

Dame Melanie Dawes

Chief Executive

Email: ChiefExecutive@ofcom.org.uk

Rt Hon Damian Green MP

Acting Chair, DCMS Select Committee

House of Commons

London

SW1A 0AA

21 March 2023

Dear Mr Green,

I'm grateful to the Committee for inviting me to give evidence on the work of Ofcom on 14 March. There were a number of issues that arose during the session that I agreed to follow up in writing.

Due impartiality and due accuracy in news

In response to questions from Mr Nicolson regarding broadcasting standards, I said I would write to explain how Ofcom distinguishes between news programmes and current affairs programmes.

The rules on politicians presenting and appearing in programmes are set out in the Ofcom Broadcasting Code, with which all licensees must comply. As Mr Nicolson noted during the hearing, our rules state: "No politician may be used as a newsreader, interviewer or reporter in any news programmes unless, exceptionally, it is editorially justified. In that case, the political allegiance of that person must be made clear to the audience."

We attach great value to broadcasters' right to freedom of expression and audiences' right to receive information and ideas, and therefore to broadcasters' right to make programming, creative and editorial choices. Whether or not a programme is a news programme or a current affairs programme depends on a number of factors, including its content and format.

In terms of content, as the definition of current affairs programmes set out in Section Nine of the Broadcasting Code makes clear, current affairs programmes – by their nature – contain "...explanation and/or analysis of current events and issues, including material dealing with political or industrial controversy or with current public policy".

Additional factors will be present for a programme to be considered a news programme. These might include: a newsreader presenting directly to the audience; a running order or list of stories, often in short form; the use of reporters or correspondents to deliver packages or live reports; and/or a mix of video and reporter items. Factors that could lead us to classify content as current affairs include a more long-form programme; extensive discussion, analysis or interviews with guests, often live; and long-form video reports.

Outside of news programmes, there is no Ofcom rule that prevents a serving politician or political candidate from hosting or appearing on a TV or radio show – provided they aren't standing as a candidate in an election taking place, or about to take place, or are a representative of a permitted

participant, as designated by the Electoral Commission, in a UK referendum. This means that politicians are allowed to present current affairs programmes such as audience phone-ins and discussion programmes.

It is worth underlining that both news programmes and current affairs programmes must comply with all relevant rules in the Code, including the need to preserve due impartiality on matters (as well as major matters) of current public policy or political or industrial controversy.

In relation to the edition of *Saturday Morning with Esther and Philip* broadcast on GB News on 11 March 2023, I can confirm that we have received complaints about this programme which we are currently assessing. The outcome of our assessment will be published in our Broadcast and On Demand Bulletin in due course and we will write to you to inform you of our decision.

Complaints and investigations into GB News

In response to a question from Mr Brennan, I said I would confirm how many complaints we have received and acted upon in relation to GB News. As of 15 March 2023, we have assessed 3,926 complaints about 920 programmes on GB News since the channel's launch on 13 June 2021 and two complaints about two programmes on the GB News radio service (which is a simulcast of the TV service). We have recorded two breaches of our broadcasting rules (one in relation to the GB News TV service¹ and one in relation to the GB News radio service²) and we have one open investigation.

Connecting Ofcom's work on media plurality and the news media ecosystem

Mr Brennan raised concerns about broadcasters drawing from conspiracy theories on social media to drive ratings, and the impact this may have on media plurality. With respect to potential harm to audiences that might be caused by covering online conspiracy theories, all broadcasters must comply with our rule that factual programmes must not materially mislead the audience. These rules apply regardless of where broadcasters source material from.

Ofcom is currently undertaking a review of the role of online intermediaries in how news is served, and whether this has an impact on the way the UK's democracy functions. We published a [discussion paper](#) in November in which we shared our research findings. These show that people who get their news primarily from social media are more likely to be polarised in their views, less well informed and more distrusting of institutions than those who use traditional media or online news aggregators.

We have not looked at the role of any specific news organisation within this work. Our focus is on the impact that online algorithms can have on users through the way they recommend and prioritise content. We will publish further research and proposals for regulatory and legislative reform in a

¹ See https://www.ofcom.org.uk/data/assets/pdf_file/0034/254797/Ofcom-Decision-Mark-Steyn,-GB-News.pdf

² See https://www.ofcom.org.uk/data/assets/pdf_file/0024/247164/To-The-Point,-GB-News-Radio,-2-March-2022.pdf

consultation later this year. We would be happy to explain this work to any members of the Committee if they would find this useful.

Local TV licences: renewal and relicensing

Mr Brennan also asked for details of the deadline for local TV licence renewal. I can confirm that all 34 local TV service licences and the licence for the local TV multiplex are due to expire on 25 November 2025. The conditions for renewal of these licences are a matter for the Government. In its Broadcasting white paper, [Up Next](#), the Government set out its intention to make changes to the local TV licensing regime to enable the extension of the local TV multiplex licence until 2034. It also said it plans to consult on the detailed arrangements for the renewal of the local television multiplex licence and conditions for renewal, and that it would consult on options for the renewal or relicensing of individual local television services at the same time.

Comments made by Fiona Bruce on *Question Time*

Mr Efford asked about comments made by Fiona Bruce about Stanley Johnson on the edition of *Question Time* broadcast on 9 March 2023. Alongside this issue being raised by the Committee, we have received several complaints about it.

Under the BBC First system, set out in the BBC Charter and Framework Agreement, Ofcom can only consider complaints about BBC content if the complaints have first completed the BBC complaints process, other than in exceptional circumstances. Having reviewed this case, we do not consider it to warrant early intervention by Ofcom. However, if a complaint was referred to us after the completion of this process, we would then assess it to see if it raised issues warranting investigation. For more information on how this system works, the BBC's Complaints Framework and Procedures can be found [here](#); further information on how the BBC handles complaints can be found [here](#); and Ofcom's Procedures for investigating breaches of content standards on BBC broadcasting and on-demand programme services can be found [here](#).

Wholesale pricing for fixed telecoms

Ms Elliott asked whether Openreach should be allowed to increase its wholesale prices by CPI inflation. As I explained in the hearing, the context to Ofcom's current rules is that five years ago, only 6% of UK homes had access to full fibre broadband. In our most recent wholesale fixed telecoms market review (WFTMR), published in March 2021, we therefore set a regulatory framework to address this and incentivise the commercial roll-out of new fibre networks. The framework sought to deliver this investment by driving competition in the provision of fibre networks, and by providing certainty about the long-term regulatory position so that investors could have confidence in making the necessary long-term decisions. In 2021 we set out a minimum five-year framework to 2026, with a view for it to be in place until 2031. Our approach has underpinned a rapid increase in investment, and this month we are expecting access to a full fibre connection to pass 50% of households in the UK.

Wholesale price regulation of Openreach is an important consideration for investment decisions by both Openreach and its competitors because it has significant influence on wholesale prices in these markets. When we were drawing up our new framework we gathered detailed evidence on the market structure, underlying rates of return and other market dynamics. We decided to allow Openreach to raise the wholesale price of their superfast copper broadband product by CPI inflation, whilst allowing the prices of fibre products to be determined by the market. We judged that this provided an appropriate balance between protecting consumers, by capping the wholesale copper price, while also giving sufficient margin for investment. Our analysis and evidence on this is set out in WFTMR Statement, Volume 4, Section 1.³

In setting a long-term framework, we were aware that inflation would vary over the period, and as Ms Elliott said, inflation has been significantly higher in 2022 and 2023 than anyone was predicting in 2021. However, when investors are choosing to invest in the UK broadband market it is essential that they have up-front certainty about the regulatory framework, given the very high investment costs and the long-term nature of the returns. We are clear that reopening the WFTMR would risk having a chilling effect on investment at a time when the UK still needs billions of pounds of investment to roll out fibre to every household.

Separate to the question of our approach to the WFTMR, I do recognise – as I acknowledged on Tuesday during the hearing – that the impact of inflation is hardest for those on the lowest incomes. This is why Ofcom has invested serious effort into improving the availability and take up of social tariffs, since the pandemic hit in 2020. This has had a significant positive impact: when we first reported on availability in December 2020, social tariffs were offered by just three providers, but today the figure is 20 providers. However, as I also explained to the Committee, take-up of these offers remains very low, and increasing this is now our central focus. As of August 2022, only 136,000 households were on a social tariff. Although this was up from 55,000 in January 2022 it represents only 3.2% of households eligible for a social tariff. Our next report is in May 2023 in which we expect to report that the awareness and take up have both increased, but with further efforts needed. We will continue to monitor this very closely and work with government and industry to ensure people are aware of the options available to them to secure affordable broadband.

Cost of living and broadband disconnection

Ms Stevenson asked whether Ofcom was engaged in any work to monitor the impact of the cost of living on broadband disconnections.

While we do not directly monitor broadband disconnections, the combination of our affordability research and our annual media literacy and technology tracker research provides a broad picture of people's experience of communication services across the UK. This includes understanding whether access to the internet is becoming more difficult as a result of the rapid rise in the cost of living.

³ [2021 WFTMR Volume 4: Pricing remedies - Ofcom](#)

Our affordability research is conducted on a quarterly basis, enabling us to track changes and trends in the proportion of consumers who report having difficulty in affording communication services.⁴ Our latest research indicates that around three in ten households we surveyed had difficulty affording a communication service, although more households report difficulties paying for audio-visual services (12% reported experiencing difficulty affording pay TV and 11% on-demand subscription video services such as a monthly Netflix subscription) than telecommunication services (e.g. 8% experienced difficulty affording mobile phone services and 6% fixed broadband services). We will continue to monitor these trends, including the number of consumers who report having cancelled a service as a result of affordability concerns. We will publish our next update this summer.

Our annual media literacy research provides data on the total number of households who do not have access to the internet at home, as well as the reasons why. This figure most recently stood at 7%, having fallen from 11% over the last few years. Of the 7% who do not have internet access at home, the most common reasons why relate to a lack interest in going online (69%), finding the internet too complicated (17%), or because someone else could go online for them if necessary (15%). Our annual technology tracker research measures the number of people who do not have access to a connected device, including the extent to which children in the household have access at home to appropriate devices based on their schooling requirements. Most recently, we reported that the number of households without access to a mobile phone stood at 3%.

Together, these measures provide us with a wide-ranging and ongoing understanding of digital exclusion and the potential impact of affordability concerns in the UK. We will continue to monitor and report on these trends, alongside actively promoting the initiatives designed to help consumers in the here and now, such as social tariffs.

Equinox II

Mr Watling asked about Equinox II and I noted that Ofcom would say more on this before the end of March. There have since been further developments on which I would like to update the Committee. On the 17 March we announced we would be delaying our final decision on Equinox II by up to two months.⁵ We have received a number of detailed and extensive responses to the consultation, some of which raise issues which require further assessment. In order to assess these issues properly we intend to gather and analyse some additional information. It will not be possible to do this before the end of March.

I hope this additional information answers your questions. I look forward to seeing you again in future.

⁴ An affordability issue could be related to broadband, mobile, landline, pay TV and or on-demand services. Respondents could have experienced one issue related to one service or multiple issues with different services. We ask providers about affordability issues experienced in the previous month.

⁵ [Consultation: Openreach proposed FTTP offer starting 1 April 2023 \(Equinox 2\) - Ofcom](#)

Yours sincerely,

A handwritten signature in black ink that reads "Melanie Dawes". The signature is written in a cursive style with a large initial 'M' and a long, sweeping tail on the 's'.

MELANIE DAWES