have to protect content so if it goes up on a pay wall it stays behind that pay wall, for example, because it quite rightly should do.

- Q12 **Ian C. Lucas:** What is your view, what is the balance? We had the chair and the chief executive of Ofcom here yesterday and I heard two different views from them. The chair certainly felt that the internet should be treated as publishers; the platform should be treated as publishers. Is that your view?

Karen Bradley: I am looking at this because I am not sure that the "publisher" definition in UK law would necessarily work in the way that I think people would like it to work. I think it would end up being very restrictive and making the internet not work in the way we wanted it to work. I am looking at this as part of another piece of work we are doing in the Department, but I want to be clear, there is no order of priority here, we happen to have launched the internet safety strategy today but that doesn't mean that is more or less important than the work we are doing on copyright protection. We are obviously looking to sign a sector deal for the creative industries and one of the very important parts of that is how we protect intellectual property.

- Q13 **Ian C. Lucas:** But shouldn't platforms be responsible for what is on their sites?

Karen Bradley: If you go down the route of a full publisher you would end up taking out some of the things that make the internet work and make the internet the vibrant place it is, but being a mere conduit, which is what they legally are at the moment, is clearly giving concern. So I am looking at what the balance is, how we get this right so that we have the right status for companies, so we protect intellectual property while making sure that the internet thrives.

- Q14 **Chair:** From what you said, though, you clearly regard the companies as

more than just mere conduits?

Karen Bradley: I am looking at this matter. We have teams looking at this, we are discussing this matter with both the internet companies and those representatives from the creative industries who are concerned about protection of copyright, protection of their content. It probably would not be right for me to say anymore at this stage but I am acutely aware of the issue and I am making sure that we do address it.

Q15 **Chair:** If the result of that is that the platforms are seen as more than just conduits there may be some new definition in law, even if it is not that of a publisher.

Karen Bradley: As with the internet safety strategy, nothing is ruled out.

Q16 **Simon Hart:** You were saying to Ian Lucas that if you defined social media platforms as publishers there would be some way that would have a negative impact on the way in which the internet is intended to work. Expand on that. I know that at some point—

Karen Bradley: If I give you the example of a newspaper website and they have an obligation to moderate the comments that are underneath any of their articles, so you don't get a free and open discussion because there is a degree of moderation going on to ensure that the information that is there is appropriate. Now, we want to have that level of appropriateness there but also within the internet, within social media, you have much more freedom to express yourself than you perhaps do when you are regulated by a regulator like Ofcom in the case of a broadcaster. I think we just have to be really careful.

Q17 **Simon Hart:** I take your point on that if we could say with certainty that the platforms never moderate the comments on their platform but they do, they have already taken that step. They already do occasionally step in and remove material, which, in their view, is inappropriate. So they have already become publishers.

Karen Bradley: I would disagree with that. I think they will remove content when it is reported or if it is illegal. So things like indecent images of children they will proactively remove, likewise radicalisation material, they will act to remove.

Q18 **Simon Hart:** So a picture of a woman breastfeeding, which is removed by Facebook, does that fit into that category?

Karen Bradley: That was an example of where the internet companies perhaps did not understand or interpret what was an acceptable photograph, an image, to be on Facebook. But I think we need to be careful here that what we do is not a sledgehammer to crack a nut, a piece of legislation where we say under UK common law these platforms are now publishers, which could impact on freedom of speech, civil liberties and the ability of people to enjoy the benefits that the internet brings. We have to do this in a way that does not allow harm.

Q19 **Simon Hart:** A second question on that. The Germans have legislated up to a point in this area and apply significant fines in the event of certain material not being taken down. They have obviously taken a view that that strikes the right balance. Have we looked at that? Is that a problem for us, the German model?

Karen Bradley: We are looking at it, of course, but they have a different legal system and they have a different way of interpreting the legal system. We cannot just take what one country has done and do it. We cannot put the genie back in the bottle. The internet is there, the internet exists, there are things going on on the internet, some of which is like the wild west and that is why we need to do things like the internet safety strategy. We need to work with likeminded partners, likeminded countries and work with the internet provider companies themselves to get to the right result.

We are looking at what the Germans have done. We are acutely aware of what is going on around the world, we want to get this right for Britain.

Q20 **Simon Hart:** My last question on the anonymity point that you made earlier on is that while it would be perfectly reasonable to argue that anonymity helps those people who might want to expose all sorts of injustices in the country, would it not be sensible for the platform at least to be able to identify perpetrators so they have the data even if it is not for all of us to consume, but in the event of something untoward happening there is at least a trail that the law enforcement agencies can follow?

Karen Bradley: They absolutely can do that. That is the case. Let us be clear, on something like Twitter, you can now block all anonymous people. If you want to block anonymous people from being your followers or from contacting you, you can do that as a user of Twitter. These are things that have happened and we should applaud the internet companies when they do make positive changes like that, which reflect the fact that in a liberal democracy anonymity can be harmful.

Q21 **Simon Hart:** But it is not about me blocking people I don't like, it is about the police being able to identify people and take the necessary action quickly. That is what it is about.

Karen Bradley: But, again, when you register on Twitter you have to provide a certain amount of information. So while you may be anonymous to the general public on Twitter, the internet companies will have that information.

Simon Hart: But you can make it up.

Karen Bradley: Well, there will be an ISP, they have to provide certain information but in terms of the relationship law enforcement have with them, I do not want to go into that because that is obviously a matter for the Home Office and you might want to get the Home Secretary in for that particular question.

Q22 **Chair:** Thank you very much. We will move on to the Sky-Fox merger. I

appreciate you are limited in what you can say but I have some procedural questions that the Committee would like some help with.

First, in terms of the process down the line, once the CMA has published its finding in relation to the proposed Sky-Fox merger, what further steps would be taken by the Department to reach a final determination?

Karen Bradley: It is very difficult for me to say at this stage what further steps the Department will take because it depends on what the CMA report finds. They have 24 weeks. I asked them to start looking at this on 14 September. After 24 weeks they will report to me and they will give me recommendations based on the evidence. I will then follow the processes, as I have throughout, set out in the Enterprise Act 2002 and I will come to a decision based on their recommendations and the evidence before me. It would be difficult for me to say at this stage what that would look like because I simply do not know what they will recommend.

Q23 **Chair:** From what you have said it sounds like basically you will receive their advice, we do not know what that advice will be, and then you reach a determination on whether or not the deal should be allowed to go ahead or not, is that correct?

Karen Bradley: Yes.

Q24 **Chair:** That is the basic process?

Karen Bradley: Yes. The basic process is the final decision is a decision of the Secretary of State. That is a process that Parliament legislated for and I am following that process but it is very much based on the evidence. It is not based on any personal emotion or feelings or views about anybody involved. I have to be mindful of the fact that there are two parties who would like to merge for good commercial reasons while at the same time I am cognisant of the obligations of full media mergers in the Enterprise Act about ensuring that the public interest tests are met to make sure we continue with a media that works for the country.

Q25 **Chair:** I notice you said that the process is evidence based. We discussed this at some length yesterday with Ofcom. Sharon White, in her evidence to the Committee, said that she did not feel that the advice that she had given to you changed at all during summer but your position did, certainly in regards to referring on the grounds of broadcasting standards. So if Ofcom's advice to you had not changed, what was it that changed your mind?

Karen Bradley: You will recall in the process that I had asked Ofcom to report by 20 June, which they did. I came to the House a couple of weeks later to say on the basis of the advice Ofcom had given me I was minded to follow their recommendations insofar as to refer to the CMA on the basis of the public interest test regarding media plurality but not on commitment to broadcasting standards because they were unequivocal in their advice that there were no grounds. But Ofcom also recommended that there were undertakings in lieu that would mitigate the media plurality concerns and I did not accept them because they were

behavioural, not structural, and I did not feel, looking at the evidence before me and the laws in the Enterprise Act, that that was sufficient.

I then asked for further representations and further evidence. There were points that were made in those representations, of which we had about 43,000—I think 30-something were new substantive pieces of evidence—but there were concerns about the thresholds that should be applied for referral to the Competition and Markets Authority—that the threshold that had been applied in Ofcom’s advice may have been too high and that actually it was a lower threshold for whether it should go to the CMA. The legal advice I received was that that lower threshold did give cause for concern. There were also concerns about some of the non-fanciful—the fact that Ofcom said there were non-fanciful concerns that they had identified. Even though they didn’t feel that those non-fanciful concerns warranted a further investigation by the CMA, I had enough concern that the fact they were non-fanciful concerns about commitments to broadcasting standards should mean that, so there is complete confidence in whatever decision is taken by all parties and by all interested people, the CMA should look at this.

Q26 Chair: That is understood and I think your comments to the House were very clear on this as well. I think as a process it is quite interesting, because if the regulator is coming in front of the Committee and saying, “Yes, there was other information to be looked at but the substance of our recommendation never changed” but your discussion and the action the Department took did, what external factors had a bearing on that? From what you are saying, it sounds like it was separate legal advice that you sought through the process that differed in its interpretation from Ofcom.

Karen Bradley: It was because of the representations we received, the substantive evidence that was provided. I did not have sight of the evidence that Ofcom had looked at. I asked Ofcom to give a comment on this further substantive evidence; was this evidence they had looked at previously? The fact that they came back and agreed that the threshold that should be applied to this test was lower and that there were non-fanciful concerns, I felt, in a quasi-judicial capacity—and bearing in mind that I have to give due consideration to the fact I may end up in front of a court of law at any time on this matter—and I didn’t feel that I would feel comfortable answering in a court of law, “Why did you not refer on the basis of this?” would be a sufficiently clear answer. I felt that it needed to be looked at with more scrutiny and that is something that is at the discretion of the Secretary of State because it is a decision ultimately for the Secretary of State and nobody else.

Q27 Chair: Yes. Final question from me on this. The chief executive of Ofcom has one view, you have a different view. Ofcom felt very strongly yesterday that it should always be at the discretion of the Secretary of State and not the decision of the regulator. It does beg the question that if there is that difference of opinion, difference of interpretation, should the guidelines on which Ofcom work be reviewed because that disparity clearly exists?

Karen Bradley: I do not think that there needs to be a change in guidelines or anything like that. We are talking about a very specific process set out in legislation.

Where there is sometimes a slight confusion is the difference between the fit and proper test that Ofcom have versus the tests that were applied about commitment to broadcasting standards on the public interest test in the Enterprise Act 2002. In terms of the fit and proper test, this is an ongoing test that Ofcom does as the independent regulator. Absolutely rightly, the independent regulator should make the decisions about who is fit and proper to hold a broadcasting licence. But this specific issue, which only occurs during a media merger, is one where Ofcom provides advice but the decision is ultimately for the Secretary of State. So I do not think we should muddy the waters by confusing the two. I am not saying you are—

Q28 **Chair:** I did not mention the fit and proper test at all.

Finally, how long do you have to respond to the CMA's final recommendation to you?

Karen Bradley: There is nothing in statute about how long there is. There is nothing in statute but throughout the process—I should also say that I have also followed throughout the recommendation from Leveson in his report about how we should approach media mergers in terms of transparency, but also mindful that we do need to do this in sufficiently quick order so that all parties that are affected by this do not have to wait too long.

Chair: Thank you very much. Brendan O'Hara is next but he will have to wait until after the vote.

Sitting suspended for Divisions in the House.

On resuming—

Q29 **Chair:** If I could call the meeting back to order. Apologies for the delay for people who were not voting. Hopefully, we will have a bit of clear time now until the next interruption.

Secretary of State, before we resume the questioning, we were interrupted on the point of discussing the steps taken after the CMA reports back to you on the Sky merger and the amount of time you have to respond. I was wondering whether you could clarify that for us.

Karen Bradley: Of course. I have 30 working days to respond, and I have to, within that time, say whether I am going to let the merger go through or whether I will block it on public interest grounds. I hope that helps the Committee.

Chair: Yes, absolutely. Thank you. Brendan O'Hara.

- Q30 **Brendan O'Hara:** I only have the one question, your interrogation was so thorough, Chair. What I would like to know is, on the issue of media plurality I can absolutely understand why a referral to the Competition and Markets Authority was appropriate. Could you explain to me, though, what expertise does the CMA have to judge on the issues of broadcast standards that the independent regulator, Ofcom, doesn't have?

Karen Bradley: The CMA is the expert in mergers. They have media experts and they are able to do the detailed work over the 24-week period, calling on whichever experts they feel are appropriate in order to be able to fulfil the requirements as set out in the Act. So I am confident that the CMA will look at this thoroughly and will be able to give appropriate advice.

- Q31 **Brendan O'Hara:** I can understand on media plurality and the merger absolutely but on the issue of broadcast standards, and whether we agree or disagree with what Ofcom came back with, they are the independent regulator. They are the expert in the field. I just wonder what more the CMA could bring to that issue of standards that Ofcom could not.

Karen Bradley: I think let's wait and see what their report holds but I felt there was sufficient uncertainty, based on the Ofcom report, the further evidence I received and the legal advice I received, I want to make sure that we have explored this as thoroughly as possible. The CMA are the experts. They can call whichever experts they feel are appropriate to enhance what they are doing. They have 24 weeks to work on it and I look forward to seeing what they come back with.

- Q32 **Brendan O'Hara:** The experts that they could call could include Ofcom so would you expect Ofcom to present evidence to the CMA as part of an investigation?

Karen Bradley: That is entirely down to the CMA to make the decision as to who they feel it is appropriate to call. I do not interfere in that process. I wait to see what their recommendations are.

- Q33 **Paul Farrelly:** Karen, I want to move on to the press now but just as a link to this. I think one of the most remarkable things that came out of yesterday's session with Ofcom was when questions were asked about how Ofcom had felt about information provided by Fox and two of the Murdoch brothers—the answer that came back was that because providing false or inaccurate information was tantamount to committing a criminal offence Ofcom took it as read that the information they provided was always accurate. I think during our press phone hacking inquiries we learned, if we needed to learn, to be rather more sceptical than that so I hope you will bear that in mind in terms of what is provided to the CMA and your reflections afterwards.

Just on the press, it will be three weeks today that you commenced your—the first anniversary of the start of your consultation over section 40 and Leveson 2 so I just wondered whether you could give us an idea

on how you are getting on and when you are going to come to some conclusions.

Karen Bradley: We expect to publish the consultation responses shortly. I cannot give you a date at the moment but it will be shortly and then obviously you will see the consultation responses at that point.

Q34 **Paul Farrelly:** It was shortly in September when you told me the same thing in the House so—

Karen Bradley: Yes. You will bear in mind that we have had a recess. I want to make sure I do present these things to the House first so it will be—all I can say is shortly.

Q35 **Paul Farrelly:** Will we be celebrating the first anniversary by then or not?

Karen Bradley: Wait and see.

Q36 **Paul Farrelly:** Okay. One of the real upsides of having debates during elections is that you have to read the manifestos just in case people in the audience might have read them so I duly did my duty and read the Conservative manifesto and right towards the end I came across this just in summary. "We will not proceed with the second stage of the Leveson Inquiry into the culture, practices and ethics of the press." In the final paragraph of that little section, "We will repeal section 40 of the Crime and Courts Act 2014". It is only today I realised that that Act does not exist because it is the Crown and Courts Act 2013 so you can—

Karen Bradley: You must have an old copy of the manifesto.

Q37 **Paul Farrelly:** If there is a better copy I will be glad to read it. So for those of us unfamiliar about the manifesto drafting process could you just explain how those pledges were formed in the manifesto and your role in them?

Karen Bradley: I stand by the manifesto. I was elected on the basis of the manifesto but I will be bringing forward the consultation responses and at that point I will go through the due process as required under the consultation.

Q38 **Paul Farrelly:** I did not ask you whether you stood by the manifesto. I might ask you that later but I asked you about the process of—

Karen Bradley: I do not think it would be appropriate for me, in my capacity of Secretary of State for Digital, Culture Media and Sport, to comment on what went on internally within a party putting together a manifesto. That would not be an appropriate thing for me to be talking about now.

Q39 **Paul Farrelly:** Why not?

Karen Bradley: Because it is not part of what I am talking to you about here.

Q40 **Paul Farrelly:** It was a factual question about the process of drawing up

a manifesto and whether you had a role in it.

Karen Bradley: I am not going to get drawn on how the manifesto was drawn up or otherwise. All I will say is I stand by the manifesto and I will be giving you the consultation responses shortly and go through the due process as required.

Q41 **Paul Farrelly:** So did you have any role in that manifesto?

Karen Bradley: I do not want to get drawn on what did or did not happen in the drawing up of the Conservative Party manifesto for the 2017 election.

Q42 **Paul Farrelly:** Did you spot the typo at least?

Karen Bradley: I do not want to get drawn on that. I am not going to get drawn on it.

Q43 **Paul Farrelly:** I am flogging a not even twitching horse here so I will—can I just then ask, just to flog it a little bit more, did you, at any stage, express any reservations, even though you stand by that, of the fact about those pledges because some people might take it that they pre-empted the conclusions of your consultation?

Karen Bradley: I am not going to get drawn on how or why the manifesto was drawn up or any of the processes that went on.

Q44 **Paul Farrelly:** Did you ask civil servants for any advice on how that might impact on the work of the Department?

Karen Bradley: I am not going to get drawn on those points.

Q45 **Paul Farrelly:** In particular, because you were quite, and rightly, careful in your reference of Sky-Fox on broadcasting standards because you said that you did not want to end up in court and not give a convincing reply to questions as to why—

Karen Bradley: I do not think convincing is the right answer. I think I need to know that if I am going to end up in court that I can give a response that justifies the decision I have taken.

Q46 **Paul Farrelly:** Absolutely correct. So did you, when you saw, if you were not involved in these manifesto pledges, even though you stand by them, did it ever occur to you or anybody in the Department that these might be problematic because by law having a consultation—if anyone claims it had a predetermined outcome you might be in a spot of bother in terms of judicial review in the courts?

Karen Bradley: I think you will find the consultation had finished and closed at the point that the manifesto was drawn up but in terms of the position today I stand by the manifesto pledges and I will be coming forward to the consultation and the due processes that need to go through at that point.

Q47 **Paul Farrelly:** It may have finished but we are coming up to the first anniversary to hear your conclusions.

Karen Bradley: I am not going to be drawn on the process on how the manifesto was drawn up.

Paul Farrelly: Okay. Let's move to the Select Committee submission to you. We have not had a response. It was a submission to the consultation but we are hoping, I think, Chair, if I am right to say, when you announce the results of the consultations you will also respond to the submission points that were made.

Q48 **Chair:** If I can clarify. I appreciate that the Committee put in a submission to the consultation just like anyone else. So while it is not required that the Department respond in the normal way to a committee paper I think we would be grateful for a response to our submission after the consultation results are out.

Karen Bradley: I know at that point and will ensure that the Committee receives a response to it.

Q49 **Paul Farrelly:** If you have read the submission, or even checked our website, you will be aware that unanimously, cross-party, we recommended partial, with good reasoning, partial commencement of section 40 and to go ahead with Leveson 2 with amended terms of reference to take into account what has gone before. Have you read the submission?

Karen Bradley: I have read the submission. I am aware of the views of the Select Committee and I will respond either at the same time or shortly after I publish the consultation responses.

Q50 **Paul Farrelly:** Okay. We do not need to say that the Conservative manifesto clearly did not agree with the submission, cross-party, from the Select Committee. I do not want to take too long. I just want to go back. There is a danger that people think that with what went on with the press in the past it is all history, all the stables have been cleaned, but there was a case last week regarding an intelligence agent, very serious case, where finally News Corp admitted liability and paid damages to the agent whose computer was hacked and targeted by viruses by private investigators acting on behalf of News International, News Group Newspapers as was. That did not involve the payment of public officials as far as we know but there are other cases still out there, litigation has not finished, where this may come up.

The remarkable thing last week is that it took News UK now, so long to admit it and Rebekah Brooks, who used to be the chief executive, is now the chief executive again. Two years it took them to knit it so it rather suggests that bygones are certainly not bygones and that bad behaviour is not completely out of the system. I just wanted to ask you, should more evidence come to light, either through civil cases or through investigations by this Committee, whether you will take that into account in your decision regarding as to whether to commence Leveson 2?

Karen Bradley: I think you have just demonstrated by the fact that there are still court cases ongoing it is possible, through the court system, to uncover these matters. One of the concerns that I had raised

at the time that I launched the consultation about whether it was the right thing to do to have another full public inquiry given that the courts are looking at these matters but if you will forgive me, I will publish the consultation's responses shortly and I will go through due process at that time and I will be happy, when the consultation responses have been published, to perhaps talk to you again about these matters.

- Q51 **Paul Farrelly:** Okay. I am sure you will be questioned on them. My final question is, do you think that the reappointment of Rebekah Brooks as chief executive of the new News UK, given what has happened in the past and some of the criminal evidence in her trial where she was acquitted of conspiracy and direct involvement in hacking, makes some fascinating reading about the regime that operated at the papers that she was an editor of and the organisation that she was chief executive of? Do you think her reappointment sends the right signal that the press and indeed the Murdoch media empire have really changed its ways and is committed to a fresh start?

Karen Bradley: I think in my capacity as Secretary of State it is probably best if I do not express personal opinions about appointments of anybody to any organisation that is within sectors that my Department operates in. Again, if you will forgive me, I will refrain from answering that question.

Paul Farrelly: I will leave it there, Chair, having got absolutely nowhere.

- Q52 **Chair:** If I may, regards to "shortly" could the Committee expect the response to the consultation before the end of the year?

Karen Bradley: Yes.

- Q53 **Christian Matheson:** It is just the one question if I may, Chairman, thank you. Secretary of State, you have just said that you felt there were cases still ongoing and I might have misheard but I do believe that you told me in the House in the last Parliament in answer to a question that all the relevant court cases had finished.

Karen Bradley: That was the criminal cases. So the civil cases are a separate matter. It was the criminal cases we had concerns about because we did not feel we could take any steps until all the criminal cases had come to the end because of potentially prejudicing the prosecution's arguments.

Christian Matheson: Okay, thank you.

- Q54 **Julie Elliott:** I am going to go back to what you have just been answering questions on. The Government produces principles on consultation, which Government Ministers are supposed to adhere to. Point J of those principles of consultation says, "That published responses to consultations should be within 12 weeks of the consultation or provide an explanation why this is not possible". The consultation closed on 10 January this year so you could have responded before the general election was called. Did you make any statement as to why you weren't fulfilling the principles of consultation on not responding within 12 weeks?

Karen Bradley: I do not believe any public statement has been made. I will check with the Department whether anything has been said. Obviously we have talked about this in the House of Commons in questions and other matters but you will bear in mind that there was the issue that not only was there general election purdah but there was local election purdah that applied. So we have had a significantly longer period of purdah over this year than we would normally.

Q55 **Julie Elliott:** But the first 12-week period was before that I think because it was in March.

Karen Bradley: I think that there was an issue about when the local government purdah started but, forgive me, if you will allow perhaps I can check exactly the course of events and write to the Committee.

Q56 **Julie Elliott:** Come back to us; fine. So we then have the issue of what was in the Conservative manifesto, which you have said you stand by, which can be interpreted many ways. That could be you agree with it, you do not agree with it; whatever. We leave that to people's perceptions. However, since the general election there has been no election so there has been no periods of purdah and we are now 39 weeks since the close of the consultation. So there have been periods that you could have reported within the 12-week period, your own Government's principles of behaviour on consultations, and you still have not responded or given any explanation that I am aware of as to why you have not responded. Could you answer why that is?

Karen Bradley: Processes going through Government sometimes take longer than one would like. I apologise if there has not been sufficient communication about that but sometimes things do take longer than anyone would like. However, I am endeavouring to make sure that the consultation responses are published as soon as possible.

Q57 **Julie Elliott:** So can you tell me, what is the point of the Government having consultation principles if they are clearly just taken no notice of?

Karen Bradley: I do not think it's fair to say they are taken no notice of.

Q58 **Julie Elliott:** Well, have you taken notice of them?

Karen Bradley: I am always cognisant of the principles.

Q59 **Julie Elliott:** Have you acted on them?

Karen Bradley: But in this case we have to make sure we go through due process in terms of consulting all parties, making sure that before consultation responses are published, because of the sensitive nature of this particular issue, and again I am happy to apologise for not making public statements on that—

Q60 **Julie Elliott:** I would just like an answer to the question of; have you acted on your own Government's principles of consultation? It is a straightforward yes or no—

Karen Bradley: I try my best to act on those principles.

Q61 **Julie Elliott:** Have you acted on them?

Karen Bradley: I try my best to act on those principles. In this case we have clearly not lived up to your expectations and I apologise for that.

Q62 **Julie Elliott:** I want to go back before I come forward. So when the Leveson Inquiry was running and when Parliament supported the Royal Charter all sides agreed that a response to the need for independent press regulation should be on a cross-party basis. David Cameron said that the relationship between politicians and parts of the press had been too close. Would you agree with that?

Karen Bradley: It was a comment that was made by the previous Prime Minister.

Q63 **Julie Elliott:** Once the Royal Charter had been supported by Parliament that was supposed to be the end of politicians interfering in press regulation. Would you agree with that?

Karen Bradley: Yes.

Q64 **Julie Elliott:** Would you think that your consultation was interfering then in that process?

Karen Bradley: No, I do not think it is interfering. I think that at the time I announced the consultation, we have to be mindful of the different environment that the press operates in today. When the Leveson Inquiry reported and when Parliament legislated there was an assumption that the press would be regulated by regulators that applied for recognition under the Press Recognition Panel. That did not happen. Over 90% of the press is not regulated by a regulator that comes under the Press Recognition Panel. We have to accept that that is the situation and try to work within that. When the Leveson Inquiry reported we simply did not see the same volume of online news sources, which are not regulated by either Ofcom or the Press Recognition Panel or anybody else. So the reason for the consultation was to say; given the situation today are we doing the right thing to continue with a process that was set out six years ago? Do we need to do something different because ultimately what we want to get to is the end where people do not have—

Q65 **Julie Elliott:** It was set out four years ago not six years ago. So let us come forward—

Karen Bradley: The inquiry started six years ago and we need—the ends are that I want to make sure that people are not victims of unacceptable press intrusion. I want to make sure we get to a point where we can say that that's the case.

Q66 **Julie Elliott:** I am going to come on to that but the vote in Parliament, where you voted for the amendment that was laid by your Prime Minister at that time, David Cameron, and Theresa May, who is the current Prime Minister, their names were on that amendment when it went through Parliament. You voted for that. I voted for that. Five hundred and thirty Members of the House voted for it. Only 13 people voted against. That

was in March 2013. That was not six years ago. That was four years ago.

But moving on to where we are now, which you have brought up, so we know IMPRESS is progressing well. It is attracting more members. It has been recognised properly as properly independent, as Parliament intended, and it has awarded damages this year in the first ever low cost arbitration at a libel case, as Parliament intended, but the ability of IMPRESS to attract more members is being held back by your Government's refusal to bring section 40 of the Crime and Courts Act into force. So potential members are waiting for section 40 so that membership of IMPRESS and its arbitration service will give them protection against court costs, as Parliament intended, as you voted for in your own Government's amendments. What is your response to that now then?

Karen Bradley: I agree I did vote for it and I think we all, at that time, hoped that the press would set up regulators that applied for recognition under the Press Recognition Panel but that has not happened and will not happen for well over 90% of the press. That includes local newspapers that are struggling enough. That includes many online organisations that simply were not considered when that vote happened in 2013. So I have to look at the situation today and look at how we best make—

Q67 **Julie Elliott:** So if we look at the situation today, if we look at members of IMPRESS that are a recognised regulator, how should they get the protection against legal costs now in 2017? When should that happen?

Karen Bradley: When we publish the consultation responses we will respond to that point.

Q68 **Julie Elliott:** So you have no view on that?

Karen Bradley: I want to wait for the consultation responses to be published before making any further comment.

Q69 **Julie Elliott:** Can I ask what made you tear up the cross-party agreement that we had in the result of Leveson that we voted on in 2013?

Karen Bradley: Nobody has torn up any agreement. We have consulted on what is the right thing to do in the world we are living in today, not the world we wanted it to be in 2013 and not the world it was in 2013. What is the world today and how can we best make sure—what I am interested in is that we have a free and vibrant press and that people are not subjected to unacceptable press intrusion. That is the challenge we face.

Q70 **Julie Elliott:** What was very clear in all of the debate in Parliament at the time; Government should be totally removed from the issue of press regulation. That was absolutely agreed by all sides barring the 13 people who voted against it. In effect by putting yourself in charge of the consultation process, you were a Government Minister, you are Secretary of State, you have put yourself front and centre of press regulation. Is that not tearing up what was cross-party agreement?

Karen Bradley: No, I do not accept it was tearing up cross-party agreement.

Q71 **Julie Elliott:** So what is it?

Karen Bradley: It is acknowledging and accepting the fact that the reality of the world is not perhaps what we wanted it to be in 2013. It is a different situation and the vast majority of newsprint press will never—have refused to sign up to a regulator that will seek recognition on the Press Recognition Panel because they believe that that is Government intrusion in the press. They may be right. They may be wrong. But that is the situation that we face ourselves with and I want to make sure that given that situation we take the appropriate steps to make sure that unacceptable press intrusion does not happen.

Q72 **Julie Elliott:** Listening to what you said, so if section 40 was implemented, as we all agreed it should be, if it was implemented hypothetically, what harm could that do? Could you implement it and see what happened? What harm is implementing something that everybody agreed on, which we all voted on, what harm could that do? What negative response could happen from that? It might not work. That is absolutely true but that would not cause any harm. It would not put us in a worse place than we are now.

Karen Bradley: If you speak to particularly local press, and the editor of my local newspaper has spoken to me about this, they are very concerned that the cost sharing provisions would mean that they could not—

Q73 **Julie Elliott:** Is your local paper a newspaper? I do not know what your local newspaper is? Is it owned by one of the big groups?

Karen Bradley: It is owned by Trinity Mirror, yes.

Q74 **Julie Elliott:** Exactly. Thank you.

Karen Bradley: And they—

Julie Elliott: I have no more questions on this.

Karen Bradley: No, and they have been very clear that they are concerned that that—

Julie Elliott: Yes. I have no further questions on this.

Karen Bradley: Would you let me answer the question you put to me?

Julie Elliott: You have answered the question. Your local paper is owned by one of the big organisations. We produced, at the last meeting I think it was on this issue, letters that had come directly from the heads of these organisations to local press.

Karen Bradley: That is why we did the consultation because local press were very concerned and I received a number of representations about whether they were financially viable and whether they would be able to do sufficient investigative journalism that they are known for and have

pride of. We all know that 63% of the public believe their local press, I believe it is, as opposed to about 20% for the national press. I want to see vibrant local press succeeding and they are concerned that full implementation of section 40 will stop them doing that. That is why I took up the head of the consultation and I will produce the consultation responses shortly.

Chair: We are going to move on topic-wise after the vote but Paul Farrelly has one quick question on this.

Q75 **Paul Farrelly:** Just one question. We share the same local newspaper.

Karen Bradley: It is a different one I was talking about but we do share one of the local ones, *The Trinity Mirror*.

Paul Farrelly: We share *The Sentinel* and perhaps just before we go to the vote can I say to the Secretary of State, in case she does not already know from her colleagues and former colleagues, one of the reasons we came to a unanimous view around this Committee before making our submission was that people were quite affronted by the use, by national media corporations, of local newspaper editors, including the editor of *The Sentinel* newspaper—

Karen Bradley: I am talking about *The Leek Post & Times*, Paul.

Paul Farrelly: It is the same organisation.

Karen Bradley: Different editor.

Paul Farrelly: To lobby and try to press MPs giving only one half the story.

Karen Bradley: That is why we put a consultation forward. We will be giving the responses shortly.

Paul Farrelly: You have a sharp mind, Secretary of State, so you will very well recognise that the case that was being given by those editors was lobotomised.

Chair: Okay. We will have to leave it there.

Sitting suspended for a Division in the House.

On resuming—

Chair: After that recent Division I invite everyone back to the session and we were just continuing with some questions on press regulation and Chris Matheson.

Q76 **Christian Matheson:** Thank you, Chair. I just want to draw a couple of threads together if I may, Chair, just before we move on from this section because we talked about press regulation, we also talked about the Sky-Fox proposed merger. Secretary of State, in your own mind are the two linked?

Karen Bradley: I do not think that you should see them as linked. The major mergers that are on the table on the moment will be judged on the basis of the evidence that is available today, not on what may or may not come out of future inquiries.

If I may, Chair, before I start. I apologise. I definitely have a clunky brain today after a morning media round but I did want to just put on the record about the delay to the consultation responses because, as I stood up, it suddenly dawned on me exactly what the problem had been, which was that the consultation itself was judicially reviewed. A judicial review application went in so we were unable to look at any of the consultation responses until the JR had completed. That was the legal position. We received over 140,000 responses. So we had to wait until the JR process had been completed before we were allowed to start doing the work to code the 140,000 responses.

Q77 **Julie Elliott:** When did that complete?

Karen Bradley: I think it was June but again, forgive me, I will write to the Committee exactly when it was, but I think it was June, and then we have to start the process of coding.

Q78 **Julie Elliott:** That is still four months.

Karen Bradley: Yes, but the—

Julie Elliott: Thank you.

Chair: Perhaps the Secretary maybe could write to confirm when the work started and when it stopped; when it will be completed.

Karen Bradley: If I can write and set it out in full, yes. That is right, yes.

Q79 **Christian Matheson:** I just want to come back to this link or perhaps no link between the issue of press regulation and Leveson and the issue of the Sky-Fox merger because on the one hand you have, in this instance, a company ruled by a family that have been caught out apparently in cases of hacking people's phones and a lack of governance within their company and on the other hand you have another company that is under their control that is looking to—what is a major purchase within the broadcast media area. Do you not draw a link between those two?

Karen Bradley: Each merger has to be assessed on the basis of the rules set out in the Enterprise Act and intervention can only exist by the Secretary of State under the rules set out in the Enterprise Act based on the evidence and information that is available at the time of the merger. There is another potential media merger on the cards with Trinity Mirror and Northern Star, which again, as Secretary of State, I will look at on the basis of the information and evidence that is available at that time, as will the regulators, if they are called upon to look at these matters so a consistent approach is applied to all media mergers but they can only be looked at by the evidence that is in existence at the time of the merger.

Q80 **Christian Matheson:** So you had the opportunity during the Sky-Fox

merger to order Ofcom to consider the public interest in respect of corporate governance and you chose not to.

Karen Bradley: I do not think that is strictly the case. I asked them to look at the matter of corporate governance as a point regarding the commitment to broadcasting standards.

Q81 **Christian Matheson:** But not corporate governance on its own.

Karen Bradley: But that is not one of the tests that is available under the public interest test under the Enterprise Act.

Q82 **Christian Matheson:** Could you have made a separate test under order to do so?

Karen Bradley: It would have been very difficult because with the merger that we were looking at you have to apply the rules that are in existence at the time the merger application goes ahead. You cannot change the law retrospectively and say, "We are going to apply a new test to this particular merger because we do not like it", for instance. I am not saying that is the case but that simply is not acceptable. We are talking about a commercial decision where parties believe commercially that this would be good for their businesses. You cannot, therefore, change the rules, change the goalpost, after they have decided that.

Q83 **Christian Matheson:** Okay. Can I just ask you finally, because I know the Chair is very keen to move on with all the interruptions, the Prime Minister met Rupert Murdoch in New York just over a year ago, do you know what they discussed?

Karen Bradley: All meetings that Ministers, Cabinet Ministers and others have with media individuals operating in the media are reported. I have no further information.

Q84 **Christian Matheson:** Do you know if there were officials present?

Karen Bradley: Again, I have no further information other than the public record.

Q85 **Christian Matheson:** Right. So she has not discussed with you the issues that she discussed then?

Karen Bradley: What I can say to you is that I have not discussed the merger and my quasi judicial role in that merger with the Prime Minister in terms of the decisions I take. She has not tried to influence me. She has not had conversations with me about it.

Q86 **Christian Matheson:** Okay. I was not talking particularly about the merger, more about the general media issues that she would have discussed with Mr Murdoch. Have you had a discussion about that?

Karen Bradley: That is not a discussion I have had with the Prime Minister.

Christian Matheson: Okay, thank you. Thank you, Chair.

Q87 **Rebecca Pow:** Thank you very much, Chairman, and welcome,

Secretary of State. We are going to move on to a completely different subject, which is really to deal with the workforce, overseas workers basically, EU workers in particular, in demand by the creative industry and tourism industry. I just wonder, Secretary of State, to start with, they have had witnesses who have talked about this issue before on this Committee and there was a feeling that the official figures of the number of people we rely on to work in these industries in this country has been somewhat underestimated by this Government. The question is, does the Government fully understand how important EU workers are to the industry?

Karen Bradley: There are a number of different sectors that—in fact all the sectors that DCMS represent do rely on a workforce from outside the UK. A workforce, it has to be said, from beyond the European Union as well as within the European Union. Creativity is fostered by difference and so it is very important that we allow that creativity to flourish in the United Kingdom by making sure we have people of different backgrounds, different interests, different experiences and that includes people from overseas. The brightest and the best are exactly what we want to have in the United Kingdom. I have—

Q88 **Rebecca Pow:** So it is important that we know how many. My figures I have were that DCMS said 6% of EU workers work within these creative and tourism industries but the industry themselves said it is more like between 10% and 40% but around about 25%, which is 700,000 people.

Karen Bradley: I think it depends on the sector you are looking at. For example, yesterday I met the hospitality sector. The hospitality sector, I think, probably has a higher proportion than perhaps you would see in some of the tech sectors maybe in terms of European Union nationals. I do not want to get into the figures. We accept that there is a large proportion. If you talk to any of the institutions that I represent, any of the arm's length bodies that the Department has within its remit, they would all tell you that there are significant numbers of overseas nationals working in their organisations but I would not want to get into the figures and whether there is a discrepancy between them. You have to look at each individual sector. You also have to look at the different skills.

Q89 **Rebecca Pow:** Is DCMS doing a piece of work to inform us exactly how many people we are talking about so that then we can address how we are going to get them in if we need to get them in?

Karen Bradley: That work is being done in conjunction with the Home Office to make sure we understand exactly what the labour market is that we need to have. We also need to see how many UK nationals are employed; how many UK nationals could take jobs that are not being done at the moment by UK nationals. Are these low skilled jobs that could be done by UK nationals and there simply isn't the supply of them at the moment or are they highly skilled jobs?

For example, if you look at the hospitality industry you need people to do the lower skilled work, you need large numbers of people, but whether they come from the European Union, whether they come from the UK,

whether they come from the rest of the world is not perhaps the most important point. It is that there is a large quantity of them. But at the other end, if you look at the front of house in a five-star hotel in London you need to have language skills, many language skills, interpersonal skills and so on, which are very highly skilled and we need to make sure we have the right people to do those jobs.

So it is not a one size fits all but we are absolutely aware of the concerns throughout many of the sectors to make sure we have the right creativity, the right numbers of people and that we have the right skills.

- Q90 **Rebecca Pow:** Secretary of State, I was wondering when you might know that though because I was previously on the Defra Select Committee and a survey of these numbers was being carried out by the Immigration Minister. When will we know those figures because in order then to go forward with plans for Brexit we need to—we have 280,000 businesses relying on all these people. Don't we need more than generalisations by now, going ahead with our Brexit plans?

Karen Bradley: I do not think that is fair. I do not think we are talking generalisations. I think we have to segment the sectors. That is what we have been doing. We have been working with the Home Office. The Migration Advisory Council are looking at the overall UK labour market and how many of those jobs are currently filled by EU nationals, how many are filled by non-EU nationals that are not UK nationals.

The Prime Minister was clear in her Florence speech that we want to maintain the ability for EU nationals to live and work in the United Kingdom and for them to bring the skills that they have to the United Kingdom and certainly in the sectors I represent it is absolutely vital that we do have the ability to attract the brightest and best.

- Q91 **Rebecca Pow:** That is great to hear and I gather Sir Peter Bazalgette came to this Committee previously and he pointed out the specific need to have people speaking a multiple range of languages and we simply do not seem to have them in the UK right now. Are you aware that we need to be able to get those people in so that say a tourist industry has a German speaking person to talk to the German tourists coming in and the French person—all of those things are going to be really important.

Karen Bradley: If I could give you some examples of exactly that, as I did say about the front of house in a five-star hotel, you would need somebody with multiple language skills. We do not have, at the moment, sufficient of those within the native workforce to be able to fulfil those jobs.

I was at Marylebone Station recently where they have fantastic ambassadors from Bicester Village speaking Arabic, speaking Mandarin so that visitors to the United Kingdom can go to the second most visited now tourist location in the United Kingdom, Bicester Village, and they can get on the train and they can visit there in comfort and safety. We are absolutely doing that. That work is going on. We are very aware that there does need to be that and I want to thank Peter Bazalgette for his

fantastic review, which I was at the launch of recently with the Secretary of State for Business, Energy and Industrial Strategy.

Q92 **Rebecca Pow:** Okay, thank you. On that note then could you just inform us what sort of conversations you might be having about immigration arrangements, about visas for these people that we are going to have to address how we are going to get them in and out?

Karen Bradley: Obviously we are working with the Home Office as are other Government Departments who are drawing up the immigration plans that they have. I do not want to pre-empt anything the Home Office will announce but I can assure you that DCMS is part of that work.

Q93 **Rebecca Pow:** One of the concerns, forgive me if I am treading on something the Chairman might be asking you about later, but on immigration, to get your tier 2 visa, you have to be earning £30,000 and many people who work in these industries don't earn that much—say you were in an orchestra—yet they are a crucial part of the industry. Will there be some special dispensations or caveats or are you even thinking about that yet?

Karen Bradley: We are absolutely thinking about it. Let me give you an example of some of our great opera houses. They do not have understudies because if somebody is taken ill they fly in somebody from Paris or Berlin on the day to perform. I am absolutely aware that this is the way that the business models operate in these incredibly important sectors to the UK economy and I am making sure, working with the Home Office, that immigration is assessed and the negotiations we have with the European Union with regards to the arrangements for EU nationals reflect the way that the business model works, where we have such expertise and brilliance in the creative industries here in the UK.

Q94 **Rebecca Pow:** There was one area I was particularly interested in, which is our textile industry. In fact 70% of the very skilled cutters and machine workers and seamstresses all come from the EU but they again do not earn £30,000 or whatever the limit is. So will they all be included in this assessment and analysis?

Karen Bradley: We have been working with all of them. I have met the fashion industry and discussed exactly that point with them. But there are some real tragedies here. For example, there is nowhere in the United Kingdom anymore that make zips. That may seem very trivial but what a shame that we have outsourced these kind of things to other countries because of the nature of the business. What we will have to look at as well is making sure that we do allow these businesses to continue to thrive and the British fashion industry is a great success story. We also need to think about, how can we upskill our native workforce? How can we provide the training courses? How can we get these industries started again in the United Kingdom and get these opportunities for people? I see opportunities from this.

Q95 **Rebecca Pow:** Yes, I could not agree more but also if we are sorting out a visa system, which clearly you are thinking about and planning, I would

like to ask the Minister if you are bearing in mind it needs to be as simple as possible so that companies, in particular small and medium sized companies that do not have human resources departments and things, can handle the getting through of these people that they need.

Karen Bradley: I do not want to start pre-empting any ideas that there is a visa system that has been designed or anything like that. The Home Office is working on the immigration system and they will make announcements about how that immigration system will operate. What I can say though is that DCMS has been involved in those discussions. I have met representatives of all the industries that we represent as a Department to understand exactly where their concerns are. We started off with round tables on Brexit doing big high-level stuff and we kept saying, "Let's get more and more granular. Let's get down to the detail. Let's get down to the point that you need to import your zips from Italy and you need to be able to make sure they are imported on the day." That is the kind of thing we need to understand and that is what we have been working on to make sure we are designing a system that works for these industries.

Q96 **Rebecca Pow:** Just to finish off, Chairman, while you say they have not designed a system yet it is not that far away, 2019. These companies would be very much like all the other companies we are hearing about, they do not want this to be fudged; nothing has been sorted out when suddenly the deadline hits. They need to be knowing that there is going to be a system in place. Are you planning all that?

Karen Bradley: If I can repeat what the Prime Minister said at Prime Minister's Questions, the intention is that by March 2019 we know what the end state will look like in terms of our relationship and we will then have an implementation period when EU nationals will be free to come and live and work in the United Kingdom, as they do at the moment, but with a simple registration system as happens in many European Union countries so that we can start to understand how free movement is applying.

Rebecca Pow: Thank you very much.

Karen Bradley: So that there is only one change to business I should say.

Q97 **Chair:** A couple of quick questions on this and then we move on. Paul Farrelly.

Paul Farrelly: Is the Department, under the various scenarios, preparing an impact statement?

Karen Bradley: An impact statement on?

Q98 **Paul Farrelly:** Of the Brexit, on the Department, the activities that the Department is responsible for.

Karen Bradley: We are not preparing an explicit impact statement but we have, for instance, put out a position paper on data, which you will

have seen over the summer, about what we would like our future relationships to be in terms of free-flow of data.

Q99 **Paul Farrelly:** So you are not preparing an impact statement at all?

Karen Bradley: Not explicit impact statements but we are working on all the contingencies, all the arrangements. We are looking at all the scenarios and we are making sure we are planning for every scenario.

Q100 **Ian C. Lucas:** Do you want to see a reduction of EU nationals working in the UK?

Karen Bradley: That is not what I have said. What I want to see is that we have the right people who are able to do the jobs that we need to make sure we have the very best industries we have and I have to say that if the person who is going to be the most amazing engineer at AI lives in Australia rather than Austria I do not mind. I want to make sure we get that right person in.

Q101 **Ian C. Lucas:** Do you want to see a reduction in the number of EU nationals working in the UK?

Karen Bradley: I am not making any statement as to the number of EU nationals or other countries. I also want to see more people from different backgrounds working and more women working in some of these sectors. We simply do not have enough women. More people from ethnic minorities. More people with disabilities. I want to make sure we have the right people working in the sectors. I am not making a comment about where they come from originally.

Q102 **Ian C. Lucas:** So would you like more people? Would you like more EU nationals than we have already have?

Karen Bradley: I do not want to get into speculation about what the numbers will be like. What I do want to see is more and more people working in these sectors and more and more opportunities for our young people working in these exciting sectors, to have the brightest and best from around the world, making sure that they are the world-leading sectors that they are today and continue to be.

Q103 **Ian C. Lucas:** You do not want to answer my question, do you, Secretary of State?

Karen Bradley: I am not going to start speculating on numbers. What I am going to say is I want to support these sectors. I want to see them grow. I want to see them employ more people. I am not going to say where I want these people to come from. I want these to be thriving, successful sectors.

Q104 **Brendan O'Hara:** One question. Freedom of movement is generally regarded as being absolutely vital for the creative industries. Have you met anyone from the creative industries sector who believes that restricting freedom of movement would be beneficial to the cultural, social and creative wellbeing of these nations?

Karen Bradley: Yes.

Q105 **Brendan O'Hara:** Can you elaborate as to who?

Karen Bradley: I am not going to say who.

Q106 **Brendan O'Hara:** Can I just put forward for the record that you have met a significant player in the creative industry sector who believes that restricting freedom of movement will be beneficial to the cultural, social and creative wellbeing of these countries?

Karen Bradley: I have met a number of people in the creative industries, and I am not going to say who they are because it would not be appropriate for me to say, who have told me that they are not worried about loss of freedom of movement because they believe the sectors will thrive.

Q107 **Brendan O'Hara:** I did not say people who were not worried, although I find that absolutely staggering. Have you met anyone who says it would be in the best interest of the wellbeing of the social, the creative and the cultural interests of these nations to restrict freedom of movement?

Karen Bradley: I have met people who have said that this does not concern them. They are not worried about it. They believe the sector will thrive.

Q108 **Brendan O'Hara:** I understand what you are saying but I am asking you: have you met anyone who has said it will be beneficial?

Karen Bradley: Yes, I have.

Q109 **Brendan O'Hara:** Not taking a neutral stance but people who believe it will be beneficial?

Karen Bradley: Yes, beneficial to them because they want to access people from across the world.

Q110 **Brendan O'Hara:** I find that, as someone who has come from the creative industries, as someone who spent 25 years in the creative industries, absolutely astonishing.

Karen Bradley: I am sorry to disappoint you but there are people there.

Q111 **Brendan O'Hara:** You have severely disappointed me.

Karen Bradley: I am not going to get into who they are.

Q112 **Chair:** The Secretary of State has given her answer. We will have to break one more time, I am afraid, but I hope we can complete the session when we are back.

Sitting suspended for a Division in the House.

On resuming—

Q113 **Chair:** Secretary of State, thank you for re-joining us. Hopefully that was the last interruption we will have from the voting in the House of Commons. I hope we can now continue to wrap up the questions from

the Committee. There are a couple more questions on immigration, the EU and the impact of Brexit that members want to come in on.

Karen Bradley: Chair, could I perhaps finish what we started talking about? It was a slightly strange exchange but the point I am making about people welcoming it—and it may surprise you, Brendan, but there are people who have—

Q114 **Brendan O'Hara:** "Astonishes" more than "surprises".

Karen Bradley: They take the view that creativity is not solely within the 27 member states of the European Union, that there is creativity across the world, and they are excited about the opportunity for a global Britain to have relationships and to be able to use the creativity, the expertise and the innovation there is from the whole world. They do not believe that the end of free movement will hamper their creativity. They believe there is an opportunity from that. Clearly they want to have the most frictionless movement of people able to come and work in the United Kingdom, but from across the whole world. That is the sentiment I was trying to express.

Q115 **Brendan O'Hara:** Would you not agree, though, that we were never, ever restricted from accessing a worldwide talent pool? That pool was always available to us. What Brexit is in great danger of doing is putting up barriers where there were none. They are not taking down barriers to other people and other opportunities, they are putting up barriers. I suppose my question then is: do you believe that the restriction of freedom of movement would be beneficial to the cultural, social and creative wellbeing of these nations?

Karen Bradley: I want to see an immigration system that allows the brightest and best from across the world to come to the United Kingdom and work and contribute to our creative industries, to work in our fantastic film studios, to work in our music industry and to work in our computer games industry. I want to see those people from around the world and I am working with the Home Office to design an immigration system that will allow all that talent to be accessed without the barriers but in a way that works for the industry.

This is a change. The British people voted to leave the European Union. That means we leave the single market and we leave the customs union but we have to look at the opportunities that affords to make sure that the creative industries thrive and are the world leader we are and continue to be.

Q116 **Brendan O'Hara:** But no barriers are coming down. Barriers are going up. On that point, what do you want that immigration to look like? What are you arguing for in Cabinet on behalf of the creative and tourist industries?

Karen Bradley: It would not be appropriate for me to discuss Cabinet conversations here. It also would not be appropriate for me to pre-empt the Home Office's work on this. All I can say, as I have said previously, is that I am working closely with the Home Office, as are my officials, to

make sure we reflect all of this in the work we are doing and build on the strength that we have in our creative sector across the whole country so that we can continue to thrive.

Brendan O'Hara: Thank you.

Q117 **Chair:** On that, Secretary of State, would it be fair to say, if one were to take what you have said so far on the subject, that it may be possible to have a sector-by-sector specific visa or immigration system respecting the different needs of different areas of the creative sector and the tourism industry?

Karen Bradley: That is a possibility, but again I am not going to pre-empt anything the Home Office may be saying.

Q118 **Giles Watling:** Yes. So far, as far as I can see, this conversation has all been one way, about the flow of people in here. Speaking as one who worked and lived overseas both in Europe and elsewhere around the world in pursuit of creative industry work, I just wondered: is the DCMS planning and making provision, as we move towards Brexit, for securing freedom of movement the other way as well, as part of the whole negotiation?

Karen Bradley: Of course that is the point that the Prime Minister talked about in Questions earlier, that we have to look at all EU nationals. These are UK nationals in Europe and these are EU nationals in the United Kingdom. We need to make sure that we respect the rights, that we preserve those rights and that we value the contributions that have been made across the board. We need to make sure we get that for all EU nationals—we are all EU nationals at the moment—so that that is preserved for UK nationals as much as it is for EU nationals here in the UK.

Q119 **Giles Watling:** In my view it is absolutely vital that we keep this up because that is how we sell what we are to the rest of the world. I regard that as a priority and I hope your planning is including that because we might start creating zips and selling them again.

Karen Bradley: It is.

Paul Farrelly: Just on that point, perhaps, given what you have said, Karen, the proprietors of Cash's Tags may now look at the prospects for investment in the zip industry. The scales have fallen from my eyes about the motivation of a mutual next-door neighbour.

Q120 **Chair:** I should probably say that other providers of tags are available as well.

Karen Bradley: They are not in Staffordshire, though.

Q121 **Paul Farrelly:** The follow-up point is that what you have just been saying, Karen, regarding accessing talent from around the world and not just the European Union only makes sense if by virtue of restricting the numbers coming from the European Union it then allows you the opportunity to free up, liberate or make more liberal the visa

requirements as far as the rest of the world is concerned. Is that what you are saying?

Karen Bradley: I am saying that we are looking at an immigration system that works for the whole world. Look, I am not going to say to you that the creative industries are 100% in favour. It is quite clear the creative industries were predominantly for Remain, but the country did not vote for Remain. The country voted to leave. I have to make sure I reflect the concerns that those industries and sectors have about the changes that leaving the European Union will pose to their businesses and ensure that we take the opportunity that this affords us to get to an immigration system and a way of working across the whole world with free trade arrangements that benefit our creative industries. That is what I am working to do. This is going to require change, of course it is, but I want to make that change that is beneficial to these industries in the best way we can.

Paul Farrelly: That does not answer the question, Chair, but I will not press it further.

Q122 **Chair:** Thank you. Just a couple of other issues related to Brexit and the sector, particularly looking at tourism, the airline sector and the tour and package holiday operators. They obviously have long timelines. They will soon be marketing holidays for the post-Brexit period, post-spring 2019. When do you think they can start to receive some sort of certainty about the way in which the aviation industry will operate and, in particular, the arrangements for open skies and a single aviation market post-Brexit?

Karen Bradley: Clearly that is a matter for DfT, who are leading on that particular issue, but you are right to comment on, for example, the packaged tour market, who need to start booking now for hotels for occupancy in summer 2019. That is why the Florence speech from the Prime Minister was so important in being clear that there will not be a cliff edge. When we leave the European Union in March 2019, that does not mean that everything will change overnight. We will have brought all European laws into UK law through the Withdrawal Bill and we would like to have an implementation period so that there is only one change for business and we can manage that as best we can.

Q123 **Chair:** Obviously there are package operators that sell both inbound and outbound holidays and it is crucial for them that there is some kind of certainty around those issues.

Karen Bradley: I was in Sweden recently and met tour operators there. We are one of the biggest tour markets for Swedish holidaymakers and I met them exactly on that point.

Q124 **Chair:** Yes. Just going back on to the visa system and the salary level, obviously there are some industries where skilled work is maybe earning less than the required amount to secure Tier 2 visas. There are other sectors where people may be earning a lot more but are still considered relatively low-skilled for their sector. Football would be one of those. Have you had representations from the Premier League and other people

within football about the way a visa system might apply to professional football as well?

Karen Bradley: I am sure you will not be surprised to discover that the Premier League, the English Football League and the FA have all made representations to me, as have a number of other sporting bodies.

Q125 **Chair:** In regards to those football bodies you mentioned, do they agree with each other?

Karen Bradley: There are some areas in which they agree. There are others where they slightly differ. We are working with all of them on those matters.

Chair: OK. Thank you. Moving on to some other issues relating to Brexit, particularly broadcasting, I want to bring in Brendan O'Hara again.

Brendan O'Hara: Thank you, Chair. The governance of the BBC—sorry, is this specifically about the BBC, Chair?

Chair: This was regarding country of origin and broadcasting, if you wanted to come in.

Brendan O'Hara: No, it was not—

Chair: Do you want to move on to the BBC?

Brendan O'Hara: No, I was going to come in on Channel 4 relocation, if that is permissible.

Chair: We will leave that. We will go on to Creative Europe as part of the Brexit section and we will come on to Channel 4 in a moment. I know, Giles, you wanted to come in on Creative Europe.

Q126 **Giles Watling:** Yes. It concerns me, the funding stream that the arts get in this country, and of course you are well aware of the £1.4 billion or so that is in the Creative Europe scheme that is disseminated across Europe to help in the arts. As we move towards Brexit, this may significantly reduce. First, is it your impression that it will significantly reduce in the UK? Secondly, is the Government going to be prepared to meet any prospective shortfall in that funding should those EU sources no longer be available?

Karen Bradley: On all EU funding the Chancellor was clear that the Treasury will ensure that where match funding is required the funding is available for projects up until the point at which the funding stream would have ended for those that we are already committed to. In terms of Creative Europe, Creative Europe is a Council of Europe matter.

Giles Watling: Yes.

Karen Bradley: We are a member as a result of our membership of the EU but it is a Council of Europe scheme and therefore I would not expect our membership or otherwise of the EU to result in a reduction, necessarily, of funding from Creative Europe. The Prime Minister did say

in the Florence speech that we are looking at those funds that have cultural benefit across Europe to see which ones we do want to continue and remain a part of. We are obviously considering Creative Europe as part of that work.

Q127 **Giles Watling:** You do not see any cliff edge for the arts? The arts community I know are concerned about what is coming up. You do not see any sudden cliff edge and withdrawal of funding that is vital lifeblood to the arts?

Karen Bradley: I would hope we would not see any cliff edge at all for funding. As I say, the Treasury are committed to underwriting any issues if there are shortfalls in funding of previously committed funding streams. As I say, Creative Europe is a Council of Europe fund anyway. Our membership is via the EU at the moment but it is Council of Europe. We are not leaving Council of Europe.

Giles Watling: Right. Thank you, Secretary of State.

Q128 **Chair:** Thank you very much. I have just received information that apparently Klestro, which was established 18 years ago in 1999 in London, is the largest zip manufacturer in the UK.

Karen Bradley: I have been given false information by the British fashion industry. We need to make sure the British fashion industry learn about this zip manufacturer and start using them.

Q129 **Chair:** Exactly. It is good to see we have made progress on zips even as the session has gone on.

Karen Bradley: Excellent. I am very pleased to hear it. I was concerned.

Q130 **Giles Watling:** I am very sorry, Chairman. There was one question I did want to ask as a courtesy after that, which I forgot to do. Sorry. What barriers do you see that might be in the way of our continued participation in Creative Europe? How do you prepare to resolve them or overcome them?

Karen Bradley: Clearly we will be a member of the Council of Europe as a sovereign country rather than as part of the EU and we will have to look at the appropriate contributions that might need to be made, if we decide we do want to continue as a member of Creative Europe.

Q131 **Giles Watling:** You have not identified any particular barriers at this point?

Karen Bradley: As I say, we are looking at lots and lots of different funds and different projects that we are part of at the moment because of our membership of the EU where there are cultural benefits. Creative Europe is one of them but we are looking at a number.

Q132 **Chair:** What we have confirmed, though, is that Britain leaving the EU in no way necessitates our giving up our membership of Creative Europe.

Karen Bradley: Exactly. The Prime Minister has been clear that we will continue to participate in and pay an appropriate contribution to be part

of funds. She talked about ones that have scientific, cultural or educational benefit and I confirm that Creative Europe is one of those funds that as a Department we are considering.

Q133 **Chair:** I just want to ask briefly about the question of country of origin for broadcasters. Obviously this is of paramount concern to the sector. When do you feel that the Government will be able to give some sort of update, as a result of the negotiations, on where we stand on important issues like that?

Karen Bradley: You will be aware of the issues that are being discussed in negotiations at the moment, the Northern Ireland/Irish border, citizens' rights and the financial issues. Once we can start to talk about the future relationship we will be able to talk about that as part of that. We should be clear we are starting at a point of equality across the board with the EU on the day we leave and I would like to start on the basis that we continue with equality as appropriate. This is clearly part of the negotiations and it would not be right to speculate on ongoing negotiations.

Q134 **Chair:** Has there been an opportunity for you or the minsters in your Department to have informal discussions with your EU counterparts on these issues?

Karen Bradley: I can assure you that at every meeting I have with my counterparts, as do my ministers, matters that relate to our sectors and things that we benefit from because we are members of the European Union are raised. The free flow of data would be one thing. We have set that up in a policy paper or position paper already. UK broadcasting and other matters are ones that we clearly do talk about on a regular basis.

Chair: Thank you. I appreciate that with interruptions we have been here quite a long time. There are one or two other topics we want to cover off and we will briefly try to do that. I want to turn now to the future of Channel 4.

Q135 **Julian Knight:** Secretary of State, it has been repeated in the press that you have cooled towards the idea of Channel 4 relocating out of London. Is that the case or not?

Karen Bradley: I am not aware of those reports. That would not in any way reflect any of the public statements I have made.

Q136 **Julian Knight:** I think it was reported in *The Guardian* last month that they had had soundings that you were cooling in that regard.

Karen Bradley: No. I have been clear, as I was in my Royal Television Society speech, that I do expect Channel 4 to relocate. I want decisions to be made for Channel 4 outside London. I think they can make a significant contribution to nations and regions and I want to see that happen.

Q137 **Julian Knight:** What do you make of Channel 4's argument that if they were to relocate outside the M25, they would see a drain on talent?

Effectively they would have staff not wanting to move and relocate. What do you make of that as an argument?

Karen Bradley: This is part of the discussions we are having with Channel 4. There is a multitude of talent outside the M25. As I have said previously, I do not think you should have to get on a train to London or move to London to be able to work in the creative industries. We have seen the success of the BBC moving some of its operations to Salford. I appreciate this is a different situation and a different business model but I think that Channel 4 can do a lot more, as a publicly owned asset, for nations and regions.

Q138 **Julian Knight:** Is there any argument to date that they have made not to relocate that you have found in any way particularly persuasive?

Karen Bradley: As I say, my position has not changed. I am not quite sure where the media reports came from.

Q139 **Julian Knight:** What do you make of the idea of a core and satellite approach, basically that they would still have a major operation in London but then would spread some operations around the country in order to set up, as I say, these satellite operations? What do you think of that?

Karen Bradley: I have met Alex Mahon, who is taking over as the new Chief Executive. I am interested to see what the Channel 4 board come up with on a voluntary basis as to how they might best contribute to nations and regions. I am very interested to see that. To be clear, and as I have said previously, I detect that there is a real sense within Parliament that Parliament does want to see Channel 4 relocate and that Parliament would back any legislation to relocate Channel 4, and so I would hope that Channel 4 will come up with proposals and plans that do satisfy Parliament, and I mean all sides of Parliament in both Houses.

Q140 **Julian Knight:** With Alex Mahon going to be taking over soon, obviously, have you noticed a change in the approach in terms of relocation? Do you think there will be more positive, more open engagement in the process?

Karen Bradley: The consultation responses, which we published three weeks ago, I think, and the public reaction to my speech in Manchester earlier in the year have resulted in the change in the attitude across the board in Channel 4. I suppose one thing I should say is I do not expect this to happen tomorrow. I recognise that there are HR issues and there are things that require dealing with. I fully appreciate that we need to work with Channel 4 and I want to work with Channel 4 to get to a solution that works for everyone. I would repeat that I have committed to keep Channel 4 in public ownership but as a public body, I think it is incumbent on Channel 4 to do more in terms of nations and regions.

Q141 **Julian Knight:** What do you envisage your timescale to be?

Karen Bradley: We have an election in 2022. I would hope by then that everything will be settled.

Q142 **Julian Knight:** If they are to relocate, they would be relocated, all up

and running, all done, by 2022?

Karen Bradley: As I say, I would expect by the time of the next election that we would see a different way of Channel 4 working in terms of its location.

Q143 **Julian Knight:** It has been said to me that effectively if it is not going to remain in London and if it is not going to be this core/satellite approach that I outlined to you earlier, potentially it could be looking at Manchester to take up space where the BBC is at present. I just wonder what your thoughts are, as a fellow West Midlands MP, in terms of how that helps with the representation gap that we have within the West Midlands? We see this with the BBC.

Karen Bradley: I have heard some excellent proposals from a number of cities and areas, not just cities, from around the United Kingdom, who have great ideas of what they could do with Channel 4. I want to see them working with Channel 4 putting those proposals to the board, and I would make no comments or judgments as to which would be the best. There are some excellent ideas out there from many, many different areas.

Q144 **Julian Knight:** If Channel 4 does not move—let us take that scenario for a moment—or retains a substantial portion of its operations within London, how do you propose as Secretary of State to help close that representation gap that many within the regions feel since we have had the move from London to Manchester with the BBC and the reduction of services throughout many other parts of the country? How do we close that representation gap?

Karen Bradley: I would like to do this collaboratively with Channel 4. I would like to work with Channel 4 to make this work for Channel 4 and Channel 4's staff. That is very important. But I sense that Parliament, and I sense that this is across all parties in Parliament and across both Houses, has a desire to make sure that Channel 4 is not a London-based business by the time of the next election. Legislation is the ultimate and final tool that we could use. I think that Parliament would want to see something that satisfied Parliament and if it did not see that, I suspect Parliament would want to take some action.

Q145 **Julian Knight:** Finally, is your feeling that we are further along now in terms of seeing Channel 4 relocate? Do you feel that effectively the dial has moved in the direction of relocation?

Karen Bradley: I hope so, yes.

Q146 **Julie Elliott:** Before I ask what I was going to ask, you have just made great play on the fact that Parliament across the board in both Houses want to see this happening. When is this being discussed in both Houses?

Karen Bradley: I think there is a Ten Minute Rule Bill next week.

Q147 **Julie Elliott:** It has not been discussed but you—

Karen Bradley: There was an Early Day Motion. Many members of the House of Lords have written to me. I have had representations from a number of people.

Q148 **Julie Elliott:** You value that Parliamentarians, although it has not really been discussed, have that view and you are taking serious note of what Parliament thinks on this?

Karen Bradley: Yes, absolutely.

Q149 **Julie Elliott:** I just want to put on the record that that is in great contrast to your position on section 40, where you were taking the absolute opposite view and where there was significant contribution, a vote and a full debate on the issue.

Karen Bradley: I am talking about Parliament today.

Q150 **Julie Elliott:** It has not been discussed, Secretary of State, but you are using it as a vehicle to say it has. Never mind.

Karen Bradley: To be clear, Channel 4 is a statutory body. In order for anything to be imposed on Channel 4, it has to have legislation. The reason that I say what I say about Parliament is because of the representations that have been made to me by Parliamentarians from all parties and Parliamentarians from both Houses.

Q151 **Julie Elliott:** It has not been discussed but I will move on to what I wanted to ask.

Karen Bradley: I am sure you will be at the Ten Minute Rule Bill next week.

Q152 **Julie Elliott:** This move outside of London, I am very much in favour of particularly regional accents being heard on television and all of those things. What I am very much against is a tick-box exercise, which to some degree is what I think happened with the move of the BBC to Salford, which has been a massive success. What has ended up happening is that we have a massive presence in London and a massive presence in Salford and fewer people working in the regions and nations, I think, and I would hate to see that happening again. Even though I think they have been successful, there have been negatives to them as well.

What do you see if we look, say, 10 years down the line? Is it the running of the organisation that you want to see moved outside of London? Is it the production content that is outside of London? Is it what goes into those productions that you want to see outside of London? What is the picture?

Karen Bradley: Obviously Channel 4 as a commissioning organisation can commission from anywhere in the country but I want to see the decisions that are taken about Channel 4, about Channel 4's future, about the way it is going to operate, to be taken out of London. I have said this quite publicly. It is about the decision-making.

Q153 **Julie Elliott:** What difference do you think that is going to make?

Karen Bradley: I think that it will have economic impact in the nations and regions, in that it is a job creator for them. It is potentially an anchor tenant for a city or an area that wants to create a hub of creativity. Also I think as a commissioning organisation it will mean that Channel 4 is closer to content providers outside London. It has many potential benefits.

I would also take up your point about whether the move of the BBC to Salford has been a success or not. There are more people working in MediaCity in Salford Quays now than there were at the time that the area was docks. It has been a fantastic success for that area and created a creative hub in Manchester that is world-renowned. This is the kind of potential that I can see from many of the opportunities that arise from having creativity in clusters outside London, not to take away from anything London offers. I do not think there is any country in the world that would not kill to have a London, but I want to see the benefit of having that fantastic creativity being spread across the whole country.

I would also say that one thing I notice, as somebody who may be a West Midlands MP but is much closer to Manchester than Birmingham geographically, is reporting about what goes on in my area on the BBC far more than I ever used to. I listen to accents like my accent far more on the BBC than I used to and I think that is a good thing. There are many more things we can do and I want to see more of them, and I want to see Channel 4, as a publicly owned asset, contribute to the nations and regions in that way.

Q154 **Julie Elliott:** I do not disagree. I said, actually, that Salford has been a huge success. MediaCity is fantastic. I have to say, coming from the northeast where, although it is half the distance between the northeast and London, it takes as long to get there by train, there are fewer people working for the BBC in the northeast now than before MediaCity happened. A lot of people seem to think that Manchester and Salford is "the north" and everywhere else goes by the by, and I would hate to see that happen again. That is notwithstanding that it has been a huge success in Salford.

That is my concern, really, about Channel 4. I am not sure the decision-making being upped from London and put into Manchester, put into Birmingham or whatever really benefits the nations and regions. That is why I was trying to tease out—I might not have been very clear in how I asked the question—what impact you think it is going to have across the whole of the nations and regions as opposed to in whichever area the decision-making body is picked up from London and placed into, because I do not think that is the real issue. That is what I am trying to get at. I want to know how you think it is going to benefit the rest of the country.

Karen Bradley: Clearly, wherever there are bases there will be a jobs impact. There will be an economic impact. This is about how Channel 4 commissions from across the whole country. On the subject of the northeast, I was there recently visiting the venues for the Great

Exhibition of the North. We should not look at any of this as being the only thing that is going on. There are lots of things happening. Hull, being the UK City of Culture, has seen an incredible number of people going to Hull and visiting Hull who would never have done so previously. I hope that the first Great Exhibition since the 1950s taking place in this country and the first one ever to take place outside London being in Newcastle-Gateshead will be an incredible boon for that area. I want to make sure we do things for all parts of the country, all nations and regions. Channel 4 is part of that. It is not the only thing we are doing but it is part of it.

Q155 **Brendan O'Hara:** Just one for the record, Secretary of State. Could I just check you are as committed to Channel 4 relocation today as you were when you gave your robust answer to the Right Honourable Member for Malden at the last DCMS Questions? You were absolutely certain then. Are you as certain now that this is what you want to achieve?

Karen Bradley: Yes. Nothing has changed.

Q156 **Brendan O'Hara:** Nothing has changed?

Karen Bradley: Yes.

Q157 **Brendan O'Hara:** You said that Channel 4 were in discussions. If, after those discussions, Channel 4 decide not to relocate voluntarily, is it within your purview then to force them to relocate or would you bring legislation to Parliament to force them to relocate?

Karen Bradley: It would have to be done through legislation.

Q158 **Brendan O'Hara:** Are you so committed to seeing Channel 4 relocate from London that you would bring legislation to Parliament?

Karen Bradley: I have said clearly I do not rule anything out but I want to do this in a way that works with Channel 4. I want to work with Channel 4 to get to a point where we are all happy.

Q159 **Brendan O'Hara:** Are you having those discussions currently?

Karen Bradley: Yes.

Q160 **Brendan O'Hara:** Do you get the feeling from Channel 4 that there is a likelihood of a voluntary move?

Karen Bradley: As I say, my officials and I have talked to Channel 4 regularly and we want to work with them.

Q161 **Brendan O'Hara:** You rightly say that you want Channel 4 to do more for the nations and regions. I absolutely agree and I am sure most folk would. Do you not think that an increased production spend in the nations and regions and a greater commitment to that, creating that economic prosperity across these nations and regions, is probably, in the long term, more beneficial than relocating 800 jobs from one central site to another?

Karen Bradley: I am not saying it is 800 jobs to be relocated. I am not putting a number on it. I want to see all of that. That is what we

consulted on. If you see the consultation responses, you will see there was support for all of those measures that we consulted on. I want to see Channel 4 do more across the country and I want it to reflect the voices and the views of people across the whole country, not just the views of people in London.

Q162 **Paul Farrelly:** I think you have answered my question, Karen. You have said you are committed to public ownership of Channel 4?

Karen Bradley: Yes.

Q163 **Paul Farrelly:** 100%?

Karen Bradley: 100%.

Q164 **Paul Farrelly:** 100% public ownership?

Karen Bradley: I am committed to public ownership. I have said that we will not privatise Channel 4. I have made that commitment.

Q165 **Paul Farrelly:** Retaining Channel 4 in its current form?

Karen Bradley: Yes.

Q166 **Paul Farrelly:** If anyone approached the Department and said, "We could help you with your objective of relocating Channel 4 but we would like to take a stake. We will build fantastic new headquarters—"

Karen Bradley: That is not what we are envisaging at this stage.

Q167 **Paul Farrelly:** That would not be on the agenda?

Karen Bradley: No.

Q168 **Julian Knight:** Sorry, just one follow-up occurred to me. In terms of what you have said in the past and what was your most recent statement in this regard, is it the case that you still want to see the HQ moving rather than, say, just decision-making within Channel 4? Is it the HQ?

Karen Bradley: I want to see Channel 4 relocate but I want to work with Channel 4 to do that in a way that works for Channel 4, that is not detrimental to their business and that does make sure that Channel 4 reflects the nations and regions. Nothing has changed. Nothing is different. Look at my Royal Television Society speech that I made a few weeks ago. Have a look at the consultation responses. We will continue to make statements and publish information on this in the next few weeks.

Q169 **Julian Knight:** Yes. In terms of decision-making, in terms of them moving their decision-making facilities, effectively, Channel 4—

Karen Bradley: If I can give you the example that I talked about with Channel 4, I am aware that there have been times in the past where a board meeting happens in Luxembourg because it is very beneficial from a tax point of view but there is no actual presence in Luxembourg. It is merely a box-ticking exercise. What I do not want is to see everybody getting on the train from London to wherever is deemed to be the HQ of Channel 4, going to a board meeting, having a board meeting and then

all getting on the train back to London and carrying on with business as usual. I want this to be a real, tangible difference. That is what is important. That is what will make a difference to nations and regions and give Channel 4 the opportunity to contribute, as a publicly owned asset, to the whole country.

- Q170 **Chair:** Secretary of State, can you see why some of these people are confused about this issue and unclear as to what the way forward is going to be? Many people who have watched what you have said this afternoon or who will read the transcript later on would get the impression that full relocation is all on, but in your speech at Cambridge—this is the reason why your remarks may have been interpreted slightly differently—you said, “Relocation may not mean the whole business but I am clear that Channel 4 must have a major presence outside of London and potentially increase commissioning”, which could be something very different. It could be a model of small commissioning hubs or other work being done outside of London but the headquarters of Channel 4 still being in London.

Karen Bradley: The point I was trying to make there was that one of the arguments that has been put back to us is that the advertising spend all happens in London. You could not possibly locate Channel 4 and 800 employees somewhere else because they would not be able to get any advertising revenue. Channel 4 is dependent on advertising revenue—95% of its revenues today are advertising—therefore they need to be able to generate advertising revenue. There are potentially functions—as I say, advertising is one that has been put to me on a number of occasions—that may still need to be done in London.

I am not saying, as I have just said to Brendan, that all 825 members of staff have to move lock, stock and barrel tomorrow to another location. We have to be pragmatic and we have to be realistic about this. I do want to see Channel 4 operating as a business that is seen as being a non-London business by the time of the next election in 2022.

- Q171 **Chair:** Obviously the difference between Channel 4 and the BBC, as you know, is that it does not make its own programmes. It commissions them. A Channel 4 that delivers against that, that looks more like the nations and regions, would be one that spends more of its money outside of London and works with production companies outside of London more than it does at the moment. That would be the outcome in terms of what you would see on the screen. When you watch the channel, what you are watching is the content of the programmes, not where the chief executive sits.

Karen Bradley: You make a good point but the facts and the statistics are quite clear that at the moment that simply does not happen. If you look at, for example, Birmingham and the number of productions that are made by the BBC, by ITV and by other producers and compare them to Channel 4, there simply is no comparison: the very small amount of production coming from Birmingham in proportion to Channel 4’s spend on production across the whole of the United Kingdom, as an example. I

am not making any comments on Birmingham one way or the other, I am just using it as an example. It is clear that that is not happening today and we need to do something to make sure that does happen so that the programming that Channel 4 makes reflects the whole country.

There is a real opportunity as a publicly owned asset producing incredible content. The Paralympics and the Para Athletics coverage is second to none. They make incredibly exciting, cutting-edge comedy, dramas and other programming. I want to make sure that that continues but I want to make sure it reflects the whole country.

Q172 **Chair:** Given that scenario, could a solution be that Channel 4 establishes one or maybe more than one regional commissioning hub with permanent commissioning staff based there supporting an office in London where the management and the ad sales people work? That could be a way of doing it. Are you that open-minded to it?

Karen Bradley: It is one way of doing it. I am not sure it would satisfy Parliament despite what Julie has just said but it could be one way of doing it. I want to work with Channel 4 to get to the right solution for them but I want decision-making to be taken outside London.

Q173 **Chair:** That sounds like the executive team would not be based in London.

Karen Bradley: As I say, that is what I want to see, real decision-making taken outside London to benefit the nations and regions.

Q174 **Chair:** Parliament might agree on the principle that you have outlined but may not agree on where it should go. It could be a broadcasting version of Lords reform.

Karen Bradley: That is a debate for another day.

Q175 **Chair:** Indeed. I just wanted to ask quickly about the BBC. The BBC World Service radio is greatly admired all around the world. It draws on the experience of its correspondents in countries all around the world and it is something that is being invested in. BBC World television, which many people probably only experience if they are staying in a hotel in another country, is a very different proposition. It does not draw from the great wealth of talent at the BBC in the same way. Do you feel that this is a missed opportunity? Is there an opportunity to make BBC World television more like BBC World Service radio?

Karen Bradley: I think we have all experienced BBC World sitting in hotel rooms in the wrong time zone and realising that after the three-hour loop of the same programming there is not much to continue watching. Yes, I would like to see BBC World programming change. I know that the Director General is keen to see that too and is working on proposals for how that could be done.

Q176 **Chair:** That would probably require additional investment. Would the Government see investment in BBC World—we could call it World Service television, similar to World Service radio—as part of the way the country

projects itself to the world? Is it something that the Government may support as well?

Karen Bradley: Potentially. Let us see what proposals the BBC come forward with. I obviously cannot commit the Treasury to spending any money whatsoever but potentially it is something that we would look at.

Q177 **Chair:** Would you encourage the Treasury to look favourably on a proposal like that?

Karen Bradley: I would encourage the BBC to put forward a very good proposal to the Treasury.

Q178 **Chair:** With your backing? Okay. We have a couple more things and then we can release you from this increasingly long Select Committee session, thanks to the interruptions. I just wanted to ask, in regard to gambling, when you expect to report back on the Triennial Review and on the review of gambling advertising.

Karen Bradley: On the Triennial Review, the call for evidence and the consultation will be later this month. It will be a full 12-week consultation and it will put forward a number of options on many different aspects of gambling.

Q179 **Chair:** You will announce the consultation later this month?

Karen Bradley: Yes.

Q180 **Paul Farrelly:** Just on this, clearly the battle lines have been set on so-called FOBTs and stakes. It might be unfashionable but I was just looking at the evidence given to you by the Responsible Gambling Trust, which if it is not counter-evidence is countervailing or balancing evidence about the likely effects of a stake cut. I think you have said throughout that any proposal you bring forward will be evidence-based. Is it still the case that you will give due weight to all the evidence?

Karen Bradley: We are giving due weight to all the evidence. You will see the evidence with the consultation. This is of course a very wide-ranging review covering a number of aspects in gambling and you will see that coming forward with a full 12-week consultation with options available in a number of areas.

Q181 **Paul Farrelly:** I just wanted to make one further point because I was there when the Secretary of State referred to me at Questions a few weeks ago but I was not able to get in. It was regarding the proposal from quarters I will not mention to ban gambling or gaming companies from advertising on football shirts. Bet365 sponsors Stoke City, which is our local club, and I just want to put on the record—people have been asking me—that that sort of indiscriminate approach across the board, in which one company has been in trouble and you then label respectable companies and tar them with the same brush, is not something I support. I hope the Secretary of State will be able to confirm that nothing like that is going to emanate from the Department

Karen Bradley: That certainly is not something that we are considering

at the moment. The reason I referred to my, "Almost neighbour from Staffordshire" was precisely because of Bet365 and the work they do in sponsoring Stoke City, and—

Paul Farrelly: You mentioned West Bromwich Albion as well.

Karen Bradley: I believe they have entered into a sponsorship arrangement with a gambling company as well. It is an odd proposal to discriminate against the way that a legitimate and legal company can advertise, and say that they could not advertise in certain places in certain ways. That was the point I was trying to make.

Paul Farrelly: Absolutely right.

Chair: The final question is on broadband. If I could bring in Brendan O'Hara first and then Paul Farrelly.

Q182 **Brendan O'Hara:** Yesterday, you may be aware, I described the 10 Mbps USO as a, "Paucity of ambition". Could you explain to me how that figure was reached? What was the basis of that 10 Mbps? Does the Department think that is the best platform for the United Kingdom, which is currently playing catch-up with their European and worldwide competitors in business?

Karen Bradley: There are a number of points to make on broadband. The first is that we started in 2010 from a woefully low position and we have been working to catch up; I do not deny that at all. Through the Broadband Delivery UK project, which we had delivered by local authorities—*[Interruption.]* not another vote; thank goodness for that—and, in the case of Scotland, by the Scottish Government, we have been able to upgrade 3,000 premises a day to have access to superfast broadband at a minimum of 24 Mb. That work inevitably means there are certain premises where it is not feasible, using the cabinet system, and the upgrading of the cabinet system, to get sufficient speed of broadband to those premises. Therefore, we have to look at what can we do to get broadband to all households as quickly as possible.

We have looked at the different speed options. 10 Mbps is a number that experts will say is sufficient for people to do what they need to do. Today, it means you could download a film, people can do their research for homework, they would be able to access friends and family at 10 Mbps. It is a sufficient speed for people in the short term. I want to be clear, this is a short term. We need to get people to have access to sufficient speeds of broadband as quickly as possible. Going for a number above 10 is not feasible to do by 2020. We have looked carefully at what we could do by 2020 so that we did get 100% coverage by 2020 with a good broadband speed. However, that is not the end of our ambitions; we want to get better speeds, higher speeds across the whole country as quickly as possible, but this is a way to make sure that we can deliver by 2020 so that there is full coverage.

Q183 **Brendan O'Hara:** The Scottish Government, as you know, have committed to 30 Mbps. What assessment has your Department made of the impact of your proposed BT deal of this 10 Mbps on Scotland, given

the Scottish Government's rollout programme?

Karen Bradley: To be clear, we have legislated for the USO in the Digital Economy Act and we are working on the regulatory model for the USO. We are also negotiating with BT at the same time for what could be delivered on a voluntary basis. We will have to make a decision as to whether we go for a voluntary delivery by BT of the USO, or whether we go down the regulatory track, which is what we have already legislated for. The impact of the voluntary arrangements on all parts of the country is one of the issues that we are looking at, in terms of whether we accept the voluntary arrangement or we go down the regulatory route.

Q184 **Brendan O'Hara:** Did you, or any of your Ministers, discuss this with the Scottish Government?

Karen Bradley: We will talk to the Scottish Government about the decision we take when we take that decision, but, in terms of the discussions with BT, that was done by the UK Government at UK Government level, as to what BT could deliver on a voluntary basis. We will not make a final decision until we have made full consultation.

Q185 **Brendan O'Hara:** When did you, or one of your Ministers, last meet with Fergus Ewing, who is leading on this for the Scottish Government?

Karen Bradley: I believe that the Digital Minister met with Fergus Ewing over the summer, but I would have to check exactly when that was. I know I tried to meet him when I was in Edinburgh; we had difficulty finding a time.

Q186 **Brendan O'Hara:** Given the absolutely vital importance of this to Scotland, and indeed to all the nations, would you agree to having meetings with Fergus Ewing? Could we get it on the record that you are happy to meet with him? Either you and Fergus or you, Fergus, myself and Matt Hancock—whichever combination of them—but can we get it on the record that you will meet the Scottish Government at the earliest opportunity?

Karen Bradley: I am always happy to meet counterparts from across the country. I am happy to meet Broadband Delivery UK partners from county councils, local government, and so on, so, of course.

Q187 **Brendan O'Hara:** The Scottish Government is a government, and, given that they are rolling out 30 Mbps by 2021, it is absolutely essential that both Governments work in tandem and know what each other is doing. Can we absolutely guarantee that you will meet with the Scottish Government?

Karen Bradley: I am always happy to meet counterparts from the Scottish Government, on a number of matters.

Q188 **Brendan O'Hara:** Finally, could you give some clarity on roaming charges and what will happen post-Brexit? Will we still have the reciprocal arrangements during the transition period, or do consumers have to prepare themselves for the return of roaming charges?

Karen Bradley: Clearly, the change to roaming that we have seen over the summer is something that will be part of the negotiations in terms of our future relationship with the European Union. Having the implementation period should mean that there is no change during that period, at the very least.

Q189 **Brendan O'Hara:** Finally, finally, Chair; it is a question that I asked of Ofcom yesterday. What is the Government doing to hold to account broadband providers who advertise high-speed connection in full and certain knowledge that they are absolutely unable to deliver these speeds to the premises to which they are going to be delivered?

Karen Bradley: That's a matter for the Advertising Standards Authority; we do talk to the ASA about that. They have issued new guidance on this matter and they can take up false advertising, or inappropriate advertising, should they see it.

Q190 **Brendan O'Hara:** Is there no legislative role for the Government?

Karen Bradley: It is a matter for the Advertising Standards Authority; it is an advertisement, they are the regulators of advertising.

Q191 **Paul Farrelly:** Karen, I want to raise something to do with broadband rollout that might be important and relevant to your constituents in Staffordshire Moorlands—if not mine—but it is certainly relevant to some villages next door to you over the border in High Peak. It is Ruth George who is your new next-door neighbour; in fact, the successor to a former member of the Committee, who has asked us to raise this on behalf of some villages in her constituency. It is to do with the impending closure of the Better Broadband Scheme.

Karen Bradley: I know exactly the point, because it has been raised with me by county councillors as well and the Peak Park. I have suggested that they contact their local MP, which they clearly have, who should write to me in my capacity as Secretary of State.

Q192 **Paul Farrelly:** She has raised it, quite rightly, with us.

Karen Bradley: I am well aware of the issue, and I did say that it would be inappropriate for me to intervene just because I happen to be a next-door neighbour; that they needed to go through the proper processes.

Q193 **Paul Farrelly:** I am not making constituency points, I am just highlighting it as one example.

Karen Bradley: No, and I am aware of the particular concerns. I believe it is in the Peak Park, is it not?

Paul Farrelly: I do not know, I am just raising it as an example.

Karen Bradley: My understanding is it is villages in the Peak Park that are having difficulty specifically on that matter, and they have asked for an extension. If she writes to me in my capacity as Secretary of State, I will get the team to look at that.

Q194 **Paul Farrelly:** That is fantastic. I understand from BT that there are about 2,000, or so, rural communities affected by the same concern, so it is a nationwide issue. This comes up, of course, with every voucher scheme. Under the scheme, residents who are unable to get more than 2 Mbps can qualify for a £350 voucher, which they can then pool, but it takes some time for these arrangements to happen. By the time you have got to BT and qualified under the scheme, you have put lots of effort in, and then you find that the scheme has either closed, which is due by the end of this year, or that you are beyond the deadline for the redemption of the vouchers, which is the end of March.

Karen Bradley: Yes. I am well aware of the point. Yes.

Q195 **Paul Farrelly:** Of course, any extension of the scheme needs you to go, with pleas to the Treasury. Have you considered extending the scheme and have you been asking the Treasury whether they will give the resources to extend it further?

Karen Bradley: I am well aware of the concern. This has been raised with me by local residents who felt, as I was a next-door neighbouring MP, they could perhaps come directly to me. I did not want to breach parliamentary protocol—they are clearly constituents of Ruth George and I wanted to make sure that they went through the proper processes—but the points were raised with me, I have raised them with officials. I suggested that they write, they contact their MP, and they go through the right processes and then we will do the appropriate—

Paul Farrelly: I have moved on from High Peak and the Derbyshire borders.

Karen Bradley: No, but we will do the appropriate things—

Paul Farrelly: I am asking about the scheme itself: whether you have made representations to Treasury to extend it.

Karen Bradley: I understand the point, and we are going through the proper processes to make sure that we do what we need to do to ensure that those individuals and those locations, where there is an issue about pooling and time, we can do what we can to assist them. I am aware; I have a team on it.

Q196 **Paul Farrelly:** Have you been making representations to the Treasury, maybe for some good news in the Budget?

Karen Bradley: I am not sure I would like to pre-empt anything the Chancellor is going to say in the Budget.

Paul Farrelly: No, but have you asked him?

Karen Bradley: As I say, I am not going to get into discussions I have had with the Chancellor.

Chair: I think we have got as far as we are going to get with that question.

Paul Farrelly: I am trying to be helpful. The second part of my—I hope

you have asked him.

Chair: I think we need to move on from that, Paul.

Q197 **Paul Farrelly:** Okay. The second part of the question is: Staffordshire is one of many counties affected. We have found in phase one that the take-up of BDUK has been high, so then there was money coming back from BT.

Karen Bradley: There is gain share.

Paul Farrelly: There is gain share. I have been pushing, as you will, no doubt, in parts of your area and lots of other MPs for certain areas that are not spots to be included. There is one that we have been pushing, Heritage Park, the site of the former Silverdale colliery. It is not part of the next phase, but it has been included by BT in its programme, so that looks to be sorted out.

However, we still have one village, and I will take this as one example of many examples that there may be round the country, Scot Hay, which lies between my mining village of Alsagers Bank and Heritage Park. For infrastructure reasons, it doesn't qualify within the gain share modelling exercise and the next best value for money, which people there do not understand. They are left out; they are part of the last 4%, which I am told is now only 18,000 premises in the whole of the county, when phase 2 will be finished. They just want to know when are they going to be sorted out. What would you advise me to say to people in Scot Hay, who are part of the last 4%, if I cannot get them included in any other programme? What is the Government going to do to help?

Karen Bradley: Why don't you write to me and I will make sure that the BDUK team at DCMS looks specifically at that? I cannot give you a specific answer on Scot Hay today, but I will make sure that we look at it and see what options are available.

Q198 **Paul Farrelly:** The remaining 4% generally across the country, including the Staffordshire Moorlands?

Karen Bradley: That is where the USO comes in, to make sure that the 4% does receive a minimum of 10 Mb by 2020; we want it to be more, but a minimum of 10 Mb by 2020 is what we are looking at with the USO. I am acutely aware, as a Member of Parliament with below 95% coverage for superfast broadband, just how important this is, and making sure we get that.

Q199 **Paul Farrelly:** Can we say, "Just bide your time because, by the beginning, or the end, of 2020, you will be sorted"?

Karen Bradley: We have said we will do this by 2020, we have legislated for that, and we are working now to make sure we have the right way to do it. I want to get this done as quickly as possible so that we can give people the broadband speeds that they need.

Q200 **Paul Farrelly:** Is, "By 2020" by the end of 2020 or by—

Karen Bradley: I think we have said by the end.

Paul Farrelly: By the end, okay.

Q201 **Chair:** Briefly, Secretary of State, you mentioned earlier on the Government's consultation on data transfer between the UK and the EU post-Brexit. I appreciate that you have not yet had the chance to publish any kind of response to that, but is the Government's basic intention that, if we are outside of the European Economic Area—we will effectively be a third country—we would require the European Commission to give a view on the adequacy of our data management protocol and arrangements post-Brexit? Is it the intention of the Government that it should seek a view on adequacy of our data management protocols and protections post-Brexit? Is that the strategy that we would look to follow, that is, compliance with the current EU protocols, as a non-member state?

Karen Bradley: That's what we said in the position paper that we issued in August. That is why we are legislating in the Data Protection Bill that has started in the House of Lords and had its second reading yesterday. We want to be fully compliant with GDPR; we want to make sure that we have a data protection regime that works for the UK, but is fully compliant, and we would hope to achieve adequacy with the European Union as part of our negotiations leaving the EU.

Q202 **Chair:** The actual decision on adequacy has to be made once we have left, so would we seek agreement in principle from the Commission before departure?

Karen Bradley: It is like all the negotiations: we would like to know what the end state is at the point we leave in March 2019, and then we will have an implementation phase while we introduce any changes that come about as a result of the agreement that we negotiate. In terms of data, we want to see free flow of data between the UK and the EU. This happened with other non-member states; we would like to continue with that arrangement. As we will be at the point of full compliance with GDPR, fully in line with European Union data protection regimes, we would hope that could be achieved.

Q203 **Chair:** Beyond Brexit, would we then be required to shadow EU policy in this area in order to maintain adequacy?

Karen Bradley: We would, of course, want to maintain adequacy, but we would have to look at how best to do that and how to make sure that works for the United Kingdom.

Q204 **Chair:** Finally, with regard to copyright and IP, is it your expectation that, through the EU (Withdrawal) Bill, currently going through Parliament, we will simply incorporate into UK law any copyright law that comes from European legislation and regulation, so that we are compliant on day one, based on the existing regulations?

Karen Bradley: Yes. Everything that we are currently compliant with, or will be compliant with by the point we leave, because of being members of the EU until 29 March 2019, will be incorporated automatically into UK

law as part of the Withdrawal Bill process, including copyright and other matters.

Q205 **Chair:** Is the Department considering reviewing copyright law with regard to the payments to musicians for music played through streaming services? This is a growing area of concern, for musicians in particular, that calls for a review of the law to be made there. Is this something the Department is considering?

Karen Bradley: We are mindful of the concerns there are, and we will always look at what we can do practically in order to assist industries like UK music, which is such a great success story.

Q206 **Brendan O'Hara:** Very quickly: on the data protection, Rosemary Jay in her submission said that reaching an adequacy agreement would be massively complicated, given that third countries can only get it and the UK wouldn't be a third country until day one of Brexit. What assessment has been made of the consequences of the UK not having an adequacy arrangement in place on day one after Brexit?

Karen Bradley: Your point about not being able to do a contractual arrangement with the EU until we have left the EU exactly applies to everything else that we are doing in terms of negotiations. We cannot enter into any free trade arrangements, or anything else with the EU, until we have actually left the EU, which is why we need to have an implementation period. You will see in the position paper that we have stated very clearly that, because we will be fully compliant and we are not coming at this from a point at which we are not compliant with EU law, we will be absolutely compliant. We would expect to be able to continue with compliance with EU law, and maintain adequacy through the implementation period until we can sign any formal arrangements to have adequacy for the UK—I would refer you to the position paper that we published in the summer where we set this out—and that is what we are determined to do through the Data Protection Bill. I hope that we will have cross-party support for the Data Protection Bill so that we can maintain adequacy and give UK businesses the certainty they need.

Q207 **Brendan O'Hara:** Yes, I accept all of that, but given the complexities that have been highlighted and the fact that it is not just the signing of a piece of paper by the Commission, or whoever, to suddenly give this adequacy arrangement, it has to go through various legal processes, if that is not achieved, then are there contingency plans in place, or what assessment has been made for that not being the case on day one?

Karen Bradley: Obviously, as a Department, we are planning for all eventualities and we are looking at what would be required under all eventualities. I am very hopeful that we will get that deal and that we will maintain adequacy. We do not want there to be more than one change for business, we want there to be just one change, for any changes that are made, and we want to maintain, as we have set out in our position paper, adequacy on our data protection rules.

Q208 **Chair:** Would it be fair to say that the Government is working towards a

position where there really would be no grounds for the Commission to have any concerns about adequacy in terms of data protection?

Karen Bradley: That is why we want to have one single Act of Parliament, with a coherent regime, a coherent structure, so that we are fully compliant. I would hope there is cross-party support for that approach.

Chair: Thank you very much, Secretary. Thank you for your patience with all the interruptions this afternoon. Thank you for your evidence.

Karen Bradley: Thank you.