

Statement to Parliament: Update: Media Mergers

Mr Speaker, with permission, I would like to make a statement about the proposed merger between Comcast and Sky, and the proposed merger between 21st Century Fox and Sky.

In my quasi-judicial role I have considered these mergers separately, on their own merits, and want to set out my decisions taken on the basis of the relevant evidence.

Mr Speaker, I would first like to update the House on Comcast's proposed acquisition.

On 7 May Comcast notified an intention to acquire Sky. As Secretary of State, I am required to consider whether the merger raises public interest concerns that meet the threshold for intervention, as set out in Section 58 of the Enterprise Act 2002.

As required, I considered:

- The need for a sufficient plurality of people with control of media enterprises
- The need for a wide range of high quality broadcasting
- And the need for a genuine commitment to broadcasting standards

Last month I informed the House I was minded not to intervene in the merger on the basis that it does not meet the threshold for intervention.

I gave interested parties time to make representations and I received no further representations.

As a result, I have concluded that the proposed merger does not raise public interest concerns and so I can confirm today that I will not be issuing an intervention notice.

Turning to Fox's proposed acquisition of Sky.

In March 2017 my predecessor issued an Intervention Notice on public interest grounds, due to concerns about media plurality and the genuine commitment to broadcasting standards.

The Intervention Notice triggered Phase 1 investigations by Ofcom and the CMA.

In September, having considered these reports, along with further advice from Ofcom, she referred the proposed merger to the CMA for a Phase 2 investigation on both grounds.

The CMA published its interim report in January, and provided its final

report to me on 1 May.

I have today published this report, and deposited a copy in the Libraries of both Houses.

The report confirms, as previously set out, that the proposed merger does pass the threshold for a relevant merger situation, and provides recommendations on both public interest tests.

On broadcasting standards, the CMA carried out a thorough and systematic assessment, taking into account:

Fox and Sky's approach to broadcasting standards, both in the UK and outside.

And the approach of Fox and News Corp to wider regulatory compliance and corporate governance.

The CMA concluded in line with its interim findings that the merger may not be expected to operate against the public interest on the grounds of a genuine commitment to broadcasting standards.

And Mr Speaker, I agree with this finding.

On the question of media plurality, the CMA's final report confirms its interim findings that the proposed merger may be expected to operate against the public interest.

The CMA found cause for concern in two areas.

First, the potential erosion of Sky News' editorial independence which could in turn lead to a reduction in the diversity of viewpoints available to and consumed by the public.

And second, the possibility of an increased influence of the Murdoch Family Trust over public opinion and the UK's political agenda.

The CMA has used a clear and logical approach, and taken into account Ofcom's media plurality framework.

They have taken great care to obtain a wide range of written and oral evidence.

And Mr Speaker, I agree with this finding too. Where the CMA makes a finding that a merger is likely to operate against the public interest, they are then required to consider what remedy would be appropriate.

To address the media plurality concerns, the CMA considered a range of options, including those proposed by the parties.

Specifically, these were:

First, a firewall of behavioural commitments to insulate Sky News from the influence of the Murdoch Family Trust;

Second, a ring fence, where Sky News would be separated structurally from Sky, but still owned by Fox. Along with the same behavioural commitments;

Third, divesting Sky News to a suitable third party;

And fourth, prohibition of the transaction as a whole.

I have considered the CMA's detailed assessment and their conclusions on how effective and proportionate the different remedies are.

I agree with the CMA that divesting Sky News to Disney, as proposed by Fox, or to an alternative suitable buyer, with an agreement to ensure it is funded for at least ten years, is likely to be the most proportionate and effective remedy for the public interest concerns that have been identified.

The CMA report sets out some draft terms for such a divestment, and Fox has written to me to offer undertakings on effectively the same terms.

The proposals include significant commitments from Fox. But there are some important issues on the draft undertakings which still need to be addressed.

I need to be confident that the final undertakings ensure that Sky News:

- remains financially viable over the long-term
- is able to operate as a major UK-based news provider
- and is able to take its editorial decisions independently, free from any potential outside influence

As a result, I have asked my officials to begin immediate discussions with the parties to finalise the details with a view to agreeing an acceptable form of the remedy, so we can all be confident Sky News can be divested in a way that works for the long term.

Under the legislation, I am required to consult formally for 15 days on the undertakings.

Subject to the willingness of the parties to agree the details, I aim to publish this consultation within a fortnight.

I am optimistic that we can achieve this goal, not least given the willingness 21st Century Fox has shown in developing these credible proposals.

However, if we can't agree terms at this point, then I agree with the CMA that the only effective remedy now would be to block the merger altogether. This is not my preferred approach.

Mr Speaker, we have followed a scrupulously fair and impartial process, based only on the relevant evidence and objectively justified by the facts.

I would like to thank Ofcom, the CMA, the parties, my predecessor and my fantastic team at DCMS for all of their hard work. I hope we can reach a final agreement very soon.

Mr Speaker, I want to see a broadcasting industry in Britain that is strong and effective and competitive. And I commend this statement to the House.

[News story: Ian Wilson joins BPDTS Ltd's Board Of Directors](#)

Ian Wilson has been appointed as a BPDTS Ltd non-executive director for a 5-year term.

He is also currently chair of EDS UK Pension Funds, and a non-executive director with the Ministry of Defence's Defence Business Services Risk and Assurance Committee.

Ian is a Chartered Accountant and was previously the Director of Business Services at Network Rail where he was responsible for the delivery of shared services across the organisation. Prior to joining Network Rail in 2013, Ian worked in the global IT industry for over 20 years in a number of senior finance and business services roles.

Welcoming the appointment, chair of the BPDTS Ltd Board, Claire Johnston, said:

Ian brings a wealth of senior financial and digital experience. I know he is really looking forward to sharing his professional knowledge as a member of our Board and Audit and Risk Committee.

Ian's appointment reflects that we've moved onto the next chapter of our evolution. I'm sure as an independent director that he'll help hugely in guiding and supporting our organisation as we continue to grow.

Ian Wilson, talking about his new role, said:

I'm excited to be joining the Board at a point of huge growth and opportunity for the company. It is already well-positioned as a partner to DWP Digital; working to transform, develop and deliver new digital services that are used by millions of UK citizens.

News story: Ideas mean business: winning young innovators announced

Innovate UK has announced the 24 winners of its Ideas mean business awards, which were open to applicants aged 18 to 30-years-old who were not in full-time education or employment.

The Ideas mean business campaign is a partnership between Innovate UK and [The Prince's Trust](#), designed to support young people to make their ideas a reality, regardless of their background.

Introducing the young innovators

Winners' ideas range from sustainable product design to online businesses and apps.

27-year-old Adam Root from Felstead in Essex will receive support to develop his sustainability-focussed product design company, Inheriting Earth.

Inspired by his love of the ocean, Adam is developing a filter system to help reduce the flow of microfibres – tiny plastic particles that enter the water system when we wash our clothes.



27-year-old Adam Root will receive support for his sustainable product design.

Laura Niehorster from Sketty in Wales will receive support for her company Proud Pads.

The 27-year-old has developed a sanitary product that can be washed and reused for up to 5 years. The pads could help to reduce sanitary waste: in the UK we throw away up to 200,000 tonnes every year [according to the Women's Environmental Network](#).



Laura Niehorster, from Wales, has designed a sustainable, reusable sanitary pad.

Watch videos about some of the other young innovators we're supporting

Stephanie Rolando, 23, on her business, Room for Help

[The Young Innovators – Stephanie Rolando](#)

Joshua Akorah, 22, on innovating in game design

[The Young Innovators – Joshua Akorah](#)

Leah Bertram, 27, on creative inspiration and innovation

[The Young Innovators – Leah Bertram](#)

[Meet all of the winning young innovators in our brochure.](#)

[Go to the full playlist of videos featuring our young innovators.](#)

Encouraging diversity in innovation

The campaign was launched following research commissioned by Innovate UK and The Prince's Trust.

Carried out by [YouGov](#), the report explored how disadvantaged young people felt about innovation and entrepreneurship. It revealed that, while this group is interested in entrepreneurship, there are significant barriers preventing them from starting their own businesses.

Ideas mean business was devised to encourage and empower young people from any background to innovate and be successful.

Each of the winners will receive a package of support to help them develop their innovative business or idea. The package includes:

- one-on-one coaching from an innovation champion
- funding to support the development of their business
- an allowance to cover living costs

[Views of young, disadvantaged adults: read the report.](#)

Supporting the next generation of disrupters and entrepreneurs

Sam Gyimah, Minister of State for Universities, Science, Research and Innovation said:

We are a nation of innovators and inventors and these Innovate UK awards showcase some of the greatest young talent we have in this country.

We have committed a big increase in the amount we as a country invest in R&D – from 1.7% today to 2.4% by 2027. This could see an additional £80 billion spent on developing the ideas of tomorrow and supporting the next generation of disrupters and entrepreneurs.

Ian Campbell, Executive Chair, of Innovate UK, which is part of [UK Research and Innovation](#), commented:

Innovation is the lifeblood of the UK, driving economic growth and creating a positive social impact.

The government's modern Industrial Strategy aims to break down the barriers that prevent talent from growing and potential being

realised, engaging young people in business innovation is a crucial part of that.

I'm incredibly proud to announce the inspiring winners of our Ideas mean business awards today. In telling their stories, we now hope to demonstrate to other young people from all backgrounds right across the UK that they too could transform an idea into a viable business.

[Find out how Innovate UK supports diversity and inclusion.](#)

[Search for other innovation funding opportunities.](#)

News story: Cross-government plan launched to support unpaid carers

The [action plan](#) sets out a 2-year programme of work to support unpaid carers, ahead of the forthcoming social care green paper which will set out long-term sustainable solutions for the social care system.

The measures include:

- a new scheme to improve employment support for carers, promoting best practice for flexible working, to enable carers to continue to work alongside their caring role
- a new £500,000 Carer Innovations Fund to promote creative and innovative ways to support carers
- funding for a review of best practice in identification of young carers and access to support

One in 10 adults in the UK provides unpaid care for a family member or friend who cannot cope without their help because of illness, disability, a mental health problem or an addiction.

The ageing population means that the number of people in need of care is growing fast, but many carers face barriers because they lack time and energy or because of a lack of understanding from others.

Minister for Care Caroline Dinenage said:

It's a sad fact that carers too often feel ignored, isolated or taken for granted, and given any one of us could become a carer at some point in our lives, government and society must do more to

support them.

We recognise the invaluable contribution of carers, selflessly caring for those they love, and these measures will mean they are supported in all facets of their lives. Together these measures are a step-change in the way we support carers so they can gain employment, learn the skills they need to succeed and feel supported by the communities they live in.

Our review to identify young carers will ensure they don't slip through the net, and that they receive practical and emotional support to allow them to stay healthy, happy and make the most of their education.

Ministers from the Government Equalities Office, the Department for Digital, Culture, Media and Sport, the Department for Business, Energy and Industrial Strategy, the Department for Work and Pensions and the Department for Education have contributed to and are investing in this action plan, which they have signed up to along with the Department of Health and Social Care.

To inform this plan, the government heard [views from over 6,800 people](#), including from individuals with first-hand experience.

[News story: NDA's HR Director joins new ECITB Board](#)

The new Board will work under the leadership of Lynda Armstrong OBE, who was appointed as Chair by the Minister for Apprenticeships and Skills, Anne Milton MP in January.

Lynda Armstrong, Chair of the ECITB Board, said:

I am pleased to be joined by such a high-calibre and diverse group of professionals on the ECITB Board. Collectively they represent the wide range of sectors and regions in which the engineering construction industry operates, and include SMEs as well as several excellent independent experts. I am in no doubt that these appointments will serve the ECITB and the industry well over the coming years.

Anne Milton MP, Minister for Apprenticeships and Skills, said:

I am pleased to appoint new Board Members to the ECITB. The

industry experience these Board Members bring will be of great value to the engineering construction industry.

David Vineall said:

Ensuring that we have the right skills and capability within engineering and construction roles to deliver the nuclear decommissioning mission is a priority for the NDA. My appointment to the ECITB Board reflects this priority and will give us the opportunity to support the engineering and construction industry in developing the required skilled and talented individuals to support our mission and the nuclear sector.