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3 **COMPETITION AND MARKETS AUTHORITY**
4 **21ST CENTURY FOX / SKY MERGER INQUIRY**
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7 **Notes of a hearing with BBC**
8 **held at Victoria House, Southampton Row, London**
9 **on Tuesday, 31 October 2017**
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11
12 *PRESENT:*
13

14 **FOR THE COMPETITION AND MARKETS AUTHORITY**

15 Anne Lambert - Chair
16 Tim Tutton - Member
17 Sarah Chambers - Member
18

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20 **FOR THE STAFF**

21 Mary Ayinde - Project Officer
22 Joel Bamford - Project Director
23 David Du Parc Braham - Assistant Project Director
24 James Jamieson - Economics Adviser
25 Chris Jenkins - Economics Director
26 Timothy Ker - Legal Adviser
27 Ivan Olszak - Assistant Economics Director
28 Terry Ridout - Economics Adviser
29 Senthuran Rudran - Remedies, Business and Financial Adviser
30 Rafia Saif - Project Officer
31

32
33 **FOR BBC**

34 David Jordan - Director, Editorial Policy and Standards
35 Clare Sumner - Director of Policy
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1 THE CHAIR: Thank you very much for coming in. I am going to start by doing the
2 introductions. On this side of the table you have a mix of Members of the
3 Group and the Staff Team. I am Anne Lambert, the Chair of the Inquiry
4 Group. Other Members of the Group are ...

5 Q. (Ms Chambers) Hello, I am Sarah Chambers.

6 Q. (Mr Tutton) Tim Tutton.

7 THE CHAIR: Our Staff Team is led by ...

8 Q. (Mr Bamford) I am Joel Bamford, Project Director leading the Staff Team on
9 this.

10 Q. (Mr Ker) Tim Ker. I am a lawyer on the case.

11 Q. (Mr Du Parc Braham) David Du Parc Braham, Assistant Director.

12 Q. (Mr Olszak) Ivan Olszak, Economist.

13 THE CHAIR: And we have other members of the Staff Team sitting behind us. You
14 will get a mixture of questions from the Staff Team but the Group will also
15 intervene and ask questions as appropriate.

16 If I start by putting the hearing in context, as you know the transaction which is
17 Fox's bid to acquire 100 per cent of Sky has been referred to the CMA on two
18 public interest grounds, media plurality and broadcasting standards. We have
19 published the administrative timetable and we have also published the Issue
20 Statements which set out the areas which we are going to focus on.

21 The aim of the hearing in this case is to explore the issues that arise and in
22 particular whether there will be a negative effect on media plurality and
23 whether the merged entity will have -- I use the words of the Legislation, "A
24 genuine commitment to broadcasting standards". We have invited you to this
25 hearing as a competitor of Sky News and a radio and TV broadcaster that

1 also operates online.

2 I have a few formalities I need to go through. We have previously sent you
3 information on our procedures at hearings and about our treatment of
4 evidence. We are taking a transcript of this hearing and in the spirit of
5 openness we intend to publish a version of the transcript on our website but
6 we will send it to you to review for accuracy beforehand.

7 If you wish to either amend or add to your evidence you give today we would
8 ask that you do not do that by amending the transcript but in a separate letter
9 instead. I need to remind you, as we remind everyone, that it is a criminal
10 offence under Section 117 of the Enterprise Act 2002 to provide false or
11 misleading information to the CMA at any time, including at this hearing.

12 We have a number of questions, I know you have to leave at 4.30 pm, so I
13 think we will be through by then, but before we start do you have any
14 questions?

15 A. (Ms Sumner) I am Clare Sumner. I am the Director of Policy for the BBC.

16 A. (Mr Jordan) I am David Jordan. I am the Director of Editorial Policy and
17 Standards and I manage the BBC's Editorial Guidelines and the team that
18 produces those. I also manage the BBC's complaints system and its
19 pronunciation unit as well. I have a background in programme making,
20 incidentally, in political and current affairs programming, Panorama, On the
21 Record and that kind of thing.

22 Q. (Mr Bamford) We will start with the area of Broadcast Standards. The
23 language which we have been asked to look at is a genuine commitment to
24 Broadcast Standards. I wondered whether you could just give, from your role,
25 any thoughts you have on that particular statement as to what a genuine

1 commitment would mean?

2 A. (Mr Jordan) I think the BBC offers a genuine commitment to Broadcast
3 Standards and I think that is exemplified by the Editorial Guidelines that we
4 produce which go beyond the Ofcom Code, both in their extent and in their
5 degree in relation to some of the things that the Ofcom Code covers. So if I
6 can give you an example of that, we have a chapter about conflicts of
7 interests in our Editorial Guidelines which is a subject that is not covered by
8 the Ofcom Code specifically, and in relation, for example, to impartiality.
9 Impartiality at the BBC applies to all output. Certainly the implication of the
10 Ofcom Code has always been that it applies fundamentally to news and
11 current affairs and factual output rather than drama, although they sometimes
12 would argue with that around the edges. So there are differences of degree in
13 the way in which we shape our Editorial Guidelines but they encompass the
14 Ofcom Code so the baseline is there but they go beyond that.
15 Then we have a system which I have set out in the evidence that we gave to
16 you. We have a number of systems through which we seek to ensure that we
17 comply with those Editorial Guidelines. We have a system of referrals, some
18 of them mandatory within the Editorial Guidelines themselves. That means
19 that for some issues programme makers have to refer either to senior line
20 managers or to me or my team before they can made decisions about what
21 they are going to do. That is particularly the case for example in something
22 like secret recording, where the judgement about the level of intrusion into
23 privacy, as against the public interest in relation to that intrusion, is obviously
24 a critical decision for us to make in each and every circumstance, both at the
25 point of recording and at the point of broadcast. So there are systems

1 designed to make sure that we manage that in an appropriate way. So we
2 have those kinds of mandatory referrals that run throughout the Editorial
3 Guidelines and then we have various systems in place which I have described
4 in our evidence of committees and other forms of system to make sure that
5 we are abiding by them, as well as a reactive and proactive advice giving
6 system, based around Editorial Policy itself. So for example, we run 365 days
7 a year, 24-hour day advice service to all of our programme makers, whereby
8 they can get hold of the Editorial Policy Team or a member of it at any time of
9 the day or night from any part of the World on any part of our output and talk
10 to us about whether or not what they want to do is compliant with our Editorial
11 Guidelines. So we have a reactive advice system of that sort plus advice
12 given to lots and lots of programme makers who call about a particular
13 programme on a number of occasions and speak to a single adviser to do
14 that.

15 Then we have a number of proactive things that we do to disseminate the
16 Editorial Guidelines to our staff, our freelancers and our independent
17 programme makers making output for the BBC. Those are in terms of training
18 courses, initial training courses for people who join the BBC, distribution of the
19 Editorial Guidelines to every member of our staff in hard copy, not just online.
20 And then a series of other measures such as 24 different online courses
21 relating to the standards that are applied in this Book; some of which are
22 mandatory in some departments, so, for example if you join the Children's
23 Department, that is making programmes for children, CBBC, CBeebies
24 etcetera there are a series of courses that are mandatory for anybody working
25 in that area, which have to be undertaken before they can commence their

1 work.

2 Things of that nature and other proactive measures both in terms of training
3 and pushing out newsletters, Editorial Policy meetings every month going
4 over certain areas of recent developments in Ofcom findings or findings within
5 the BBC on complaints that bring up to date what the advice is, reflect
6 changes in the law etcetera which are rolled out not just in London but also in
7 Salford, in Cardiff, in Belfast and in Glasgow, and Bristol ie major centres of
8 production.

9 Then we will do bespoke training courses as well, so, for example, we have a
10 specific one aimed at the Natural History Unit. You may ask why but in the
11 past there have been some indiscretions in the Natural History Unit about
12 what was filmed in the wild and what was not, for example. And we do
13 courses about what is the appropriate thing to do in those kinds of
14 circumstances. So both reactively and proactively there is a huge range of
15 activity that we undertake to make sure that our programme makers are
16 conversant with the Guidelines, with the standards that are required, and the
17 values that underpin them and make their programmes accordingly and that is
18 both for in-house and for independent productions who are able to avail
19 themselves of our advice freely.

20 Q. (Mr Bamford) How do you convert Ofcom's Broadcasting Code into your
21 Editorial Guidelines? How do you see the two marrying up?

22 A. (Mr Jordan) Well, sometimes we just take chunks of the Ofcom Guidelines
23 and the Ofcom Code and put them into our Guidelines but more often we will
24 interpret them in the particular way that is relevant to the BBC and rewrite
25 them so that they reflect the standards that are required in the Ofcom Code, in

1 the same sort of terms as the Editorial Guidelines. Quite a lot of the
2 terminology specifically related to the Ofcom Code is borrowed straight from
3 the Ofcom Code and converted into the Guidelines.

4 Q. (Mr Bamford) Would it be possible to comply with the Code without the set of
5 guidelines or an effective compliance policy?

6 A. (Mr Jordan) It would be possible to comply with the Code but not necessarily
7 with the Guidelines. So you might be in a situation where you comply with the
8 Code but did not satisfy the BBC's own Editorial Guidelines. So you could
9 make your output consistent with the Code but still not make it consistent with
10 the Guidelines, for example in an area like impartiality in drama or something
11 like that.

12 Q. (Mr Bamford) What about complying with the Code but not necessarily the
13 BBC Guidelines without having actually a compliant process if you are
14 another channel.

15 A. (Mr Jordan) I do not know the systems in other channels, but could you
16 comply with the Code. I suppose you could, yes.

17 Q. (Ms Chambers) In answer to the first question how do you show a genuine
18 commitment to broadcasting standards, a lot of what you said was about how
19 you use the Ofcom Code as a baseline but you add to it and you do more
20 depth and more breadth and I took that to mean that is your genuine
21 commitment, which is more than just a black line of compliance with the Code.

22 A. (Mr Jordan) It is because the Editorial Guidelines came about in 1989 and at
23 that time the BBC was not regulated by Ofcom. The BBC was only subjected
24 to Ofcom regulation for part of the Code from 2005, so in 1989 we drew up
25 Editorial Guidelines. They were actually called Producers's Guidelines at the

1 time which essentially amounted to the combined wisdom of programme
2 makers through the ages put into one single document. This was
3 commissioned by John Birt who was Deputy Director General.

4 What had happened up to that point was that each programme within the BBC
5 had its own production guidelines which it abided by, so Blue Peter might
6 have a set; Newsnight would have a set and so on and so forth. What
7 happened at that point was that the wisdom in those different sorts of
8 guidelines was brought together and we had one set of guidelines. So the
9 BBC clearly had values and guidelines before that but they had not brought
10 them together for the entire BBC.

11 Q. (Ms Chambers) So in a way there are historic reasons why you already had
12 them. If you were looking at another broadcaster, say you were being asked
13 to give a comment on whether another broadcaster was demonstrating a
14 genuine commitment to broadcasting standards if all you saw was that it had
15 a sort of black line compliance with the Code, the Ofcom Code and nothing
16 else, would that be suspect in your eyes? Do you think there needs to be
17 something that demonstrates values beyond, if you like, a black letter sort of
18 compliance culture?

19 A. (Mr Jordan) I would expect a serious broadcaster to have additional material
20 for its programme makers beyond and above the Ofcom Code. I think that is
21 true of the UK broadcasters. I think it is true of Sky but it is certainly true at
22 Channel 4, for example, which produces its own guidance on how people
23 making programmes for Channel 4, independent companies, should interpret
24 the Ofcom Code; so additional guidance on that. I would expect that
25 particularly public service broadcasters would have additional material

1 available for their programme makers; similarly to reflect the experience that
2 they had had of dealing with many issues over numbers of years.

3 A. (Ms Sumner) I think it also speaks to things like the editorial values in an
4 organisation and also then in the way that you are training and leading your
5 journalists and how they make decisions about the way that they cover
6 stories. So I think that your line of the Ofcom code is obviously the baseline
7 code, in the UK broadcast market, is the way of regulating across the whole
8 sector.

9 The other thing which differentiates the BBC, of course, is the fact that our
10 responsibility as the public service broadcaster, is to make sure that we have
11 the highest values so that we are trusted, we are seen to be impartial and
12 accurate and, of course, having such detailed Editorial Guidelines in place
13 really helps us make sure we both aspire to and meet those standards.

14 Q. (Mr Tutton) Sticking with impartiality and accuracy which is obviously the bit
15 of the Code which is most central, can you give an example of the sort of
16 thing which you might require which would be going beyond the Code?

17 A. (Mr Jordan) For example, we have a run up period to the periods before
18 elections, which we treat with greater sensitivity. So in the run up the London
19 Mayoral election, the last one involving Boris Johnson, Boris Johnson had
20 made an hour long programme for us destined for BBC1, which was about his
21 history, which was due to be broadcast some months ahead of the election.
22 Because we felt that an hour's worth of exposure on BBC1 is worth an awful
23 lot to a politician particularly when they were not actually dealing with politics,
24 they were not being cross-examined, they were not being challenged on
25 anything and we could not give the same to the major challengers in that

1 election we did not run the programme until after the election. We just took it
2 out of the schedules and broadcast it subsequently.

3 In the run up to the General Election of 2005, ITV broadcast an interview with
4 Tony Blair done by Little Dick and Dom on ITV's main channel in prime time
5 on a Saturday night two days before the General Election started. We would
6 not do that. In the run up to the 2010 General Election, Channel 4 broadcast
7 a programme about Nigel Farage and UKIP, a drama, on the eve of the
8 General Election that was extremely antagonistic towards UKIP. We would
9 not do that on the eve of a start of a general election period.

10 So we interpret our responsibilities in relation to impartiality during the
11 Elections more than the actual Election period as defined by law.

12 Q. (Mr Tutton) And more time in news and current affairs coverage.

13 A. (Mr Jordan) Absolutely, so beyond news and current affairs coverage. So
14 most importantly in the run up to -- so whether it was news and current affairs
15 or whether it was anything else, we would be careful about the kinds of
16 programmes that we were showing, making sure that they were generally
17 impartial. And, in the case of the Boris Johnson example, where it was
18 impossible to provide any reasonable kind of balance to the other contenders
19 in the Election, taking a view of whether or not that would be impartial in the
20 run up to an Election.

21 Q. (Mr Bamford) You talk about that going beyond the Ofcom Code and
22 impartiality do you think Ofcom applies a different standard to the BBC than it
23 does to other news broadcasters such as Channel 4 or some of other
24 broadcasters?

25 A. (Mr Jordan) Do you mean in terms of deciding its complaints or in some other

1 way?

2 Q. (Mr Bamford) I mean in terms of what it expects in terms of compliance with
3 the Code.

4 A. (Mr Jordan) Up to now, and I sincerely hope this continues, Ofcom has
5 applied the same standards that it expects of other broadcasters to the BBC,
6 when deciding complaints against the Code that have been made to Ofcom. I
7 say up to now, we are in a new period from 3 April this year. We are in a new
8 period where Ofcom will only determine complaints that have been through
9 the BBC's complaints system first. So editorial complaints go through our
10 BBC First System and we will deal with them and I think I am right in saying
11 that none has been appealed to Ofcom yet having gone through that process.
12 Before that Ofcom could be complained to directly about some parts of the
13 Code, not accuracy and impartiality and I do not know of any evidence of
14 Ofcom applying different standards to the BBC. We apply different standards
15 because audience expectations of the BBC, our audience expectations are
16 higher than they are of other broadcasters. That may be because of the
17 BBC's reputation and the values that Clare was referring to or it may be
18 because people pay directly for us and therefore feel that they have an
19 ownership and a stake in us, as it were, which is certainly true. But it may be
20 for any combination of those reasons. The audience expectations of the BBC
21 are higher so that other broadcasters can do things which the BBC could not
22 do and as it were get away with them because the audience would not allow
23 it.

24 Q. (Ms Chambers) What about proactive monitoring? Does Ofcom do more with
25 some broadcasters than it does with others?

1 A. (Mr Jordan) I do not know what you mean by proactive monitoring?

2 Q. (Ms Chambers) The compliance process is not just around complaints is it?

3 Does it do some sort of monitoring of its own?

4 A. (Mr Jordan) I am not aware that the BBC has different standards applied by

5 Ofcom in any respect and obviously that is of even more interest now that

6 Ofcom is our sole regulator and regulates most of the areas of content

7 standard. But I am not aware of Ofcom applying different standards to the

8 BBC. Ofcom has its standards which it applies uniformly across the piece as

9 far as I am aware.

10 Q. (Ms Chambers) That is my understanding.

11 Q. (Mr Bamford) How does the BBC Trust monitor the requirements of

12 impartiality and accuracy and have you noticed any differences between that

13 and the newer regulatory regime?

14 A. (Mr Jordan) The Board has only been in place since 3 April so it is a little bit

15 early to make judgements about the difference between the way the Board

16 operates and the way the Trust operated. The Trust, first of all, was the Court

17 of Appeal, as it were, for all the editorial complaints that were heard or the

18 content complaints that were heard within the BBC and went through the

19 BBC's complaints process which is a three-stage process which I think I

20 outlined in the evidence I sent to you. The Trust did that but the Trust also

21 took a more proactive view, they did take a more proactive view of the BBC's

22 impartiality and in particular in relation to seeking independent judgement on

23 whether or not the BBC was fulfilling its impartiality requirements in relation to

24 specific subjects.

25 It did a number of studies of that sort. One was about devolution for example,

1 one was about rural affairs, one was about science, the last one was about
2 the use of statistics, which had employed people who were distinguished in
3 that field, sometimes an individual and sometimes a group, to have a look at a
4 reasonable amount of output. And also to take advantage of a piece of
5 content analysis usually carried out by an independent university department
6 and they put those things together and came to a judgement about where we
7 were succeeding and where we were failing in meeting our impartiality
8 requirements in relation to a particular subject of the sort just mentioned.

9 So the Trust took a more proactive stance on impartiality than simply reacting
10 to whether or not content had, in its view, breached the impartiality and
11 accuracy requirements in the Guidelines. The Trust, of course, signed off the
12 Guidelines(the Board will sign off the next edition of the Guidelines) and took
13 ownership of it and kept a very close eye on output. So it did not wait until a
14 complaint was made about something but it would make a proactive request
15 for information about things which they thought might not be appropriate
16 under the Guidelines, if a Trust member had seen it or somebody had referred
17 to it or something of that nature. They would proactively seek information as
18 well as waiting for complaints and as well as trying to run these studies from
19 time to time.

20 Q. (Mr Bamford) Have any of the commercial operators ever approached the
21 BBC to try to get an understanding as to how you deal with compliance or to
22 look at your compliance processes?

23 A. (Mr Jordan) Not from this Country. Lots have come to visit us from
24 international. I have a group of people from Swedish radio coming over next
25 week and we have entertained all kinds of people from the world of content

1 regulation and complaints from all across the World over the time that I have
2 been doing this job and continue to do so. Some have gone as far as setting
3 up the equivalent posts in their own organisations as a consequence of
4 discussions that they have had with me. For example, ABC in Australia, DR
5 in Denmark, NRK in Norway have all set up standards modelled on the BBC's,
6 after conversations and after coming to the UK and after actually my going to
7 speak to their boards in Norway and in Denmark. So there is a lot of interest
8 internationally. I do not recall us entertaining people from the UK with one
9 exception and I am trying to remember what the specific issue was. Someone
10 from Sky came to see me about the running of a BBC First System before we
11 actually started doing it; asking whether a BBC First System would be
12 appropriate for other broadcasters as well as the BBC. Do you understand
13 what I mean by a BBC First System?

14 Q. (Ms Chambers) Complaints?

15 A. (Mr Jordan) Yes.

16 THE CHAIR: You have a weighty tome of guidelines but how do you actually embed
17 it in the culture? What would you see as best practice to embed?

18 A. (Mr Jordan) For example, every single person who joins the BBC takes part
19 in what is called an upfront training session that lasts for a day.

20 Q. New entrants?

21 A. (Mr Jordan) Every new entrant, whatever they work in. Whether they work in
22 content or whether they work in finance or whether they work in any other part
23 of the BBC.

24 Q. A one day training?

25 A. (Mr Jordan) Well, it is over two days but essentially it is a day of training, just

1 introducing them to all the different parts of the BBC. My team does an hour's
2 worth of presentation in that and it is an hour about Editorial Policy Decisions,
3 the importance of Editorial Policy using examples from the recent past about
4 things that have gone right, things that have gone wrong and asking people to
5 talk about them and give their views of what is right and what is wrong. So we
6 do that to every single new joiner.

7 Then each of the divisions has their own training courses, so journalism has
8 its own training course in which we provide, for example, to journalism
9 trainees. And by an example I mean a few hours of input into what they do
10 and they are dealing with a lot of editorial issues. Television has just revised
11 its equivalent, Television is now known as Content has just revised its
12 equivalent, so it rolls that out to all of the people that work in TV.

13 Q. Is that new entrants or does it happen to everybody on an annual basis?

14 A. (Mr Jordan) It is new, these are for new people. Each division has its
15 equivalent essentially. Then as you progress up the organisation to, for
16 example, become an editor then there will be other issues that you deal with
17 in relation to courses connected with that. So if you are an editor in News
18 there is a half day spent talking about the public interest, what it means and
19 what it justifies and what it does not justify.

20 On top of that from time-to-time we do what we call sheep dips for the entire
21 organisation and the sheep dips are half day courses. The first one was
22 called Safeguarding Trust, the second one was called Safeguarding Values in
23 which we take examples from recent output and we roll it out to all programme
24 makers across the whole BBC, in the first case 19,000 of them. We talk about
25 what our values are and show how they are embedded in our output. We do

1 those from time-to-time. We are due for another one in the next year or two
2 but I would rather get the revision of these guidelines out of the way before we
3 take that on.

4 Then on top of that there are a multitude of one-off bespoke courses for
5 programme teams which my advisers do, so when a programme team starts
6 off they will have my advisers in to talk to them about the sorts of issues that
7 might crop up in relation to what they are doing or if they are the kind of
8 programme team which has disbanded and reformed and may have different
9 personnel then they would do it again for the new team. So it is not
10 something you would do for Newsnight but for Watchdog which is a
11 programme which runs for a while then stops and comes back again, possibly
12 with different people, you would repeat it for them. And that is all over the
13 Country not just in London; in all of our production centres that we do that.

14 So there is a wealth of ways in which we are trying to proactively get the
15 message out there. We have a newsletter which we put out as well which is
16 subscribable to by anybody. You basically try to push this material out as
17 much as we can.

18 Q. When you get a lot of programmes made by outside production companies, is
19 it a condition of the contract that they have to have done this?

20 A. (Mr Jordan) It is a condition of the contract that they have to abide by the
21 BBC's Editorial Guidelines and it is a condition of all staff contracts that they
22 have to abide by BBC's Editorial Guidelines in making their output. So it is a
23 condition of contract.

24 Getting to independents is another challenge but we do that by specifically
25 inviting them in. I was talking about going to Glasgow and to Cardiff. We

1 invite local indies to come in and join us for those sessions and sometimes we
2 have to do sessions that are specifically for some parts. So we had a
3 particular issue with our duty of care to children in drama and comedy at one
4 point so we had all the independents together and did a specific course for
5 them about that issue. So some of it is responsive and some of it is just basic
6 proactivity which is an ongoing system.

7 Q. (Mr Bamford) One of the elements that we have been able to look at within
8 the Broadcasting Standards Area is conduct or track record or governance
9 outside specific standards but related to it in some way. From the BBC, how
10 reasonable would you see it to be able to infer than an organisation that has a
11 poor track record in one compliance area, whether that be gender equality,
12 sexual harassment, could or could not have a genuine commitment to
13 broadcast standards.

14 A. (Mr Jordan) I think the critical issue for us is that our programme makers, and
15 our journalists, in particular, have the independence which is enshrined within
16 the Charter and Agreement. So it matters a great deal to us that we are
17 independent of political, of commercial interests and also of corporate
18 interests and, obviously, of personal interests where they may come into play.
19 In all of those ways our journalists very jealously guard their independence
20 from all of those areas.

21 In the case that you are talking about it would be the case that BBC journalists
22 that would report or favour any corporate issues that might be affecting the
23 BBC. It has been demonstrated to do so, in fact there is a bit more
24 enthusiasm for doing those stories amongst our journalists than there is for
25 some others. I can vouch that has been the case in the past. Certainly, they

1 are extremely keen to ensure that we are scrutinised as an organisation as
2 keenly as any other organisation which we do journalism about. It is critical
3 that that independence is maintained. I think that would apply to any news
4 organisation. Surely a news organisation would aspire to the same standard
5 as that.

6 A. (Ms Sumner) There is an overarching governance point. The Board is very
7 clear of their role. The Director General, as Editor-in-Chief, the Director of
8 News who has the day-to-day responsibility for the news output, and it is also
9 ensuring that everybody who is operating within the system understands
10 clearly the importance of our Editorial Guidelines, the importance of our
11 independence. And indeed, obviously, for our Chairman and again in the
12 Charter and Agreement set out very clearly the duty on our Board Members to
13 uphold our independence is another critical part of the overall governance
14 structure for the BBC, which I appreciate is different but that whole framework
15 has to come together.

16 Q. (Mr Bamford) I am going to move on to some questions which are related to
17 the media plurality side of things and particularly around the BBC's role within
18 the media landscape and, as has been looked at by Ofcom in their previous
19 Phase 1 report, of where it sits as a kind of share of the total reference of
20 media. I am going to hand over to Ivan for this?

21 Q. (Mr Olszak) One of the things that Ofcom show is what they call a share of
22 reference of 42 per cent for the BBC, so more than 40 per cent of the news
23 consumed in the UK originates from the BBC in one way or another. So we
24 have to decide what to make of that in our analysis of media plurality. I was
25 wondering if you had any views on that? Is that a good or a bad thing for

1 media plurality?

2 A. (Ms Sumner) I am sure you have looked at the Ofcom evidence in detail
3 which they presented back as part of this but we tend to start with looking at
4 reach because, for us, the issue is around our audiences and are our
5 audiences using the BBC and getting, if you like, value for their licence fee.
6 So the BBC starts in a slightly different place in terms of accountability around
7 what we are looking at. So when you look at the BBC cross-platform reach,
8 for example, we are obviously one of the biggest players. We are at a figure
9 of 77 per cent. It think ITN around 40 per cent and Sky then coming in around
10 20 per cent. So when you look at that we are definitely one of the
11 predominant players in this marketplace and within the broadcast world, so
12 the broadcast TV news our position is, and always has been, that we operate
13 within this competitive market that is regulated by the Ofcom Code. So I do
14 not think the BBC have a specific view partly because of the nature of our
15 organisation on precise market share or something like that which I could
16 assist you with. Obviously we keep a weather eye mainly on both the
17 audience reach data that we have and then also look at things like, for
18 example, how our audience is scoring us on impartiality and accuracy and
19 trust. Because another key issue for us, which is part of our Charter
20 obligations is that we are a trusted source of information and news for the UK
21 audience. Obviously with the World Service that takes you to a global reach
22 in a different way.

23 I am not sure it answers your question but it explains how we look at the issue
24 which may be different, because, as I said, we are not in a competitive advert
25 driven market. That is not our business. Our business is to fulfil our Charter,

1 to fulfil our public purpose which we also put in the evidence to you.

2 Q. (Mr Olszak) We are trying to understand this figure from the point of view of
3 deciding whether there is enough plurality in the UK. So you are saying you
4 look at reach for example.

5 A. (Ms Sumner) Cross-platform reach.

6 Q. (Mr Olszak) If you reach 77 per cent of the population and saying you are
7 trusted and considered impartial and accurate, does it mean that we can be
8 more relaxed about media plurality?

9 A. (Ms Sumner) I think you have to see it within the framework of the way that
10 that operates. My immediate response to that would be in the broadcasting of
11 television news the way that currently is looked at is whether the broadcasters
12 involved are following the Ofcom Code and being held to that. So I think there
13 is a kind of place in the UK market, for example, that if we were in the States
14 does not apply. So when you have Fox News obviously being of one political
15 persuasion, and then what happened to CNN was that they kind of polarised
16 too. If you look at the other extreme of state broadcast systems where
17 actually one of our concerns is around what information are citizens getting.
18 In the UK the marketplace is of different levels, so Sky is smaller than ITV, is
19 smaller than the BBC, and the way that that is regulated is important because
20 those are the news providers that in the UK market work currently well
21 together. So I do not have a benchmark answer to your question. I do not
22 have that sort of sense of the market share and this is also around the way
23 that consumers have choice to lots of different sources. And I guess one of
24 the other things to say is the market -- and Ofcom draw this out clearly --
25 around us is changing greatly so the use of online news, the use of smart

1 phones, tablets and everything now compared to TV is beginning to change
2 some of that balance anyway so that is why I think that the cross-platform
3 reach is quite an important thing to look at as well as market share in
4 particular areas.

5 Q. (Mr Olszak) I would like to ask a few questions to follow up on some of the
6 things you said in your response to our request for information. We asked a
7 question about how you use metrics or engagement from social media in your
8 editorial process. Things like likes, click through, etcetera. You said that this
9 informed your editorial process but did not legitimise it. I was wondering if you
10 could expand on that a little bit and are there any circumstances in which you
11 will make a difference in terms of the stories you pick.

12 A. (Ms Sumner) Before coming in, obviously neither of us are in the news team,
13 I spoke to our Director of News Gathering about choosing stories and how do
14 they bring together a wide range of sources about what they cover and why,
15 and how do they make those judgements. In effect, the BBC has two editorial
16 meetings a day. One at 9.00 am and one at 3.00 pm, the News Gathering
17 Team lead those because that is where our resources are deployed into the
18 field. Then, of course, you have our programmes which are deploying, in
19 effect, our presenters and looking at the running order per programme.

20 So if you follow our coverage at all you will know that often what is on the top
21 of the Today programme is not what is on the top of the 10 o'clock News
22 depending on how the day has progressed and what the key stories are.
23 What the Team are constantly doing is balancing out the stories that they feel
24 that they want to cover, some of which will be proactive BBC stories, some of
25 which will be covered widely across the range of the media market and they

1 will be looking at social media to see what is running on there, as well as a
2 kind of plethora of sources.

3 The reason we put what we put in our submission was that actually in the end
4 it is the judgement of our editors and our editorial teams who then determine
5 both the verification of these stories because obviously there are lots of
6 sources giving lots of information the whole time -- increasingly so in the
7 current world we operate in and online plays a part in that. So then it is a
8 judgement for them about what stories do they follow, how they do that, how
9 they verify their sources and then also most importantly how they report on
10 where things have been sourced from, depending on whether it has come
11 from a political organisation, or from the Government for example.

12 I think what we are trying to say is there are lots of different ways of looking at
13 this. Social media is definitely a part of it, and it actually might show things
14 trending that we have not been aware of, for example, that we would then
15 perhaps want to pick up and cover in our broadcast coverage. So I think to
16 answer to your question, I think it is part of quite a complex picture of how
17 editorial judgements are made about which stories to run.

18 A. (Mr Jordan) Just on the editor's point, I go to these meetings occasionally if I
19 want to make a point about editorial policy issues that might be arising in
20 relation to such stories. What the meetings consist of is not the laying down
21 of an editorial line; it is people saying what it is that they are intending to do in
22 their programmes. So everybody has an idea of what is going on and what is
23 being done and that applies to online as well as everything else. So they will
24 give an indication of what stories they are majoring on. They will also give an
25 indication if there were stories that are playing very big in social media or in

1 the online world in the same way as television broadcasters will be very aware
2 of what is going on, on other TV channels and you would be generally aware
3 of the media environment. So that information is shared amongst all the
4 people who come to the meeting and one of the things that they are interested
5 in is what is interesting people online, as one of the factors.

6 But that is not going to determine the BBC's agenda. If a chicken swimming
7 the channel was the top online story, and one cannot rule out that possibility,
8 then that is not going to make it the top story on the 10 o'clock News so I think
9 maybe what you were getting at -- the top story at the present moment is still
10 more about Brexit or something of that nature. It does not determine what we
11 do as an organisation but it is obviously there as a matter of interest as part of
12 the overall service.

13 Q. (Mr Olszak) So we also asked a bunch of questions to try and help us
14 understand the relative positioning of the different broadcasters and especially
15 the position of Sky News compared to yourself and the other broadcasters.
16 You simply emphasised that actually everybody is subject to the Code
17 requirements of impartiality and accuracy. It seems to us that even if they are
18 all subject to the same requirements there is some room for them to pick
19 different stories, different angles on them and therefore generally a different
20 outlook on the news. Do you agree with that? If you do, do you see any
21 differences in the way that different broadcasters are positioned and their
22 output?

23 A. (Mr Jordan) I certainly agree that programme editors within the BBC and
24 different programmes are very independent of one another and I think you
25 only have to listen, for example, to the Radio 4 output over a day, from Today

1 in the morning, The World At One at lunchtime, PM and the 6 o'clock News,
2 The World Tonight to see the different agendas that different editors are
3 choosing. Some of those are down individual editorial decisions; some of
4 them are down to the brief that different programmes are given. So the World
5 Tonight, the clue is in the title, is given a brief to range more widely in the UK
6 in what its editorial agenda is. Similarly, on television, the 6 o'clock News
7 might have a slightly more domestic inclination than the 10 o'clock News
8 which is likely to range more widely internationally and so on and so forth.

9 Those decisions about what that means in practice are all taken individually
10 by individual programme editors. Clearly, on any given day, there are going
11 to be a series of big stories that it would be crazy not to cover if you are a
12 news programme but then lots of other things that might come up which are
13 dependent on what sort of story ideas have been proposed within the team, or
14 which the individual editor thinks are important and significant for its
15 audiences. That, for example, means that the Newsbeat audience on Radio 1
16 is going to have some different interests from the Today programme audience
17 on Radio 4 etcetera.

18 A. (Ms Sumner) And in terms of our competitors, for example, we have had
19 some very high profile stories this year with things like Grenfell Tower. So we
20 have something like Grenfell Tower and your expectation probably would be
21 that for the majority of news outlets that would be the lead story. You have
22 other days where I think it is more nuanced about what do people put at the
23 top and those are the editorial judgements that other broadcasters will be
24 making too.

25 So if you are asking would our expectation be that the top of the 10 o'clock

1 News on both BBC and then ITV would be the same then I do not think
2 necessarily it would. That would be a matter of editorial judgement for those
3 individual people. I guess the question then comes to things like tone, and
4 how do people demonstrate -- because the requirement of the Code is that
5 then the broadcasters demonstrate that impartiality and accuracy. So the way
6 that you do that I think can be done in different ways and indeed you see it in
7 a mixture of coverage. I will use ITV as an example here, but when you look
8 at current affairs interviews, Andrew Marr and Robert Peston or look at the
9 different news offerings and those are kind of editorial judgements made by
10 those teams. But the question then goes further, because what you are
11 saying is at what point then is there an issue and the issue is then if they are
12 not following the Code.

13 Q. (Mr Olszak) It is not necessarily what I was after. I think we are in agreement
14 that under these roles you can make different choices and what I am trying to
15 understand is how do the broadcasters exploit that freedom and as a result
16 are they positioned differently? Do they look at different types of news? Are
17 there any patterns here? Does Sky News do something very differently from
18 yourself and the other broadcasters?

19 A. (Mr Jordan) I think on the day of a big story we would be expecting that all of
20 the UK broadcasters would be dealing with that big story at the top of their
21 news. There would not be a vast difference in general on the day of a big
22 story and you expect that probably all the newspapers would be dealing with
23 that as well.

24 A little bit less so in newspapers but certainly with a very big story I would
25 expect that. I suspect there are differences but I am not aware of any content

1 analysis that has demonstrated it. I do not watch all the bulletins sufficiently
2 often to know. I suspect there are differences on what we call a slow news
3 day when it is not obvious what the top story is, but whether there is any
4 pattern to that or it just reflects an editorial judgement about what is
5 interesting to their audiences --

6 A. (Ms Sumner) I can only think of something historic. When 10 o'clock ITN
7 used to finish with, "And finally", and it was a lighter note to the end of the day
8 so that was just a tonal decision that obviously the team made. Put
9 something in a little bit different. If you look at the production values, which is
10 another way of looking at how news is presented, again all of them look
11 slightly differently. They have experimented with presenters in different
12 positions. Are they standing up? Are they sitting down? But I guess there is
13 probably an expectation in the UK of how we expect some of that news to be
14 presented to us by these very credible broadcasters. If you are tuning into the
15 BBC or the ITV and to some extent Sky although that is a smaller market you
16 are expecting a certain type of product as well and I think that audience
17 expectation in this debate is actually really important. You are not expecting
18 something that is not highly factual presenting what is going on in the day and
19 giving the range of opinion.

20 Q. (Ms Chambers) What we are trying to get at is whether over time one
21 broadcaster compared with another, both of whom comply with the
22 Broadcasting Code, but whether one of them, could, over time, show a pattern
23 of just not choosing to show particular stories whereas another one perhaps
24 puts a lot of emphasis -- and I am not just talking about whether it is a chicken
25 swimming in the river. Without breaking the impartiality guidelines is one

1 broadcaster within that -- because there is not a requirement to paint the
2 whole picture all the time, do you detect a pattern or think that it is possible for
3 one broadcaster to demonstrate a bit of bias without breaching the
4 Guidelines.

5 A. (Mr Jordan) That is possible, depending on your choice of story. Whether it
6 has actually happened -- well it has happened in newspapers.

7 Q. (Ms Chambers) In newspapers it is allowed to happen.

8 A. (Mr Jordan) It has happened very clearly in newspapers and it has happened
9 in the United States but whether it has happened in the UK, I do not know.
10 You would need to do a content analysis.

11 Q. (Ms Chambers) So you would not characterise one broadcaster in the UK as
12 being left of centre, or right of centre or more interested in climate change or
13 Brexit or devolution than another.

14 A. (Mr Jordan) I think you might say that Channel 4 News pursues a particular
15 editorial agenda that is of interest to its audience and it might be different from
16 somebody else's editorial agenda but I do not think that that would mean that
17 they would not cover the main stories of the day. They might cover them
18 slightly differently. I think we all cover broadly the same stuff because you
19 have to tell everybody, you cannot not tell your audience what the main story
20 is.

21 A. (Ms Sumner) In the news gathering climate, my understanding too is that we
22 do share and pool facilities with ITN and with Sky. If you look at the party
23 political debates that were introduced in this Country in 2010, we worked in
24 partnership and part of the reason we were able to do that was because we
25 felt that they shared the same values of impartiality and what they wanted to

1 achieve from the debates which was opening up a kind of new way of political
2 debate in this Country. So I do not think we would have necessarily, as the
3 BBC, partnered with others who would then be perceived to have a certain left
4 or right bias because that would have been inappropriate for us to do so. But
5 that is obviously an example that is historic as well. More recently because
6 the debates have continued, as you saw from 2017 we did do the debate
7 which all the broadcasters were involved with and all had coverage of some
8 form of debate and some form of leaders debate as well.

9 Q. (Mr Ker) Moving beyond political issues, how about commercial issues?
10 Would you, for instance, expect Sky News to report on something that was
11 commercially sensitive to Sky or ITN differently from how the BBC would?
12 Conversely they might report something about the BBC differently than you
13 would even though it would not be a commercial issue?

14 A. (Mr Jordan) Well I would hope that they would report on any of their own
15 interests in the same way as they would report on anything else. I am not
16 aware of evidence that they do not but again I have not done a study. It is
17 certainly the case in the United States that that might not be the case in some
18 channels where commercial interests conflict with editorial. There is more of
19 an issue in the United States but they are all commercially funded. In the UK I
20 am not aware of a situation in which it has been the place that a commercially
21 funded public service broadcaster will have changed their editorial focus
22 because of commercial interests, but I do not have evidence of that because I
23 have never tried to assess it.

24 Q. (Mr Olszak) Just to change the topic and talk about online news. We asked
25 whether you thought your online audience engaged with news a bit differently

1 than the audience on air. Among other things you said that users online tend
2 to require more engagement than consumers on TV or radio. I was
3 wondering if you can explain what you mean by that and whether it means
4 anything in terms of the impact of those different sources of news. We are
5 trying to understand how audiences engage with news online compared to on
6 traditional platforms and whether they are more likely to be influenced by
7 news they read online or less likely to be influenced by news they read online
8 compared to other platforms. You said amongst other things, reading news
9 online requires more engagement. So I was wondering if you could explain
10 what you meant by that and whether this goes towards influences and impact
11 of different sources of news.

12 A. (Ms Sumner) The first thing I would say in terms of context is the issue now
13 that we all have in relation to intermediaries, so Facebook and Twitter and so
14 the way that people are consuming, for example, BBC News is changing all
15 the time. But also in the context then that if you are within that kind of social
16 media world you probably have sources from lots of different places.

17 You go to BBC News, you have what your friends may be saying and posting
18 and there is a very different environment from, for example, just people who
19 are accessing us straight through the online platform or your app on the
20 phone and what you would see and how you would engage with that.

21 I think we are still at the foothills of quite understanding what does that mean.
22 We are beginning to see that obviously young audiences are increasingly
23 using the app and BBC News online through social media rather than going
24 on television. I think that is well known and conversely the over 65s are
25 mainly on television and less online. So I will not go through that any further, I

1 think it is a statement of the obvious but I think what is interesting and
2 particularly when you look at the other concerns that we have in the UK
3 around fake news and misinformation and again the role of the BBC there, is
4 how many sources are people checking now online.

5 Again increasingly with the younger generation they are looking at more
6 sources potentially so the BBC would not be the only place that you came to
7 get your news, you might go to other sources too, and depending on your
8 political persuasion you might be going to some of the well-known political
9 sites whether it is The Canary or Guido Fawkes at one point. So I think in
10 terms of influence then, what we do know is, for example, during the General
11 Election we have introduced something called reality check, as getting behind
12 the facts of the news. If you like some of the myth busting and that was
13 accessed several million times during that period. We are still working on how
14 to actually get the metrics on this right. The attribution to the BBC, do people
15 actually know that is sourced from us, which I think is quite important in terms
16 of just the way that people engage. A debate that is happening in television
17 as well, do you know that Games of Throne is made by HBO? Do you know
18 that The Crown is on Netflix? Do you remember that Horrible Histories is a
19 CBBC programme? Do you see what I mean about where do you read and
20 source these things?

21 Within that what we are learning from our audience is that they regard the
22 BBC as a highly trusted source for accurate information and that, in the
23 current online world and social media world that is really important. In terms
24 of influence of others, so if you look at Sky and you look again at reach
25 metrics the BBC online proposition is heavily used. In the Referendum, on

1 the day of the result we had over 20 million browsers. I do not know the
2 precise figures for Sky; I would assume they were significantly smaller than
3 that but still influential within the group that would go to Sky as a trusted
4 source.

5 I think that is the other thing, people now have a lot more choice about where
6 they go for their information and our role in the BBC is to provide as much
7 information as possible and factual news so that they can actually then see
8 what judgements they want to make. We come back to and we refer to it
9 several times in our submissions that some of this is around judgement of the
10 audiences, which is where do you get your information from, what do you
11 understand that you are receiving? What is the source of that information and
12 how valid it is, is a really important question.

13 Again it is complicated and also at the moment -- and Ofcom say this too -- on
14 one level we are seeing the decline of newspapers and the rise of online
15 media but we do not fully understand yet how that is influencing audiences.
16 We are very interested in it by the way, it is a critical issue.

17 Q. (Mr Tutton) One of the underlying questions in the plurality question we have
18 been given is the influence of online. On the one hand people are saying,
19 "Well it is obvious. You look around you have lots of different sources of
20 consumption of news and therefore it is almost by definition a more plural
21 environment". A counter argument to that says, "Yes, at the point of
22 consumption may be, but what was the source?" A counter argument says,
23 "Well, actually it is really legacy media, traditional media which is still the
24 source of news gathering the sort of news production and therefore in one
25 other sense plurality really has not changed that much despite what it actually

1 seems". Do you have a sort of view, taking these sort of arguments in the
2 round, of whether online has expanded plurality or not?

3 A. (Ms Sumner) I think your point is very well made because I think on the
4 surface of it you would say, "Yes, it has". Perhaps what it has done is given
5 more outlets opportunity to share information and then also different
6 individuals and people to access information. The role of trusted legacy
7 brands in the online world becomes increasingly important in the world of fake
8 news and misinformation that you do have these trusted sources that you
9 know are resourced, as the BBC is, to really get both behind the news as well
10 as covering it.

11 If you go to our online platform you will see the top ten most read stories of
12 the day, the top ten most watched and if you then want to go behind and
13 further in depth as you click through, you can do. We also click through to a
14 lot of other news providers so I think we have 10 million click throughs in one
15 of our latest surveys to other news providers, which is important. So that if
16 you want to see where some of the other stories or coverage is you can take
17 that through.

18 But I do think you have got new entrants to markets, so people like BuzzFeed
19 and others who are increasing the choice and where people go. And then
20 also through Twitter and Facebook, what news streams are you choosing to
21 follow. Is that just the BBC? Again, the early evidence we are beginning to
22 see, because I think it is early is that people are going to several different
23 sources. So in that sense, in a way that perhaps you would not unless you
24 were taking newsfeed go and buy all the newspapers. In an online world it is
25 much easier to go to the BBC, go to the Guardian, go somewhere else, go to

1 Buzzfeed and see what is happening. The other thing -- and this is in the
2 context of the Government, as you know, have been looking at the Digital
3 Charter. One of the debates that they have been having there is actually is
4 there a danger that on social media you get into group thinking because you
5 and your friends, for example, are just looking at certain sources and actually
6 the importance of BBC presence in places like Facebook and Twitter, so
7 people can access that, is potentially really important.

8 So I think it does actually both conceptually and in reality increase the number
9 of sources for you as a consumer. They are not going to be and I think this is
10 very important in terms of branding. They are not going to be all of the same
11 level and again the sources are going to be different, which means you need
12 to be, as a consumer perhaps more aware of that and understand what the
13 different type of news from different sources means. Again the BBC
14 commitment as you know is we verify that deeply, we have looked into its
15 accuracy and we might be reporting a story but we might also be doing a kind
16 of reality check or some further analysis behind it.

17 Q. (Mr Du Parc Braham) Just some more questions on influence. We want to
18 know what your views are. To start on a very broad question, do you think
19 that politicians in general are concerned about who controls the media in the
20 UK and their potential power and influence that this might give those media
21 owners?

22 A. (Ms Sumner) I do not think I can speak can I?

23 Q. (Mr Du Parc Braham) From your position, what do you think they might be
24 concerned about?

25 A. (Ms Sumner) Given the fact that the Secretary of State referred this question

1 to you to consider it is the starting point for this investigation. Overall, in terms
2 of what the UK set up has been, --if you go back to the Communications Act
3 early 2000s and beyond and the role of Ofcom have been clear that they want
4 to establish a regulatory framework around the UK broadcasters and news.
5 And for the BBC, we have just finished a Charter process where there was
6 huge political interest in the future of the BBC, the size and the scope of it and
7 resetting of our public purposes. But it is worth clocking that at the beginning
8 of the BBC, from the 1920's something to now, that role of news in our
9 offering has been absolutely core.

10 If you talk to people from ITV the role of ITN is absolutely core so I do think
11 politicians are very interested in the overall regulatory framework. They are
12 also quite careful not to want to get into freedom of expression and
13 independence issues which for the BBC would be very difficult if we ever
14 reach that point. That is where the UK politicians -- which I cannot speak
15 for -- that is the way I see their approach. Also in the sense of the way that
16 they are now looking at the Digital Charter, what they are really trying to see
17 there is, is there something we can do to bring together some of the principles
18 we need to look at about how life is being conducted now in social media and
19 online. One of the things that the DCMS Select Committee are looking at is
20 the issue of fake news. So you can see where some of the political context is
21 for this debate.

22 Q. (Mr Du Parc Braham) In terms of the BBC in general, how influential do you
23 think the BBC News output is on public opinion and on the political agenda.
24 How does it compare with newspapers or online sources?

25 A. (Ms Sumner) Again, we would say given the reach that we have, we have a

1 large number of people who are using BBC news services on a regular basis
2 but they are doing so on the basis of what is set out in the Charter. Our role is
3 to provide impartial accurate news and that is why they come to us and so we
4 are not really in the sense of trying to influence, we are trying to ensure that
5 we have informed them and then they make up their judgements.

6 In terms of the broader media sector then it is well known that the newspapers
7 in this country do come from different political persuasions and that is well
8 known in our political debate, but you do not expect to see that on the BBC,
9 on ITV or on Sky. That is not part of the broadcast television environment that
10 we operate in. In terms of our online offering as well, that is entirely impartial
11 too and that is why I also referred you to the reality check because that is part
12 of the responsibility that we take on.

13 Q. (Mr Du Parc Braham) Given the reach of the BBC and you say your focus is
14 trying to be as impartial and just trying to offer facts. Do you think that
15 balances out the perhaps more partisan approach of say some of the
16 newspapers. They come out with a particular agenda but you have the BBC
17 which has a very very big reach. Will that limit the influence that the other
18 resources will have?

19 A. (Ms Sumner) I think that depends on you as a consumer and whether you are
20 more influenced by this argument over here or that argument over there.
21 What we would hope that people would be coming to the BBC for is to
22 actually see the whole context of that story, probably told from both sides if it
23 is a political issue that we have covered the whole gambit of opinion. Our role
24 in that context is different but I also think that consumers do understand that.
25 If you look at the history of the newspapers and how those developed, people

1 fully understand what they are getting and indeed some communities have
2 very strong opinions about which newspapers they get and why. As I said
3 earlier, we would not partner with organisations where that kind of bias is
4 known because we are an impartial organisation.

5 THE CHAIR: We have been seeing a number of people and it is quite striking how
6 many have said that they think the BBC's early morning bulletin, particularly
7 the Today programme, impacts and even sets the news agenda for that day.
8 I would be interested in your assessment of that and whether you think
9 therefore that gives you some influence on the political agenda of the day?

10 A. (Ms Sumner) As we were preparing for this, because we were looking at a
11 range of different sources, the question we were debating with ourselves is
12 actually would you say the newspapers are the ones who set the agenda of
13 the day because then obviously you have, as you know, listening to the Today
14 programme you have the review of the newspapers early on and then you
15 have the top stories.

16 THE CHAIR: What is your assessment?

17 A. (Ms Sumner) If you listened to Today today you would have heard that the
18 top story was the gambling announcement by the Government and so what is
19 happening in the government of the day is part of the story agenda setting
20 and we would say we are looking at stories and weighing up what we think
21 should be top of the programme.

22 Obviously, as I did say earlier, it is highly unlikely -- let us take out the
23 breaking stories, the Grenfell news, the terrorist incidents -- as a day develops
24 you will see the stories changing and their profile changing across the day. I
25 doubt the gambling story necessarily will be covered in the same way on the

1 Ten as it was on the Today programme this morning. But I do think in terms
2 of the influence of the Today programme, again it has a huge reach. A lot of
3 people listen to it, at different points in the day, so if you tune in at 7.45 am
4 you will get thought for the day, if you tune in at 6.30 am you get a different
5 flavour of the news and if you tune in at 8.10 am you will hear our big
6 interview for the morning. That has become a very established part of both
7 the political establishment and lots of audience members who want to listen to
8 news. The other issue is that BBC Breakfast Television News is also very
9 popular and this is partly because this is broadcast media in line with the day.
10 We talked a lot about online but the other thing about news is people tend to
11 listen at a time that suits them. Many of us getting up in the morning and
12 listening to the radio actually around 6.00 am, many people settling down for
13 the 6 o'clock News and the regional bulletin at 6.30 pm both for us and ITV is
14 hugely popular. So part of it is when are people tuning in to get their news in
15 the broadcast linear environment because actually I could be sitting here now
16 and looking at BBC Online as a slightly different way of engaging with the
17 news.

18 A. (Mr Jordan) Just to come back to your question, I have not spoken to the
19 current editor of the Today programme about this but I think editors past
20 would certainly have aspired to be an agenda setting programme. I do not
21 know of any news programmes or any current affairs programmes that do not
22 aspire to be agenda setting in some way either by moving the news agenda
23 on or by revealing things that other programmes or other outlets have not
24 revealed. So to some extent that is the sort of basic of news broadcasting
25 that all the players, whether they are newspapers, online sites, radio,

1 television whatever it happened to be all have an aspiration to be agenda
2 setting in one sense.

3 A. (Ms Sumner) But also to reach a lot of people with the stories in the way that
4 their programmes are developed. We are not trying to have an unpopular
5 Today programme.

6 Q. (Mr Du Parc Braham) Can you think of any recent instances of where the
7 Government has taken a particular policy position or changed a policy purely
8 on reaction to the media or a media campaign?

9 A. (Mr Jordan) If you had given me notice of that question I could probably have
10 come up with at least 100 but media campaigns influence the Government all
11 the time. Take a very simple one, The Daily Mail's campaign on plastic bags.
12 I cannot prove that that influenced the Government's attitude to a levy on
13 plastic bags but I would be very surprised if it did not. There are numerous
14 other examples of those sorts of press campaigns or broadcasting stories that
15 make a difference. That is the interplay between journalism and politics and it
16 happens all the time.

17 Q. (Mr Du Parc Braham) Are there any particular factors that make a story more
18 likely to change? You say it happens all the time is it just purely about public
19 opinion?

20 A. (Mr Jordan) If it coincides with public opinion, as far as that could be
21 ascertained, that obviously makes a difference but what most journalism does
22 apart from that is to expose flaws in public policy. What much journalism
23 does is expose flaws in public policy which then politicians or legislators can
24 seek to put right and that is a constant interplay between journalism and
25 politics that goes on all the time.

1 Q. (Ms Chambers) Do you think that that influence is only really likely to happen
2 if there is a cross-media or multi-media echo of a story? If a story is pushed
3 on one platform whether it is the Today programme or a newspaper or
4 whatever, is it then repeated and magnified by the others. Is it something to
5 do with the way it is picked up and then becomes a snowball?

6 A. (Mr Jordan) Not always, no. Obviously that can happen but it does not
7 necessarily require that. It may just be that a particular newspaper or a
8 particular programme decides to follow one particular story.

9 THE CHAIR: That could be enough?

10 A. (Mr Jordan) If it genuinely exposes a problem. Take a programme like
11 Money Box on Radio 4 which might appear to be an inoffensive part of
12 Radio 4's output. I suspect Money Box has had policies changed as a
13 consequence of stories that have been done on Money Box exposing issues
14 in Financial Regulation and elsewhere which the Government of the day or
15 the regulator or whoever it might be acknowledged where problems needed to
16 be put right. So I do not think it needs to be an overall campaign across the
17 whole of the media to change things, particularly in specialist areas. It can be
18 some quite small but influential voice that exposes issues that people think
19 need to be addressed.

20 Q. (Mr Du Parc Braham) You have your TV broadcast, you have radio and you
21 have online. Should this merger go ahead you are going to have Sky News
22 Corp with print and TV and their presence online as well. Do you think that
23 would make an appreciable difference to the impact that they could have on
24 the news agenda?

25 A. (Ms Sumner) I think the first point is all of those things are regulated in

1 different ways. What you would say is that actually in the current framework
2 Sky would continue to have to operate under the Code we have been
3 discussing earlier. You have your newspapers which are regulated in a
4 different way and then I think in the online environment again the newspaper
5 offering and the Sky offering, by assumption, would be that they would
6 continue to be different.

7 The questions then come back to some of what we were talking about at the
8 beginning which is how are they ensuring that they are compliant with the
9 Code, the governance structure around them. I would look at your question a
10 bit differently if that makes sense because although it comes together and you
11 come back to your market share and what does that do? In terms of
12 consumption you have to then say well that one group would have bigger
13 usage by the audience, inevitably so but then how are they going to run those
14 things and are they running them altogether or the current system so they
15 have to run them differently already in the regulatory framework we have. So
16 unless the regulatory framework changes that sort of interplay in that way
17 potentially could not happen at the moment.

18 A. (Mr Jordan) The issue arises presumably theoretically if there was a common
19 editorial position across all of them. I am not aware that that is the case but
20 the issue would arise not so much in broadcasting in relation to impartiality
21 questions because clearly they are governed by the Code, newspapers do not
22 have a similar commitment but if there were certain subjects which it was
23 determined could not be dealt with or should be dealt with in a particular way
24 that do not lead to impartiality issues under the Code. Theoretically that is
25 how it could happen. I am not aware that there has ever been a central

1 determination of an editorial position across all of those outputs. I am not
2 aware there has ever been any central determination but theoretically that is
3 possible.

4 Q. (Mr Bamford) Just to pick up on a couple of points you have made at various
5 times. One was about share of reference, we talked about reach and
6 consumption and the size of the BBC and then further on talking about the
7 aim and the ability of the BBC to influence -- laid out in the Charter that you
8 are there to present something that is accurate and impartial and you
9 referenced the newspapers as the other side of the coin. I wondered whether
10 you could expand a little on whether you feel the BBC has less influence than
11 another media organisation which did have your share of reference and your
12 share of reach but was able, essentially, and was not bound by your Charter.

13 A. (Ms Sumner) That is a good question. One of the unique things about the
14 BBC is the nature of it. As David was saying earlier the PSB role in this
15 Country is something I believe is very precious. Part of me would say that I
16 am from the BBC but generally it comes back to something I said earlier
17 which is to what purpose are you then working in a commercial market? Are
18 you then working in a kind of more polarised system that we see in the
19 States? Sorry to keep repeating this because I must be sounding rather
20 boring on your side but in the current regulatory framework that is not where
21 we would expect to be.

22 If you are saying, "Could that potentially happen?" Well only if the regulatory
23 framework was substantially changed and I am not sure if we have any
24 expectation of that level of radical change which would result in something
25 similar to the BBC in that way. For example if that was motivated by a

1 commercial play in the market and controlled in a way that then the editorial
2 proposition was the same across all of the platforms, which, again, as I was
3 saying earlier, theoretically but also just practically at the moment is not the
4 way the UK media sector is regulated.

5 The BBC's position and we obviously discussed this fully in Charter in an
6 open context but more historically when Ofcom are looking at how they
7 measure media plurality about the different nature of the BBC and in effect
8 why that level that we have under the current governance framework, under
9 the current guidelines is appropriate. So there is also quite a big onus on us
10 that we continue to operate as we do, both as an onus on others that they do
11 the same in terms of the regulatory framework that we have. But it is a
12 theoretical question because it does not feel to me practically that the overall
13 regulatory system would change in the way, that for example, it has in the
14 States in the sense of they just do not have that level of regulation and that
15 means you have much more choice if you are Fox or you are CNN about how
16 you decide to shape your editorial offer to your audiences.

17 A. (Mr Jordan) There has been a debate for many years amongst academics
18 about which comes first the chicken or the egg here and whether the media
19 reflects audience prejudices and viewpoints back to them or whether media
20 shapes audiences prejudices and viewpoints. I am honestly not qualified to
21 say and I think it is an unresolved debate, let us put it no stronger than that.
22 Even in the United States' context where broadcasters take particular
23 positions are they simply attracting viewers who agree with those positions to
24 begin with and seeing them reflected in the output they are being offered or is
25 anybody having their mind changed. I do not think that question has ever

1 been answered to anybody's satisfaction.

2 THE CHAIR: I have a much more general question. I just want to tap into your
3 expertise and knowledge, if I look at the Ofcom report on all the metrics, it
4 does not matter which one I take, it is huge.

5 A. (Ms Sumner) I have brought some with me just in case you asked me that.

6 Q. It does not matter what it is reach, consumption or share reference or
7 whatever it is, it is huge. Yet on other metrics, not in the Ofcom report, if I
8 take the sheer size of financial clout of players in the UK media market, and
9 that includes the huge amount in corporations and the Netflix and everybody
10 else, the BBC looks small.

11 A. (Ms Sumner) Yes.

12 Q. I would be interested in your take on that and whether that is actually going to
13 shift this metric?

14 A. (Ms Sumner) If you look at that, we have a kind of bubble chart which I will
15 happily submit in evidence. When we were having the Charter debate this is
16 actually quite an important issue in the sense of the global nature of the media
17 market now. Interestingly, I think we focus more of that discussion on the
18 content, on things like drama and then you look at the influence of Netflix,
19 Amazon, Apple who have just recently announced more content investment.
20 We have looked at the global media context and again discussed it in Charter
21 in the context of the BBC Content offering rather than the BBC News offering.
22 Because again in terms of this Country we talked about a special place that
23 we have in the UK in relation to the PSBs and others. Then we have the
24 World Service and some of our positioning there, but in terms of Amazon and
25 Netflix and Apple they are not currently doing news in that way.

1 A. (Mr Jordan) Although they do pretend to.

2 A. (Ms Sumner) They take from different sources and then if you look at other
3 websites, so www.msn.com and you will see feeds of information and some of
4 that is then also coming back to what to do with our swimming chicken in the
5 channel. A lot more celebrity news for example than we would do, so often if
6 you go to your hotmail account you will see lots of celebrity stories that we do
7 not currently cover in the same way and some of that is just choice. But they
8 are also not positioning themselves, at the moment, as wanting to enter the
9 kind of impartial UK news market.

10 Now, again one of the things about the global market is it is changing so
11 quickly that the current appetite is a serious and significant investment in UK
12 content and so that where you see those kind of British dramas whether it is
13 The Crown on Netflix or different offerings so Game of Thrones filmed in
14 Northern Ireland, that has been the kind of global media market debate rather
15 than the news side. Could that change?

16 Q. I was thinking perhaps not the news bulletin side but there is a comment type
17 programme, all that type of thing. Is that an area where they might get into?

18 A. (Ms Sumner) One of the other things is you can access, as a consumer,
19 different parts of information on Fox and various other things through the
20 Internet and again your sources. Coming back to that earlier conversation
21 about potentially the --

22 Q. It is available but it is not the same as news.

23 A. (Ms Sumner) It is available and it is also not the same as people
24 understanding about the framework and their expectations of what they are
25 receiving.

1 Q. I wanted the big strategic picture, do you see the BBC getting squeezed
2 maybe in the news and current affairs area by these developments or is it just
3 in content from competition for drama that you are focusing on?

4 A. (Mr Jordan) In the UK domestic market the answer to that at the moment is
5 no. In the World market the answer is different because in the World market
6 the BBC is competing against a lot of state funded broadcasters who are
7 funded to an extraordinary extent.

8 Q. Will there be such a thing as the UK domestic market?

9 A. (Mr Jordan) We do not know and we cannot predict the future but at the
10 moment and in the past having UK specific output in news and having UK
11 specific production in other forms of TV and radio content, has been an
12 enormous asset for domestic producers. In the international market we are
13 up against the Al Jazeera, the Russia Today's who are hugely funded by
14 states in one way or another which does make a difference as well as
15 competition from someone like CNN which is commercially funded but
16 subsidised by its parent. So there is a lot more of that kind of competition in
17 the international market than there is at the moment in the domestic market.
18 Whether it will develop in the domestic market, I cannot say.

19 Q. Could I just say I would love to see your bubble diagram as well if you are
20 happy to share it?

21 A. (Ms Sumner) Yes, of course.

22 A. (Mr Jordan) We share it widely.

23 Q. Any other questions from anybody? In which case we are in good time I will
24 say thank you very much for answering our questions.

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Key to punctuation used in transcript

--	Double dashes are used at the end of a line to indicate that the person's speech was cut off by someone else speaking
...	Ellipsis is used at the end of a line to indicate that the person tailed off their speech and didn't finish the sentence.
- xx xx xx -	A pair of single dashes are used to separate strong interruptions from the rest of the sentence e.g. An honest politician – if such a creature exists – would never agree to such a plan. These are unlike commas, which only separate off a weak interruption.
-	Single dashes are used when the strong interruption comes at the end of the sentence, e.g. There was no other way – or was there?