

Digital, Culture, Media and Sport Committee

Oral evidence: The Work of Ofcom, HC 407

Tuesday 21 May 2019

Ordered by the House of Commons to be published on 21 May 2019.

Watch the meeting

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

Questions 100 - 172

Witness

[I](#): Sharon White, Chief Executive, Ofcom.

Examination of witness

Witness: Sharon White.

Q100 **Chair:** Good morning. Today's meeting of the DCMS Select Committee covers the work of Ofcom. In particular, the Committee would like to raise topics related to our report into disinformation and "fake news" and the ongoing work of the Sub-Committee for Disinformation, and also questions relating to our new inquiry, which we announced last week, looking at reality television. Sharon White, welcome to the Committee.

Sharon White: Thank you.

Q101 **Chair:** I wonder whether I could start off with some questions about the disinformation inquiry and, in particular, the Government's online harms White Paper, which has now been published. The White Paper establishes the idea of regulation of social media based on the principle of duty of care, whether companies are meeting their duty of care to their users, and any system of regulation requires a regulator. What thought have you given to the role Ofcom could play as a content regulator online?

Sharon White: The White Paper is interesting. We have said for a while that we think the case for independent regulation is now very strong. Obviously, the White Paper raises two options for a regulator: to establish a new body or to give the duties to an existing regulator, recognising that setting up a new regulator inevitably takes time and it has to establish something of a track record. Obviously, the White Paper then talks about the possibility of an interim period and whether Ofcom might have the relevant experience and expertise.

The issue of who the regulator is ultimately is a matter for Parliament. As you would expect, since the White Paper was published we have been giving some thought and doing some planning, not in the expectation that we would get the job but if there is a role for us in some way, starting to think a little bit about skills and resourcing and also how the White Paper framework might be made relevant and practical for an independent regulator.

Q102 **Chair:** I presume you will be responding formally to the White Paper.

Sharon White: We will not respond formally publicly to the White Paper.

Q103 **Chair:** Okay. How will you make your views known to DCMS, or are you just going to wait to be asked?

Sharon White: As you would expect, particularly at working level, there have been lots of very good conversations between my team and DCMS officials on this. What we are expecting DCMS to do is to write to us formally to ask for our views as an independent regulator as they seek input from a range of stakeholders. My own view is that we will probably give more helpful advice to DCMS without it being necessarily a very public process, so we would not plan to make a public response.



Q104 **Chair:** A lot has been said about the principles behind the White Paper, that there is a certain similarity to the broadcasting code in that you have a code defined in statute by Parliament that is then, through Ofcom, turned into a living document of regulation of the broadcasting sector. Do you think those principles can be applied online and that we could again have a tight definition of what we think online harms are, and then it becomes the job of a regulatory body to turn those principles into a practical code?

Sharon White: Broadly speaking, yes, although there are obviously big differences to regulating traditional TV, which is still dominated by the big public service broadcasters. There are some important principles in common. The broadcasting code which we regulate is based on some very clear so-called standards—objectives—set by Parliament. Parliament says that there are a certain number of things that we care about, a certain number of harms that we care about in terms of traditional TV—protection of minors, harm, offence and so on. We then, as a regulator, have quite a lot of discretion to evolve the code over time as tastes, preferences and the public's views about accepted standards and so on change over time. We are then quite transparent in our reporting.

In the broadcasting bulletin, which comes out twice a month, we set out in some detail the investigations, breaches, sanctions as relevant, and then obviously we can come in in terms of enforcement. Those core elements—Parliament setting standards and an independent regulator that is able to have a series of codes that change over time as standards and the public appetite change—that has at its centre as well a reference to freedom of expression, balancing that with protection of users, then with transparency and enforcement.

Obviously, the big differences are volumetrics—the TV set as compared to online. It is a difference of scale, questions about international jurisdiction and so on. As we have thought about it, we think there are ways in which those issues can be, if not overcome, a practical regime can be put in place despite those differences of scale.

Q105 **Chair:** You rightly raise the point about the size of the audience. Obviously, the online platforms themselves—the big platforms—reach millions and millions of people, but within that you then have the content creators. YouTube, a hugely followed channel, is in effect a form of broadcaster because what it is doing is not just expressing its own opinions; it is broadcasting those opinions to millions of other people. Do you think that you could—within a regulatory system such as that proposed in the White Paper—start to create rules based on audience sizes and reach of particular players within the online world and say maybe for those larger players the platforms themselves have a greater duty to make sure that they are abiding by the code?

Sharon White: I think that is a key issue, because obviously the White Paper sets up a very comprehensive set of harms and it also sets up a very wide range of platforms. It essentially says that everybody who is



HOUSE OF COMMONS

providing some broadcast type or user-generated content and then sets out this question about proportionality for the regulator. Again, if you take where the broadcast regime has come from, essentially over time there is a track record whereby the big players now comply and there is almost now a sort of regulatory compact that has been developed but it has been developed over a period of time. I would envisage that a regulator would take a similar approach, focusing on the big players where there is the greatest harm.

Unfortunately, we are not yet at a stage with the platforms where I think there is a compact, so I think that, whoever does this job in those early years, it is to get to a place where compliance with the duty of care and compliance with the regulator's codes is seen as hugely important for your business and hugely reputationally damaging if there is a breach or a sanction. For a UK broadcaster, it is a huge deal if Ofcom sanctions you, and I do not think we are yet in that place with the big platforms, to be frank.

Q106 Chair: Obviously, such a regime would require proper powers of investigation for the regulator as well, and at the moment those powers do not exist. Apart from the Information Commissioner, our regulatory bodies do not have the right to go into a company such as Facebook and demand access to data and information that might be relevant to their investigation.

Sharon White: You are absolutely right. Again, when we have been thinking about what we would need or what a regulator would need to make this regime workable, there are two things side by side. The enforcement powers, which we do not have—as you say, Elizabeth Denham has to some degree—I think are crucial.

Clearly there is an array here, particularly given the concerns about freedom of expression, from calling a platform out to requiring material to be taken down, right the way through to what would be the toughest end of this, which is essentially blocking—requiring a BT or a Sky to ensure that the pipe through which this material comes into the UK is blocked. I think a regulator would certainly need that full panoply of enforcement tools.

Alongside that—we have talked about this a bit before with the Committee—is this question about information-gathering powers. I think that is crucial, both in steady state, so depending on what transparency reporting we have on harms ensuring that we have the ability to go in, collect the data, ensure there is consistency so that we can measure whether Google is doing better than Facebook, Facebook is doing better than its subsidiaries, WhatsApp and Instagram, and then when something does go wrong—if you get a Christchurch or some other horrifying incident—again you have the powers to go in and to seek the information directly and quickly.

Q107 Chair: Finally from me, some people have said that there are categories



HOUSE OF COMMONS

of harms. The categories of harms where we are talking about content that is already illegal are quite easy to define. Disinformation has been included as an online harm as well, but obviously that is not a category of illegal content. Would you feel confident that the regulator could come to a clear definition of the kinds of disinformation that it would regard as harmful and would expect a company to act against, potentially based on that disinformation being not just hyper-partisan content, but lies and the scale at which it was spread and who was doing it?

Sharon White: It is a complex area, because obviously what is my disinformation and what is your propaganda, or your opinion? It is not hugely dissimilar from questions of harm and offence that we already deal with. What is an acceptable standard? How we try to get a definition and guidance around this is through a lot of audience, viewer and user research, and I think that would be at the core while obviously being clear—Jeremy Wright has already written to the Society of Editors—that that does not then encroach into a thriving, pluralistic newspaper sector in the UK. I do think it is possible.

Q108 Ian C. Lucas: The Government talk about the establishment of a new statutory duty of care and they talk about making companies take more responsibility for what is on their platforms. Do you think that the Government's proposal would require the platforms to take responsibility for everything that is on their platforms?

Sharon White: I do, in the same way that a duty of care applies to a broadcaster. ITV or the BBC are responsible for what goes on their screens, even if they are not producing it themselves. They are also responsible for what happens in the production company, all the aftercare and so on. Yes, the duty of care ought to be applicable, and clearly the platforms ought to be accountable, without then necessarily having the philosophical question about whether a platform is or is not a publisher. It is in their pipe; it is in their distribution channel.

Q109 Ian C. Lucas: Do you see the liability of the platform in those circumstances being solely the responsibility of the regulator, or do you think it will also establish, for example, a cause of action for individuals through the court?

Sharon White: I think this is really interesting. As the Government have envisaged—I personally am very supportive of this—there is a clear accountability on the platform for a duty of care. When something goes wrong, what then happens? The regulator will need to have very clear step-in investigatory powers. I think, partly given our own experience of telecoms and media complaints, it is very difficult for the regulator at decent scale to be the body that is responsible for taking on direct complaints. We do not do it in telecoms, and we do it in a very particular way on the broadcast side.

There would have to be the route by which a user can directly obviously then have a route through to Facebook and so on. I think that the



HOUSE OF COMMONS

regulator would want to oversee whether those internal complaints processes are effective and working well. We also envisage—again, we have started to think about how this regime might work—that there is an associate body, whether it is an ombudsman, that is responsible for fielding complaints when they have not been necessarily successfully remedied by the platform concerned.

Q110 Ian C. Lucas: I am not sure that accords with what the Government said, because they said that compliance with this duty of care will be overseen and enforced by an independent regulator. I have a lot of sympathy with what you have just said, because I think that the scale of the work that would be involved in what the Government describe is impossible.

Sharon White: It is ultimately a decision for Parliament, but if you look at the BBC, we are the independent regulator for the BBC. We do not take in all BBC complaints; we act as the appeals body. Of the 250,000 complaints that the BBC gets every year, we look in detail at 250. For telecoms there are independent ombudsmen. We work closely with them. We are still the independent regulator of telecoms, but we are not the first port of call for complaints. All these are decisions, but as the regulator I would not be comfortable, given the scale, of also being the body that is the first port of call for complaints, because it is hard to see how one would not be swamped in that process.

Q111 Jo Stevens: I just want to follow up on that, Sharon. On the cost of doing all of that, do you think that should come from the companies themselves, so that effectively the principle of “the polluter pays” should apply here as well?

Sharon White: That is my own view. Regulators are funded in different ways. We are now funded principally through the levies that we impose on the industry, so BT pays a slug, Sky, TalkTalk and so on pay a slug, and then we generate some of our own income through spectrum. If you take the same principle we currently have as a regulator, then it would be polluter pays, so a levy would be imposed on the industry.

Q112 Jo Stevens: If, for example, an ombudsman-type system was set up as well, you would apply the same to that?

Sharon White: Personally, I think the same principle would apply.

Q113 Paul Farrelly: In essence, you would envisage the way forward as being possibly, if there were a role for Ofcom, having a frontline or first port of call body, which you may or may not help set up, and yourself being a backstop?

Sharon White: In the particular area around complaints, when something goes wrong—if my teenagers see some terrible post on WhatsApp—the regulator is there to ensure that Facebook has the processes in place to ensure that that sort of material should not be shown and, if it is shown, then we need to be able to go in and look at



HOUSE OF COMMONS

the systemic issue of what has gone on with its reporting, its governance and how it is balancing freedom of expression with protection.

The particular discussion with Mr Lucas is around there being thousands and thousands of families and individuals who will be concerned about an individual post or conduct or piece of content, and in other parts of our work there is a specific—your first port of call is with the company, but the question for us is those appeals and dealing with complaints with that huge volume. My own view is that, if it is Ofcom, I would not put that within the core of Ofcom because I think that it would make it very difficult for us to do the core job.

Q114 Paul Farrelly: One of the issues that raised its head but was not really touched on in our report is that these platforms are advertising based. I am not talking about political advertising here, but there are concerns about fraudulent advertising. The ASA's definition of a UK ad is one that is seen by eyeballs in the UK. When it comes to platforms such as this and ads that are routed or generated overseas, it is totally ineffective because it does not have the co-operation that it might wish to have with the platforms themselves. How would you see advertising fitting into this model in future?

Sharon White: It is interesting, because the White Paper does not talk very much about advertising, as you say, either about core commercial advertising or about political advertising. I would say a couple of things. There is the role of advertising as what I would call a block on competition. The Committee, I am sure, will be familiar with Jason Furman's and Frances Cairncross's reviews, so the degree to which there is monopoly power by these companies, which means a block on new entrants, which ultimately harms users.

There is a question between the CMA and Ofcom because we have concurrent or joint powers already on the competition side if we believe that advertising and commercial advertising is a block on competition. I think that your point is probably more about the content side of these ads, and at the moment, on political advertising, Ofcom has a role on the TV side—

Paul Farrelly: Yes, I was not talking about political advertising.

Sharon White: —and it is very clear because there isn't any other than party political and election broadcast and referendum broadcast.

Q115 Paul Farrelly: It was a question, as you will appreciate, about the effective regulation of fraudulent advertising and how complaints might be dealt with.

Sharon White: Yes. If there is to be what I would call a more assertive regime on online advertising and fraudulent advertising, there will need to be legislation, because at the moment there is no statutory backstop on online advertising. It is an area that is the majority of what the ASA do but they do it without this being statutory.



Q116 Paul Farrelly: I just have one further line of questioning, which relates to powers. You are the backstop or the ultimate arbiter but you do have powers to be proactive where there are issues of interest. At this point, Chair, I should just say again—because I am going to touch on the BBC—that I have an ongoing complaint against the BBC about “Newsnight” programmes last year, about how it applies its editorial guidelines and about how it handles complaints itself, so I should just mention that.

With an organisation such as the BBC—because it is a question of mismatch of potentially resources—how many people do you have—

Sharon White: On the BBC?

Paul Farrelly: Yes, at Ofcom how many people are dedicated to your role in relation to the BBC?

Sharon White: It is about 50, and that is a combination of roles. As I think the Committee knows, we have three and a half broad roles in relation to the BBC: editorial standards, as you say, Mr Farrelly; due impartiality; and due accuracy with the new responsibilities. We already oversaw the BBC for other aspects of the broadcasting code. On performance, how is the BBC doing in terms of being a quality, distinctive broadcaster? Then probably the area that we have been particularly active in is on fair and effective competition, which gets into issues about iPlayer, for example, and what impact that might have on players such as ITV and Channel 4. Then within the competition space we also police the boundary between the BBC’s commercial operations, BBC Worldwide Limited and BBC Studios Limited, and its public service side. For those three and a bit roles we have about 50 people.

Q117 Paul Farrelly: I was just trying to get a feel—I will finish here—for how you balance your responsibilities of being either reactive or proactive with respect to broadcasters, as to whether Ofcom is the right body to handle this new role. As my final question, we touched on the Cliff Richard case last time you were here, and that predated you taking on your BBC role, but could you just give us some recent examples—not just for the BBC but for other broadcasters—where you have been proactive in investigating an issue that you thought was important that did not come to you by way of a complaint first of all?

Sharon White: I can give a couple of examples, maybe starting with the BBC. Obviously, as you say, there is the classic case where somebody complains, we investigate, and we find for or against. Using the powers we have in the charter and agreement, we do have the power to do ad hoc reviews into the BBC. We did a big review—I think the Committee knew about this—last year into representation and portrayal, because we were concerned from all the research we had done with audiences about whether the BBC was sufficiently diverse, inclusive, and representative of the nations and regions. We have now launched a news review, which I guess is much more in this space.

Q118 Paul Farrelly: I was talking more about issues to do with content.



Sharon White: The news review is content. On the one hand we are obviously getting a lot of complaints from audiences about the BBC, most interestingly around impartiality. That, as you say, was reactive. Proactively, we are going to be looking at whether the BBC and its news content, both online and traditional—the “Newsnights” of the world—is still relevant, still trusted and whether the quality is still high.

Another example, which we may come on to in terms of reality TV, is that we were concerned a few years ago about the treatment of minors, the treatment of the under-18s, in reality and factual programmes—so this is not us as a reactive post-broadcast regulator—and introduced some new guidance for broadcasters about how children in particular are treated before, during and after programmes are transmitted.

Paul Farrelly: Okay. I will leave it there because we are going to come on to reality TV.

Q119 **Rebecca Pow:** Can I just ask a question? It sort of relates to many of the things we have asked. I just wonder whether you might have any comments about Ofcom’s involvement in the policing in your regulatory role. It relates to some comments raised by Hacked Off, particularly about the Christchurch incident, where live coverage of the attack was posted on social media. It was demanded that that was taken down and all the rest of it, but in the meantime many newspaper companies had taken that footage, they had edited it and they had posted it on their own websites, spreading the reach of that to 7 million people. As far as I understand it, there is not any regulation for newspaper websites. Although newspapers are very strictly controlled for what they could do, these websites are not. Is that not an area that Ofcom ought to be looking at?

Sharon White: The Christchurch example is a very interesting example, because we had two or three broadcasters whom we license, so even though they have overseas homes, we have two or three live cases at the moment that we are investigating that showed this footage, which is more straightforward because we have the powers to come in and enforce.

The issue, which I think one would always be very careful about, is about the regulation of newspapers and the encroachment on freedom of expression, which is why obviously the UK has the particular regulatory regime it has on papers. It is not a role we are seeking, but there is a recourse through IPSO and elsewhere for complaints to be made.

Q120 **Rebecca Pow:** It is not a very good regulation if it does not cover half of their output, which is their websites. That is a new and expanding area, isn’t it?

Sharon White: It does not cover it, but what I thought was interesting for us is that the Facebook issue on Christchurch also went via newspapers into some core broadcast channels as well, and that is an area we are very concerned about.



HOUSE OF COMMONS

Q121 Giles Watling: Just going back a little to your mention of a quarter of a million complaints that the BBC gets every year, I worry that people feel that they are screaming into a void and not getting anywhere. I absolutely understand that it is not in Ofcom's power to deal with those complaints, because you regulate the broadcasters, but do you think that there should be another independent body that would oversee those complaints?

Sharon White: We do oversee them, but we do so as an appeals body. The way in which the charter and agreement lays out our role is that if an individual has a worry about a BBC programme, in the first instance they go to the BBC. If the BBC does not deal with their complaint in a satisfactory way, then Ofcom, for the first time as an independent body, stands there as a second route in. Through that process we have looked at about 230 to 233 complaints in the last year. The Committee will know that we had one sanction very recently: the Andrew Neil programme where we had concerns about due accuracy. That is the way the process is run.

We had a complaint from Lord Pearson, a complaint that was not about a specific programme but about the generality of the BBC's Brexit coverage, which goes a bit to Mr Farrelly's point about how more or less proactive we are. That we took as a dedicated piece of work, and we looked at more than 40 hours of BBC coverage to judge for ourselves whether there was due impartiality and due accuracy.

Q122 Giles Watling: You are satisfied that you have the resources and the tools to deal with those?

Sharon White: So far. We got more resources to take on the BBC and so far I am satisfied that it is working pretty well.

Q123 Giles Watling: That brings me nicely on. Our report on disinformation and fake news recommended raising the profiles of Ofcom, ASA, ICO and the Electoral Commission. What has Ofcom done to engage with the public so that they can understand what you do?

Sharon White: This is an interesting point. We occasionally do research ourselves, partly when we are recruiting, to see how much resonance Ofcom has externally. We are very lucky to do the jobs we have, but because we are so broad I do not think there is quite the public resonance, as your report picks up.

The main priority we have over the coming months is on media literacy, a programme we are rebadging, making the most out of the media, because we already have quite broad responsibilities, not least in terms of more understanding of the digital world harms and how children are navigating the online world. We have a publication coming out in the next week or so, which is the first time Ofcom will have put together from our own data sources and independent data sources what the online world now looks like. That will probably go to lots of academics and probably the Clerks of the Committee.



HOUSE OF COMMONS

The next challenge, and where we have more to do, is to engage tools and not papers, so tools that are more apps and so on, which are just more tractable and easy to use and understood by users, and we are working on that.

Q124 Giles Watling: That brilliantly leads me on to the next question. Do you think that social media companies themselves should contribute towards promoting digital literacy among youth?

Sharon White: I think they do. I think that they have a huge responsibility to make the internet a safer place, and part of that is giving all of us better tools for how we navigate safely. I completely agree.

Q125 Giles Watling: Are they doing enough?

Sharon White: There is absolutely more that they should be doing. We get at this problem because we do lots of research. We do lots of research about adults' and children's understanding of what material they are seeing, and it is clear that there is an information gap. Even simply the top ranking on a Google search, particularly for children there is very little understanding that what you see at the top is there because it is paid for, sponsored material rather than, "This is meeting my search and my search needs."

Q126 Giles Watling: In this area do you think you have enough of a two-way conversation with the platforms, with the providers?

Sharon White: I would say that what has happened, particularly in the last six to nine months—a year ago it was hard for us to get in the room with senior people in the platforms, to be frank—as a result of this Committee's work and then the conversations that the Government have been having, is that we are now having more relevant conversations. I was in California in October to see Facebook, Google and YouTube myself. I think that there is still more to do. We are planning an advisory group to help us, which we are hoping will include the platforms as well as experts and academics, and we have a conference planned for July. It is evolving. Is it where it needs to be? No. I think that the conversation has at least started this year in a way in which, as I say, even last year was much more challenging.

Q127 Giles Watling: It is more of a two-way conversation rather than you being the big bad regulator who is going to come in and stamp your feet?

Sharon White: No, we are not the police officer yet.

Q128 Chair: I am glad you added "yet" because it is right that there should be consultation with the platforms, but they may have a very different view of the sort of regulation they want from what Parliament may decide they want. Particularly when you are discussing this with American companies, they take a view on freedom of speech, because of the First Amendment, that is different from ours. This country manages to be a perfectly functioning democracy without the First Amendment and, indeed, you



HOUSE OF COMMONS

manage to regulate harmful content in broadcasting, considering freedom of speech alongside the harm that can sometimes cause. Are you confident that the same balance can be struck through the online harms White Paper process?

Sharon White: I am, and this is the nub of the issue, and why I do not envy the job of legislating on this. I think that the broadcast world has shown—and the track record not just of Ofcom but of our predecessor organisations—over time that we can get to a place where society and audiences and listeners feel comfortable that we are getting the balance between people's right to be heard without causing offence that is out of tune with British values. I think that this is why it is so important that it is a UK Parliament that is legislating for the harms, because the standards are different from those in the US.

Q129 **Chair:** As a principle, you believe that it is perfectly possible to have a sensible regulatory system covering content that is not actually illegal?

Sharon White: Yes, I do. I think it is complex but I think it is workable with the right legislative framework.

Q130 **Simon Hart:** Just on that point, do you get the impression when you have been talking to the platforms about digital literacy that they think that simply providing tools is all they need to do? We have had a couple of witnesses in front of us recently who have made that point, "We have these great tools" but when we have asked, "Do they work?" the answer was, "Nobody knows; we do not have any details on that." I just wonder whether tools are enough.

Sharon White: They are not proactive, and there is no commercial incentive to be very proactive because part of digital literacy is also understanding that when I trade my data—when I trade information about myself to get this service—that information is then being used by third parties, and then when I go into Google the algorithms are based on a commercial proposition. It is not surprising that there is going to be a gap between what UK society would want in terms of comprehensive, easy to understand, evolving, simple education literacy and what the companies would provide, particularly without a legislative duty.

Q131 **Simon Hart:** The question I was going to ask was about the BBC, but that just came up in conversation. It is a staggeringly high level of complaints that you were referring to. I imagine that a fair few of those are not necessarily legitimate; they just may be strongly held views. Are you reasonably satisfied that the mechanism the BBC provides for people to make legitimate complaints is easy to navigate and get through? There are some very helpful people who provide us with some very helpful advice in this area, but if you just wanted to make a complaint about a specific news item or something like that, is it as simple as it should be for viewers?

Sharon White: That is a good point. We have another annual report into the BBC in October and we will be looking, as part of that, at reporting on



HOUSE OF COMMONS

the ease of navigation of the complaints process. It is something that we look at on an ongoing basis.

The issue we had with the BBC on the complaints side had been transparency, and that was an early challenge we had as we started off as the new regulator because our expectations about transparency, about the volume of complaints, the type of complaints and that being in the public domain, we had a different expectation from the BBC, which is now resolved. We will look at the complaints process again in the round and give a view, and not just on transparency, in the next report.

Q132 Rebecca Pow: We are going to move subject a bit now but it does relate to balance and regulating this content and freedom idea through the broadcasting code. I believe that Ofcom gets more television complaints about reality TV shows than anything else, and in the top group are Channel 5's "Celebrity Big Brother", "Love Island", even "The X Factor", and now, of course, it must be "The Jeremy Kyle Show". What sort of complaints are they largely? Why do you think you get so many complaints?

Sharon White: I think "Celebrity Big Brother" last year was our second biggest—I think we had about 27,000 complaints. It is generally a mix of fair treatment of participants in the programme and normally there will be one interchange or relationship issue that can then spark lots of complaints. If you take "Love Island" last year, I think that we got over 4,000 complaints. I do not know how many of you watched the show, but there was a particular set-up of two participants, Dani Dyer and her partner, and whether she was being fairly treated in that segment.

Overall, on reality shows we tend to get two broad sorts of complaints: is there fair treatment for the people participating; and whether audiences at home are offended, so whether there was harm and offence to the audience. Often—this is particularly the case in some of the reality shows we have looked at recently—the broadcasters have not always done as good a job or been clear enough about the support that participants within the programmes are getting.

Q133 Rebecca Pow: Have all these complaints not rung big alarm bells with you?

Sharon White: Yes. We have been particularly concerned about what has then happened to participants after the programme is over, as well as the most recent tragedy with Steve Diamond. Alarm bells were particularly rung with the two suicides some months after the broadcast of "Love Island". There are a couple of things. One, as I mentioned to the Committee, we had put in some new guidance for the under-18s. Our content board, which is our expert advisory editorial board, had a discussion in April, as it happens, so before the most recent incident, about another review looking particularly at the treatment of participants but also of audiences. We announced the review last week but it had been on the cards for some time.



Q134 Rebecca Pow: I am not going to go into the details of the individual cases, but “The Jeremy Kyle Show” was suspended and then completely removed, but not as a result of anything that Ofcom did; it was pressure from the public and the industry. Do you not think that is concerning?

Sharon White: There are a couple of things to say. The particular issue with the ITV show is that it was filmed but it was not broadcast. In terms of Ofcom’s remit, we are a post-broadcast regulator. Obviously, given the seriousness of what happened last Monday, we were very quickly in touch with ITV on the Monday, as soon as we heard the news, and had asked ITV for a report within five working days about what processes they had followed and particularly whether there was then going to be a read-across for them for other factual and reality shows. Interestingly, ITV has now asked for more time to complete its inquiries.

There is a question about what happens in a broadcast and then we also have a job to do to make sure that broadcasters, who are accountable, who are responsible for the duty of care, have enough guidance to ensure that such tragic events do not happen again.

Q135 Rebecca Pow: Do you think that Ofcom should have a power to intervene before a broadcast; that it should be beholden on the production companies to submit a programme that may potentially lead to issues beforehand?

Sharon White: I think that it is a difficult area. There are such big issues with freedom of expression and freedom of speech and concerns about censorship that I think Parliament is right that our core job is as a post-broadcast regulator. At the same time, I do think that as we give guidance to broadcasters it is incumbent on us to make sure that that guidance is as clear, as helpful and as effective as it can be. Interestingly, the guidance for the under-18s covers pre-production, what happens during the production and just after the production. I have a question about whether there is more that needs to be done after transmission, particularly given, as we saw with “Love Island”, it can be over months and months that media and social media pressure is building, which can be very significant for some of the participants.

Q136 Rebecca Pow: Some of these people are just thrown into the world of celebrity and would be completely ill-equipped to cope with it. Surely that is an area that does need addressing, exactly as you are saying, in the post care.

Sharon White: I completely agree. Maybe it would be helpful if I said a little bit about what we are thinking in terms of the guidance, which is broadly to marry what we do for the under-18s. There are three core parts. Before filming, a broadcaster has to make sure that it has done family checks, so the social family background; that there is a risk assessment of the emotional health of the individual; that there are experts on hand—psychologists and health professionals—and also, very importantly, that the broadcaster is documenting what support has been



HOUSE OF COMMONS

put in place. Then when the show is shown, particularly for children, there should be proper adjustments made. These high-risk surprise events or maybe use of a lie detector or a particular editorial tool may not be appropriate for the under-18s and for others needing special support.

What happens after transmission at the moment is that there is a window between filming and transmission where there is advice on the media, social media and going often from being a private person to suddenly being cast into the media world. The question I am asking my team is then to think about whether that needs to be extended somewhat after transmission. It is that sort of regime of guidance that we are thinking about for reality shows and factual programmes more generally.

Q137 Rebecca Pow: You could take the under-18s advice and just extend it to all people, basically, particularly for reality shows.

Sharon White: Yes, exactly. Our starting point is that something that looks quite similar to the under-18s regime could be extended for factual programmes and reality shows that would cover as much of the "Victoria Derbyshire" show as it would "Love Island". We are talking to people who have appeared in programmes, producers, broadcasters and also health professionals. The draft guidance will be available before the summer.

Q138 Rebecca Pow: Do you think that should be enshrined in the broadcasting code then?

Sharon White: Yes. The broadcasting code sets out already the prevention of harm and offence, and what I would want it to do is to then refer to broadcasters for guidance about how to ensure you are meeting the broadcasting code in the arena of reality and factual programmes: "Here is some more detailed guidance that we would expect to you to follow."

Q139 Rebecca Pow: I have just one final question. Do you not think that you are coming a bit late to the table, in that we have had some deaths from these programmes that have been going on for quite some long time? Is Ofcom not a bit late to start to introduce this or to look at it, say, forensically?

Sharon White: As I say, on the children's issue, the guidance has been in place for the last four years, and obviously with "The Jeremy Kyle Show" and others we have had a number of forensic investigations. Indeed, we breached "The Jeremy Kyle Show" in 2013 because of concerns about harm and offence for audiences. No, I don't think we are too late. Obviously, as the situation has evolved and I think we are all more conscious about some of the negative side of this, we are now coming in with plans for clearer guidance.

Q140 Chair: I would just like to ask a couple of questions about reality television. As you said, in the code there are a number of rules regarding under-18s, which would suggest that there is a general acceptance that



HOUSE OF COMMONS

under-18s are vulnerable people, not being adults. Do you think that definition should be widened? There could be other people who are vulnerable for different reasons. The idea of a special duty of care provision applying to them should be part of standard practice as well.

Sharon White: Yes, I think that is exactly right. We would envisage exactly as you say, Chairman, the definition of vulnerability extending to adults who, for various circumstances, may be in special need.

Q141 **Chair:** Does Ofcom regard reality television as a form of factual programming or as entertainment?

Sharon White: We talk about reality TV and factual programmes. I do not know whether we have ever tried to define reality TV as entertainment, but in the guidance that we will introduce it will be both factual and reality.

Q142 **Chair:** With things like a lie detector test, some people dispute the validity of that methodology, but if that is being presented as bona fide fact in a reality TV show such as "The Jeremy Kyle Show", would Ofcom take a view as to whether that is fair representation of fact?

Sharon White: I guess our rules on due accuracy do not apply to reality programmes, but again in the context of guidance around harm and offence we will be looking at lie detectors and other tools used by the production companies as to whether it is fair treatment for particular vulnerable individuals.

Q143 **Chair:** The rules on due accuracy do not apply to reality television programmes?

Sharon White: No, the rules on due impartiality is news and due accuracy is factual and news.

Q144 **Chair:** In that regard reality television is not considered to be factual?

Sharon White: Exactly.

Q145 **Chair:** But there could be cases where information is presented as fact within the course of a reality show because a reality show, unless you find it entertaining in some ways, is presenting a format that suggests this is the truth about real people rather than a format that has been artificially created.

Sharon White: Yes. We have a particular category that I think the Committee knows about, called news and current affairs, where, as I say, we have these more stringent rules on impartiality and accuracy. Because these are fuzzy areas, we particularly want to look at not just reality shows but factual programmes, too.

Q146 **Chair:** The under-18s code covers not only physical and emotional welfare but the dignity of people, which I think is a really important concept, because one of the concerns we have going into this inquiry is that settings and scenarios created by some reality shows do not enhance



the dignity of people and create circumstances where it is likely that someone might come under extreme pressure.

Sharon White: It is interesting, because we have done a number of investigations in the past—not just on “The Jeremy Kyle Show” but on other reality TV programmes—and found that the biggest issues have been more to do with the impact on the audience at home, where they have been concerned about the wellbeing of participants and there has not been enough information and enough guidance as to the care being taken. The only area where we had a case about participants was to do with their portrayal, so how they are portrayed during transmission, rather than their own fair treatment.

Q147 **Chair:** Thank you. If there are no further questions on reality TV, we will move on to the next section, on which I just wanted to ask a couple of questions.

One of the questions that has been put to us since we announced the inquiry is this: are YouTube channels a form of reality television? There are large parts of what many viewers regard as popular television, which is on-demand content from platforms such as YouTube or Netflix, which currently fall out of scope for a lot of content regulation. To what extent do you think, whether it is either in your view on reality television or particularly considering the online harms White Paper, that Ofcom should consider forms of reality television that are part of user-generated content?

Sharon White: Within the rules in which we operate we will only be looking at TV and on-demand TV, which is where we have responsibilities currently. The point about YouTube is that it is a broader question about the increasingly blurred boundary between traditional and online TV. When is a reality show not a reality show? Does it depend on whether it has YouTube or the BBC at the front? For me, that is really a question about how we protect users in an online world across the range of harms that will eventually be legislated for.

Q148 **Chair:** Channel 5 is not going to tape “Big Brother” again, but what if the makers of the show transferred it to YouTube?

Sharon White: Yes, we would have no locus. The European Commission is going to introduce some new rules for video-sharing platforms, so YouTube will be regulated for in 2020, but on a very narrow basis—extremism and difficult child content, for example—and not as a TV channel that would be subject to the normal broadcasting code.

Q149 **Chair:** Should we be thinking, then, about maybe looking at programmes that are distributed through platforms such as YouTube and saying that if their audience is above a certain number then there should be some oversight for what they produce and how they produce it, effectively treating them almost like broadcasters?

Sharon White: For me, when I look at where viewers are increasingly moving online, on to content that looks and feels very similar to



HOUSE OF COMMONS

traditional TV, we are increasingly regulating a diminishing part of people's viewing. I hope, if the Government are going to be legislating on online content, that we have a more rational capture of basically all TV. The regulatory regime is a standards lottery simply based on the historical quirks of the legislation.

Q150 **Chair:** On that basis, would you say that regulation should be based not on media but on audience?

Sharon White: Yes, and on the type of content.

Q151 **Julie Elliott:** I want to move on to something totally different: Openreach. A couple of years ago you recommended the splitting of Openreach off from BT to an arm's length type of situation. Do you think that has worked?

Sharon White: I think that so far the signs have been pretty positive. When we split Openreach—it is now a legally separate entity—the things that we were concerned about were customer service and whether Openreach was delivering for all its customers, so not just BT but for its other wholesale customers such as TalkTalk and Sky, and ultimately is there going to be more investment in decent broadband for more of the country? On the first issue, you can definitely under the leadership of Openreach see it acting more independently. I think that has been very—

Q152 **Julie Elliott:** On the customer service bit, have you—

Sharon White: It is starting to improve. It was very lagging particularly on customer service to business users, particularly medium size and large businesses. Those numbers are definitely improving. Is it where we would expect a company that is effectively delivering a utility to be? Not yet, but it is definitely making progress. The million dollar question is investment in fibre to the home or to the business. The fact that there is a new chief executive at BT, Philip Jansen, who has now indicated a significant increase in investment in fibre to the premise—15 million homes rather than 10 million homes by the mid-2020s—I take as positive. The proof really is going to be converting aspiration into build and better service.

Q153 **Julie Elliott:** Certainly, my casework on this area I would not say has diminished at all; it is still very, very poor. I do think that it is falling seriously short when it comes to what customers need and the responses people get to genuine questions and complaints. In terms of promises on fibre, for instance, with my provider I am supposed to get up to 30 megabits and I never get more than seven.

Sharon White: Where are you?

Julie Elliott: In Sunderland, so in a city, not miles away from anywhere. That is pretty reflective of my kind of feeling about what is going on. When do you think customers—because I am very concerned about customers—are going to get the services and the answers to the



HOUSE OF COMMONS

questions that they need? We are now a number of years on from this.

Sharon White: There are still big issues, not least with some communities who do not get even a decent broadband. If you are at seven, we reckon you need 10 megabits per second basically to be able to live your life and function as a family or a small business. In the last year the number of homes and businesses who cannot get a minimum broadband has diminished from 1.2 to 600,000 homes. Now, that is still 600,000 too many, and certainly the broadband complaints that we get directly or we see from the companies are almost all to do with connection problems, so the gap between what I was promised and what I am delivering, which is one of the reasons we have introduced tougher rules on the company so that when you take out a new broadband contract they have to guarantee you a speed and it is much easier for you to walk away if you are promised 30 but get seven.

Over the next year to 18 months will be the real test for us. We have said that three years after legal separation, which is 2020, we would then do a proper stand-back review as to whether legal separation is working sufficiently for customers or whether we need to go further, and obviously there is still a continuing discussion about structural separation. As I say, so far there has been some progress. Is that translating everywhere into individual customers' experiences? No, it is not. Is connectivity as good as it needs to be, given how important the service is? No, it is not. As I say, for us next year we will take a step back and look to see whether this is the right model going forward.

Q154 **Julie Elliott:** You recently consulted on opening up ducts and poles to other companies. What progress has been made on this since you started the consultation?

Sharon White: A reasonable amount of progress has been made. I spent quite a lot of time on this, personally, I have to say, in the run-up to April—April was when all this became live. I had three or four meetings with Clive Selly, the chief executive of Openreach, and the other telecoms operators, such as Hyperoptic, CityFibre and others, so potential customers and users of ducts and poles. I would say we now have a product. I do not think anybody would say it is absolutely perfect for day one, but we now have a useable product. What is interesting is that the poles rather than the ducts for lots of Openreach's competitors are going to be very useful, partly because you do not have to dig up the roads to get to them. Openreach now has some quite imaginative ways, even if a pole looks to be congested, of getting another operator's equipment on.

I would say, without being Panglossian about it, that we are in a better place than we were six months ago, but the proof will be whether, for Hyperoptic, CityFibre and Virgin to some extent, this becomes an appreciable part of their business case that takes the cost down and accelerates it.

Q155 **Julie Elliott:** Will you, as a regulator, be keeping an eye on this and



HOUSE OF COMMONS

coming back to this, making sure that the model is working?

Sharon White: Yes, very much so. As I say, for me it is something that I am looking at very personally because if it works it could halve the cost of fibre build. It is potentially hugely important. I have my next CEO roundtable in September to see how the first six months have worked.

Q156 **Ian C. Lucas:** Do you think that the level of competition in the broadband system is adequate at the present time as a whole across the UK?

Sharon White: I would love to see more and I would love to see more competition to Openreach and BT because, to be frank, I think that is the other big way in which we are going to get faster progress and better service. What is positive is that we are now starting to see that Virgin is a competitor for BT in more than half the country, so more than half of us can now get much faster speeds. All the work we have been trying to do in the last year—as I say, we will prove whether we are successful or not in the next few months—has been trying to get a third operator in the majority of the country, whether that is CityFibre, whether that is TalkTalk who are building or whether that is Hyperoptic. What we are working to is for that to be a reality. That is a burgeoning situation across the country at the moment.

Q157 **Ian C. Lucas:** As I think you know, I am from Wrexham in north Wales, and fortunately we have Virgin Media investing in the town, partly because the chief executive was challenged where you are some years ago. Recently we have had a discussion about the fibre across north Wales, and it seems that the only effective competitor has been Openreach again. It sounds, for those of us who are long in the tooth on this Committee, slightly familiar to the BDUK process, which is slightly depressing, in that I am not sure that we are getting, particularly in the areas away from the cities, the level of expansion of competition that will drive investment away from the population centres and to more geographically distant parts of the UK. I know you would like to see more competition, but it is your job to bring that about. What specific steps are you taking to try to enhance the level of competition in the market?

Sharon White: It is a very fair observation, particularly about what happens outside the cities. The big change we have made is that in the past we used to look at the UK as a single geography and we have moved away from that approach because of the concern that if you are not in a city you are in the back of the queue for any new deployment. We have basically divided the country into three areas roughly; quite a small proportion of the country where competition that we are defining as three operators is already established, about 4%. We are looking then at the majority of the country—and I fear this may not be parts of rural Wales or rural Scotland—and for about 60% of the country we think there is a decent prospect of competition; ie, broadly speaking, BT, Virgin, plus one. It is in those areas that we are both trying to reduce the cost to competing operators coming into the market, so ducts and pole access is



really important, and we are also allowing operators such as BT basically to earn a decent return on a risky investment.

In the last broadly third of the area—to be frank, the prospects of competition are much reduced there, although there are one or two niche players such as Gigaclear, which has been able to show that there is a model that works here—we are doing something slightly different, which is essentially saying to BT, “We want you to invest in rural areas, and not in 10 years’ time but today when you start your deployment.” We are going to regulate them a bit like my colleagues regulate water companies and energy companies, essentially saying, “If you now roll out fibre in north Wales, we will now give you a guaranteed return. It is less risky because you have a guarantee from us, you are facing less competition.” We will see whether that takes off. We are acutely aware of the risk that the areas more distant from the cities are left behind.

Q158 Ian C. Lucas: Would it not be more effective to give incentives to other players to deal with that final third group, rather than simply going back to Openreach again?

Sharon White: I guess what I am saying is that whether it is a third or whether it is 5%, there will be a bit of the country where realistically it is really hard to see competition. If that area of the country that is prospectively competitive through the various enablers—trying to take costs down, and trying to get returns up without this being a problem for consumer prices—gets more and more extended because you do see some niche players coming into areas that are more geographically challenged, that would be a great result. All we are saying is that there will always be a part of the country where competition is not feasible and we do not want to have the situation we had with superfast broadband that 15 years later there were catch-up programmes in place. We are trying to anticipate that.

Q159 Rebecca Pow: On that note, there was a story in *The Sunday Times* recently saying that BT could be given a licence by Ofcom to charge more for internet connections in the countryside under Ofcom proposals to encourage more investment in broadband and that then BT would hit broadband providers using it in Openreach networks with an up-front cost to help fund this roll-out to get high speed into these rural areas. Somerset would be a prime case as well because the Gigaclear roll-out has not worked connecting Devon and Somerset; the biggest programme in the UK has not delivered. Is this a direction that Ofcom is definitely encouraging?

Sharon White: Where we start is that we think that everybody, wherever they live, needs to get decent broadband. It shouldn’t just be focused on the cities and where there is a commercial case. That is the starting point. What we are trying to work through is then balancing the needs of consumers to pay fair prices also with the needs of consumers and businesses in rural areas to get the faster roll-out more quickly. It is a consultation, not a definite proposal, but it is something we are



interested in doing. What happens to prices in those areas depends on all sorts of factors—BT's costs, whether there is some competition at the margin. It is not necessarily the case that prices will rise, but we are trying to see how we can get investment in an area where there is a big economic reason, there is a big social reason, but there may not necessarily be a commercial case.

Q160 Rebecca Pow: In rural areas where we are trying to encourage people to stay and work at home, the SME is really important. They are the backbone of areas such as Mr Lucas's and my own. Are we going to penalise them, then, with extra costs? That is going to exacerbate the urban-rural divide that we have in this nation even more.

Sharon White: I am trying to make a different point, which is that if we have the same model we had last time around, in 10 years' time my successor will be at the Committee with exactly the same issue. It will then be fibre to the premise, currently superfast broadband. The question is how we can get investment, and I think that it will be a combination of the regulator but also probably some Government support here, which DCMS has already outlined. How do we get investment so that the young people in your constituency do not feel that they have to move to the cities, and that they can home work because they have very fast connectivity?

The question about the best way to fund that and what this model that we have in mind—which is basically to regulate BT as though it was a utility in those areas—does to pricing, to be frank, we do not know yet because we would have to work that through depending on BT's costs and its costs at the time.

Q161 Rebecca Pow: I have one final question. What is your view on making mobile phone networks share their masts and their coverage so that you can switch, particularly in rural areas again? We have huge areas where we go out of signal, and in 30% of all rural buildings you cannot get any mobile coverage in. That was highlighted by the all-party parliamentary group on rural services in a big report that we have just had done on services. What is your view on that, because surely that would solve a lot of mobile coverage problems if there was a remit that companies had to share their masts and their signals?

Sharon White: I agree that there are different forms of sharing. At the moment there are four operators and there are two lots of two in terms of sharing infrastructure already. I think that the more they can do to reduce their costs and to make coverage more available, the better, and the operators are now starting to talk about that.

There is a different form of sharing, which is roaming, and we think for us to do it as a regulator we are quite challenged, just in terms of our ability to do that within the rules in which we work. That is why we have been putting a lot of focus on extending coverage through our use of spectrums. We have another auction with a fair wind due next year. If



HOUSE OF COMMONS

that auction goes to plan, two operators will have to commit to covering 90% of the geography of the UK with particular targets in each of the nations.

Yes, more infrastructure sharing and we are trying to encourage that within our powers. Roaming is harder for us as a regulator because we think we are challenged on this.

Q162 Rebecca Pow: Do you think there should be legislation for roaming, then?

Sharon White: One of the complexities with roaming, even from a legislative point of view, is that the recent telecoms framework from Europe makes roaming really difficult where investments have already been made. That is because the rules reflect the concern that I have invested already and then it is open to my competitor to roam off the back of my investment. One way to do that is to have rate cards, so, yes, you are on my network but you are paying me to do so. Legislation may be possible but this area is much harder because the new European rules are quite strict in this area.

Q163 Jo Stevens: Could I ask you about Project Diamond, the broadcasting data diversity project? My understanding is that it is a cross-industry project collecting diversity data for people working both on and off screen on all UK-originated productions. I spent some time last week talking to people working in the sector and they are really concerned that the data being collected isn't sufficiently granular, that it is not going to be meaningful and, therefore, it is not going to make the difference that this project has been set up to achieve. They think that data should be collected from production companies employing more than 50 people, but I understand that the broadcasters, with the exception of the BBC, are very resistant to this. What is your view? Do you think that those working in the industry rather than the broadcasting companies are right?

Sharon White: The more data we have shining a light into TV and radio, the better. The feedback from Project Diamond meshes very well with our own engagement. It started with very good intentions and there have been challenges, exactly as you say, in terms of the reach, the quality and the depth of data. It is one of the reasons why we have, for the last couple of years, been using our statutory powers to collect data across the TV industry and across radio.

Interestingly, even for us as a regulator, there are areas where we do not have statutory powers. I am writing to Jeremy Wright this week—it has probably gone today—to have a conversation about extending. There are gaps, whether it is sexuality, some of the dimensions of diversity that are not protected characteristics, freelancing, which obviously is about a third to 40% of the industry. We are trying to use a process of engaging with the industry to try to get more of a handle on freelance data. To be frank, I think that an easier way in would be an extension in our powers to be



HOUSE OF COMMONS

able systematically to collect this data and then to work as we do, but to try to continue to work effectively with Project Diamond on this.

Q164 **Jo Stevens:** I do not think you answered my question, which is: do you think that their argument is justified?

Sharon White: Yes, I do. My starting point is yes because we have more data than we used to have but we do not have enough data.

Q165 **Jo Stevens:** I thought we might get through this without mentioning the "B" word, but I am going to ask you a couple of questions about Brexit. Obviously, the basis of your broadcast licensing framework and video-on-demand notification system is currently an EU directive, isn't it? There is very significant concern across the industry about the impact of Brexit, whether we leave with a deal and there is an implementation period or whether we leave with no deal or whatever. What is Ofcom doing to ensure that programmes broadcast from the UK reach the whole of the EU from the UK and vice versa?

Sharon White: Whatever type of Brexit, whether it is no deal or a deal, we know that the country of origin principles, the mutual recognition between us and the other 27 EU countries, will go. There will be a country of destination regime instead and the team has worked with the broadcasters as well as DCMS to have that in place whenever we leave. Whether that is tomorrow or in two years' time or six months' time, that is all in place.

Obviously, we have been talking to the broadcasters because we have about 2,000 licensed services. About 350 of those still remaining broadcast outside the UK. They are resident here but they do not broadcast to a UK audience. We have seen 90 licences go overseas already, mostly to the Netherlands. With the other 350, there is a question about whether they choose to stay in the UK under the new regime.

Q166 **Jo Stevens:** I will come back to that in a minute. Is that the European convention on transfrontier television?

Sharon White: Broadly speaking, yes.

Q167 **Jo Stevens:** Do you think that of itself is enough to address concerns? It sounds like it is not from what you went on to say about people leaving the UK.

Sharon White: We will see. We have been working really closely with the broadcasters to explain to them that the broadcasting code remains; that there will be continuity in the way we take forward the broadcasting code. We have designed with DCMS country of destination with the broadcasters in mind. It is just news. This is not a comment on Brexit but it will be a transition for broadcasters and it is notable that the vast majority are still patriated in the UK.

Q168 **Jo Stevens:** You said that some have gone already?



Sharon White: Yes.

Q169 **Jo Stevens:** Obviously, the label for the Remain campaign was that it was “Project Fear”, that companies would stay here. Do you think that more will leave the UK and set up in other European countries?

Sharon White: It is an open question. What is interesting is that of the 90 that have gone—and it is not big numbers—it has been twos and threes and editorial functions. What we have not seen is wholesale moves of a Discovery or a Disney outside London. We are working very hard, given the importance of the creative economy, to demonstrate to them that as far as possible we will remain an organisation of continuity to keep them resident.

Q170 **Ian C. Lucas:** Could you provide an update on the position with Russia Today, as far as you are concerned? You received some findings last December and then said that the position would be kept under review.

Sharon White: I am a bit limited because we are in a court process with them.

Q171 **Ian C. Lucas:** Are those decisions being judicially reviewed?

Sharon White: Yes, always. We made our announcement just before Christmas that of the 10 investigations we had underway, we found seven breaches. Russia Today then has sought the right for judicial review and there were two stages of this. The first stage is that a judge looks at the paperwork and on the paperwork leave to appeal was not granted, and that has happened quite recently. Russia Today informed us last week that it is now planning to appeal with an oral hearing.

Q172 **Chair:** Thank you. That concludes our questions this morning. Sharon White, thank you very much for your evidence.

Sharon White: Thanks very much.