



HOUSE OF COMMONS

Digital, Culture, Media and Sport Committee

Oral evidence: Sustainability of Local Journalism, HC 153

Tuesday 18 October 2022

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Watch the meeting

Members present: Julian Knight (Chair); Steve Brine; Clive Efford; Julie Elliott;
Dr Rupa Huq; John Nicolson; Jane Stevenson; Giles Watling.

Questions 275 - 331

Witnesses

[I](#): Julia Lopez MP, Minister of State, Department for Digital, Culture, Media and Sport; and Robert Specterman-Green, Director, Media and Creative Industries Department for Digital, Culture, Media and Sport.

Written evidence from witnesses:

- [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Julia Lopez MP and Robert Specterman-Green.

Q275 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and this is the final session in our inquiry into local journalism.

We are joined today by Julia Lopez, the Minister of State at the DCMS, and by Robert Specterman-Green, DCMS. Thank you very much, Robert and Julia.

Julia, the first question is this. What do you see as the role of government in order of preserving, protecting and enhancing local journalism?

Julia Lopez: First, it is important to say that government has a role in stating the importance of local journalism and why it matters to our society. I started my elected political career in the London Borough of Tower Hamlets where I saw the enormous value of local journalism. We had two particularly important local journalists who helped to shine a light on what was going on in the local authority there. That underlined to me the importance of having that kind of grassroots journalism to scrutinise local decision makers, provide high quality news to local people and create a sense of civic cohesion. So, first of all, I think it is important that government places a value on that, particularly in a democratic society in contrast to other systems around the world. I also think it is important that government looks at some of the market challenges to delivering that kind of local content. Government always has a role in skills training, looking at what we can do to develop journalism as a skill and, in looking at market interventions, understanding when particular measures are required to support local news.

We are all familiar with the challenges from social media platforms and how they in turn present challenges to the business of providing local news, and government can shine a light on that.

Our public service broadcasting sector has a role in some of these issues, particularly with the BBC. While the sector is independent, the Government have a role in looking at what an organisation like the BBC should be doing to support grassroots journalism.

Q276 **Chair:** Two phrases struck me there: “shine a light” and “places a value”. That seems a bit wishy-washy. Could you outline for the Committee exactly what that means in practice?

Julia Lopez: I am the Minister answerable for this sector, so in simply talking about it, we understand and bring profile to some of the challenges facing the industry. After that, some hard policy interventions are needed. Shining a light is having public discussion and debate about how a particular sector needs to be supported. At that point you start to develop what policy interventions need to be imposed to support a



particular sector and identify whether there is public support for those interventions and whether society thinks those things matter.

Q277 **Chair:** What hard policy interventions do you have in mind?

Julia Lopez: The one that is most valued by journalistic businesses at the moment is the Digital Markets Unit and how we try to deal with the imbalance in bargaining power between social media platforms and those who provide and create content.

Q278 **Chair:** The Digital Markets Unit has been set up in shadow form but is feeling a great deal of frustration about the fact that it has not yet moved to legislative form. What can you say about a realistic timescale for the DMU to be up and running properly with legislative backing?

Julia Lopez: It already exists in shadow form. It was announced in the Queen's Speech in May that we would be having pre-legislative scrutiny of this intervention. It is a matter of timetabling for the Government. As a DCMS Minister, I am there to present the readiness of a piece of legislation, but I do not have clarity on the precise timetable beyond saying that the Government are very keen to get this initiative moving because it is important, not just for this particular issue of local journalism but for a variety of other issues where there is an imbalance of power between platforms and other industries.

Q279 **Chair:** This Committee is very aware of the workload at DCMS. You have been charged with a number of Bills. The huge piece of work that comes from the Online Safety Bill is probably one of the largest. Despite the business managers giving over a very poor length of time for discussion, it is hugely important; it is of generational importance. At the same time, I am hearing from the local newspaper sector and the likes of the CMA that they have deep concerns that pre-legislative scrutiny is just a means by which to kick this down the road for a couple of years. In the recent political turmoil, your appearance has been cancelled twice, not due to you but to outside factors, one of which was a resignation and the other was the death of Her Majesty the Queen. The clock is ticking on making these changes, and I don't feel that the Committee has much clarity about when you are going to move this forward. Would you say to us that it is sacrosanct that this is enacted before a General Election?

Julia Lopez: As you noted, DCMS has an extremely ambitious legislative programme. I have worked on two of the Bills that we are seeking to put forward, the Data Protection and Digital Information Bill and the Social Media Bill. The Online Safety Bill is another, and we also bid for the digital markets aspect of the legislative programme and we have pre-legislative scrutiny of that. Given the number of Bills we were bidding for, No. 10 at the time gave us a huge amount of legislative space to deliver what is a very ambitious programme.

I would like to see the DMU proposals brought forward as quickly as possible, but I don't think it is within my gift to promise you a precise timetable on that.



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Q280 **Chair:** Where are the pressure points in the pre-legislative scrutiny? Where do you think the Bill will benefit from pre-legislative scrutiny?

Julia Lopez: We get to see what is going on in other countries, and we can understand where we need to tweak our proposals. It is not a Bill that I am leading on, so I am not as familiar as I should be with the processes under way. It is being developed with BEIS, so I am not as close to the detail as I should be. I don't know if Robert Specterman-Green has any sense of how the pre-legislative scrutiny will develop.

Robert Specterman-Green: Pre-legislative scrutiny allows us to test some of the proposals that we would put in a Bill before it starts going through the formal process.

This is a sector where things are changing all the time, including with the digital platforms, and we may come on to what Facebook and Google and others have been doing to support news publishers.

From the perspective of supporting the news publishing industry, pre-legislative scrutiny would enable all those with an interest to test what the Government puts on the table in the context of what is going on in the market already to ensure that the Bill is as fine-tuned as possible.

Q281 **Chair:** Where are the pressure points? I am asking for your opinion about where you see the main areas of contestation between stakeholders in the industry and the social media platforms.

Robert Specterman-Green: When issues such as payment for content, to use that shorthand, have arisen in other jurisdictions, they have proved quite contentious. We have had lots of constructive dialogue with both news publishers and platforms in the context of the initiatives they have been taking in this space, but when we table the specific proposals that we have in mind, building on what the CMA and Ofcom put forward in their publications for final offer arbitration mechanisms, for example, they could be areas where there are different views. The platforms and the publishers have different incentives. That may be an area where there is scope for further debate.

Q282 **Chair:** Minister Lopez, what lessons have the Government learned from Australia's attempt to introduce a bargaining code between tech platforms and news publishers?

Julia Lopez: Going back to the question about pre-legislative scrutiny, one of the lessons we can learn is that just the threat of legislation can bring people to the table. In Australia, they have a system where they designate a platform. I met Rod Sims of the Australian Competition and Consumer Commission who developed these plans, and he explained to me that the mere threat of designation was enough, certainly in the case of Google, to bring platforms to the negotiating table. The subsequent negotiations between the publishers and the platforms were confidential, but Rod Sims advised us that they had reached a very beneficial settlement for publishers, which also allowed a lot of local publications to



flourish. I understand that local publications had gone into a collective bargaining arrangement and that it very much helped grassroots journalism in some of the smaller Australian towns.

Q283 **Chair:** On that point, how will you ensure that smaller, independent publishers are not disadvantaged by this legislation and any new bargaining code that may be introduced as a result of it?

Julia Lopez: The CMA is very mindful of the needs of smaller publishers and, building on the Australian example, would be open to collective bargaining. We understand that there is some concern about the power mismatch. That is precisely what the CMA approach is designed to address. It looks at the issues of competition and intervenes to address any clear imbalance of power. I do not see that it would disadvantage the smaller publications.

Q284 **Chair:** Mr Specterman-Green mentioned the word support—it is a very interesting use of the word—in connection with social media platforms and local journalism, and for printed media more generally. Do you see it in those terms, Minister Lopez, as support or do you see this as just a means by which to keep the wolf from the door legislatively, by having the likes of Google and Facebook hand over a few crumbs, in their terms, to local media? Is it a view you support or is it really just a PR campaign?

Julia Lopez: Do you mean about the digital markets intervention, or do you mean more generally?

Q285 **Chair:** I mean more generally whether it is supporting journalism. It is very small fry in their big scheme of things. I do not know what the precise figures are, but they are certainly far smaller than you would think that Google would earn in a few hours in Europe, for instance. If they are supporting local journalism—the phrase that Mr Specterman-Green used—is it really support, or is it frankly a bit of a PR stunt?

Julia Lopez: You are talking about support from the platforms?

Chair: Yes.

Julia Lopez: Facebook is training something like 100 journalists. Google is doing a similar initiative, but also doing things such as the public notices database, which it is developing with the NMA.

These are not insignificant moves, but I don't think they address the fundamental problem, which is that there is a completely unbalanced power situation between the platforms and the content providers. The platforms are effectively getting a very low-cost meal out of high-quality journalism, and I think that is a problem that the Government should be concerned about.

Q286 **Chair:** However, a lot of the platforms counter that by saying that news does not sell clicks; it does not sell advertising to any real degree. I think that was reflected when Facebook decided to downgrade a lot of



algorithms in its news feeds.

Do you think that is true, to a degree? Do you think that although they are inadvertently responsible, they have a much bigger ecosystem to think about and journalism is not their concern to any great degree?

Julia Lopez: It would be naive of us to deny that there is a question about what consumers want and what they consume most on platforms, and we cannot be naive about that. However, there are things other than the monetary value that high-quality journalism provides, and having that content on a news site creates a sense of trust in that news site and does drive a certain level of traffic, so I don't think the platforms should diminish the value of having that content. I think it is valued by their customer base. Equally, however, I do not think we can entirely dismiss the idea that that is not always the thing that drives the most clicks. I am sure that cat memes probably get more clicks than a piece about a very complicated financial instrument, but that is not to say that the latter has no value.

Q287 **Chair:** If you have a situation where the platforms say to you, "If this legislation is too onerous, frankly all we will do is just downgrade local journalism in our news feeds," you could end up with local journalism being less prominent in our ecosystems than it otherwise would be.

Julia Lopez: I think you are right to highlight that as a challenge, and it is something that we as the Government have to be very mindful of. We do not want unintended consequences from an intervention. We would have to see how it developed, and whether there were consequences from any kind of bargain that was struck between providers of content and platforms, if the DMU made an intervention. Obviously, we would have to watch that very carefully, because we would not want a situation where content was driven off a platform altogether. That would be the worst thing that could happen.

Q288 **Clive Efford:** What assessment do you make of the success or otherwise of the Future News Fund? Will it fulfil the commitment to come up with an innovative fund for local news?

Julia Lopez: This was one of the things to come out of the Cairncross review. It was effectively an attempt by the Government to assist in the development of other revenue streams for local journalism, and that is a challenge. It was a £2 million fund, started, I think, in 2020. I think the most valuable thing to come out of it was the Axate micropayments system, which we hope will start to help local journalists to create some level of value for their content, but I don't think that is necessarily a game changer.

If we were to do it again, it would probably need to have clearer criteria. It would probably need to be a more substantial intervention. Looking at the outcomes—I don't want to say anything that is going to undermine those initiatives, but I think it required greater development.



Q289 **Clive Efford:** What do you make of some of the criticisms of it—that it was tinkering at the edges, that it was too much of a broad brush in what it tried to finance, and that it did not support substantial organisations that had some sort of sustainability going forward?

Julia Lopez: There is probably some merit in some of those criticisms. It was a relatively small-scale intervention in an area where we are trying to develop new models for local content providers to add another string to their bows. If we were going to do something similar in future, we would have to look at the findings from that initial work and see where it needs to be refined, because some of the criticisms were fair.

Q290 **Clive Efford:** NESTA administered the fund and made some recommendations. Are you still considering those recommendations or have you rejected them? It was suggested that a loan scheme should be set up by the Treasury. Is that still under consideration?

Julia Lopez: I must confess that I have not discussed a loan scheme further with the team. We are aware of NESTA's recommendations and we are looking at whether there is value in developing a more substantial fund with more targeted interventions.

Q291 **Clive Efford:** We heard from the new Chancellor yesterday that austerity 2.0 is here and is happening. Is this an area that could face a squeeze in future funding for DCMS?

Julia Lopez: I am not going to sit here and say that our departmental budget will be completely free from any changes in the spending review settlement, but the extent to which that would affect this particular area, we have not currently allocated funds for it. We would probably look at all the interventions we need to make as a Department and assess that one on its merits in any budget bid that we make to the Treasury.

Q292 **Clive Efford:** One area that has been under discussion is tax exemptions, particularly for small operations and smaller publishers. Are you actively discussing tax relief in that area with the Treasury?

Julia Lopez: We are always actively discussing tax reliefs with the Treasury. We already have two that relate to this area. Zero rating on e-publications was designed to help companies build paywalls so that they could monetise their content more easily. You will also be aware of the business rates relief for premises for newsrooms, trying to help reduce the biggest overhead for content producers. I think that is continuing until 2025. We are looking at what else could be done to support publishers. We have to make a strong economic case to the Treasury for those interventions. Given the pressure on public finances, they need to be even more clearly worked up and justifiable.

Q293 **Julie Elliott:** Why do the Government feel that it is inappropriate to set up an independent arm's length body for public interest journalism, as was recommended in the Cairncross review, given that examples exist in several other countries?



Julia Lopez: We took the majority of the Cairncross recommendations forward. This was one that we explored and have some reticence about. We are nervous about the idea that we would have a say on things that could be considered to be media freedom issues.

I know this is something that is being developed in Scotland. It is in a fairly early stage, and the Government there are grappling with some of the same challenges about what is counted as content that could be funded in this kind of way. I think there was a sense that this body could also play a convening role in bringing the industry together in trying to tackle some of the issues that come up. There is also an initiative, I believe, by the Institute for Public Interest News which is already up and running and fulfilling some of the issues of training and research that were recommended.

This Committee's inquiry comes at a timely moment because we are several years on now from Cairncross and we are post pandemic. I am interested to see what recommendations you come up with and whether you believe the challenge of press freedoms and government intervention on this scale can be addressed.

Q294 **Julie Elliott:** Do you think regulation of local journalism and journalism in general is robust enough?

Julia Lopez: What kind of regulation do you mean?

Julie Elliott: I am very interested to see if the new Administration has any plans to implement a previous Conservative Prime Minister's commitment on Leveson 2 and whether you think regulation around journalism, local journalism, and national journalism, is robust enough.

Julia Lopez: In relation to manifesto commitments, there was a proposal—

Julie Elliott: It was not a manifesto commitment. It was a commitment made in the House of Commons by a previous Conservative Prime Minister to implement Leveson 2. I am interested to know if the Department has any plans to do that and whether you think the regulation is robust enough.

Julia Lopez: No, I don't think there are any live plans to implement Leveson 2.

Julie Elliott: Do you think the regulation is robust enough?

Julia Lopez: A lot of the newspapers have now signed up to independent regulation. I do not think we are in the same situation as we were when Leveson was first implemented.

Julie Elliott: Do you think that regulation was robust enough? That is what I am asking.



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Julia Lopez: Robust enough for the purposes of making sure that we have high-quality journalism?

Julie Elliott: Protecting individuals.

Julia Lopez: I don't think there are any plans to change it, and therefore by definition I think the Government are comfortable with the level of regulation in place.

Q295 **Giles Watling:** I want to talk about the Local Democracy Reporting service, which was set up under the charter of the BBC in 2017 and now has about 165 journalists around the UK who are the local reporters. As a service, is it under threat in any way from upcoming legislation?

Julia Lopez: Upcoming legislation?

Giles Watling: Yes, the licence fee negotiations that are coming up.

Julia Lopez: As far as I am aware, the BBC is committed to that service until 2027 under the current licence fee settlement. It takes something like £8 million a year, and Tim Davie, the Director General, has committed to that service.

Giles Watling: Yes, he did say that, but he did say in a meeting recently that not every area of the BBC is going to get protected status.

Julia Lopez: As far as I am aware, that is an initiative that the BBC is keen to take forward and maintain. Our understanding of the commitment is that it runs until the end of the current licence fee period.

Q296 **Giles Watling:** Moving on from that, what do you think of it? Do you think it is a positive thing? Do you think it has worked well? Do you think there are enough journalists? Do you think the scheme needs to expand the number of journalists?

Julia Lopez: I think the BBC is in a difficult position. We all recognise the challenges to local journalism and the extent of coverage, and on that point we all look to the BBC to try to fill some of the gap. I think this intervention is the answer to the challenge that the BBC has tried to develop.

At the same time, I understand that this Committee and others have expressed concerns about the extent to which it potentially hollows out other market players. I know that concerns have been expressed about whether local newspapers are relying on this service now to train their journalists and therefore leading to journalist redundancies. I think the BBC looked at the extent of that relationship in 2020 and tried to tackle some of the criticisms that had been made of the scheme.

It is a tricky one, because the BBC has significant market power and so does have to be very careful that it is complementary to the existing market and not crowding it out. This is something the BBC is already aware of and is trying to rectify by how it handles the scheme, which



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makes the journalists available to a wider range of local media organisations than it did previously. I think there was a review in 2020.

Q297 Giles Watling: I think there were three main ones—Newsquest was one and there were a couple of others. The idea was to expand further to include smaller organisations. However the issue—and we have discussed this in this meeting—is that local reporting is under threat because of all the pressure from online platforms and so on. My local paper is down to three people now, and the editor writes. It is extraordinarily pressured. Are you as a Department focused on making sure that this scheme does not impinge on that?

Julia Lopez: We have a mid-term review coming up, and this is one of the issues that we will look at. It is a very difficult balance for the BBC to strike. If it starts to pull back from providing regional content, it is criticised for not having sufficient coverage of the country. If it gets too involved, there are challenges in providing sometimes very tenuous local economies with this kind of content. I know that other news providers are sometimes upset by the free provision of content on the BBC News website, for instance, which they feel cuts across the local news that they are providing. This is a very difficult balance for the BBC to strike.

Robert, do you want to come in on that point?

Robert Specterman-Green: Just to put some more flesh on the bones of what the Minister has said, we were very pleased—we pushed the BBC to ensure this—that they did conduct their review in 2020 and it did point to some of the net positive benefits of the LDRS scheme, including I think about an additional 1,200 stories about local democracy issues per week. They have changed the bidding process—the way that the scheme operates in practice—to ensure a more inclusive approach. It is also the case, as we have said in our terms of reference for the mid-term review of the BBC charter, that we are looking at the BBC's market impact in a particular number of areas, including this one, because some market participants have expressed some concerns. That exercise is ongoing and we continue to talk to stakeholders. We are trying to explore the very issue you have highlighted.

Q298 Giles Watling: The way the LDRS is funded through the BBC means that it is all coming from one source. It has been mooted that the Government should look at alternative ways of funding the LDRS. Are you looking at that at the moment?

Julia Lopez: It is something I would be open to, in so far as if this Committee were to make a recommendation, I would be very interested to test the proposition with my officials.

Q299 John Nicolson: I was interested, Mr Specterman-Green, when you said that the BBC had changed the process to be more inclusive. We are talking about the Local Democracy Reporting Service. Can you explain to us how the BBC changed the process and why it is an improvement in



your view?

Robert Specterman-Green: The BBC are the best people to explain—it is their system, of course—but I think they were reacting to some of the feedback that we have just been discussing here about the impact of different-sized publishers and the unintended consequences, so as to ensure that the scheme operates in a way that allows all who wish to to participate, and so that the scheme can reach the positive outcomes it was intended to deliver.

Q300 **John Nicolson:** What were the unintended consequences?

Robert Specterman-Green: Some of the issues that we have just been discussing. There may have been examples of journalists being removed to make way for LDRS journalists, because they are being funded from different sources.

Q301 **John Nicolson:** I did a bit of a phone around in my constituency before this hearing, and I was interested to discover that there is a general sense that the LDRS scheme is working relatively well now, providing coverage that would not otherwise be there. I am a great fan of local journalism, as we all are. I write four columns for four different newspapers every month, and I always enjoy doing so and get quite a lot of feedback from it, which is great.

Are you concerned, Minister—I know my colleague Mr Watling discussed this a moment ago—that in the licence fee negotiations coming up, this funding might be squeezed? Is there anything you think you can do as a Minister in those discussions with the BBC to ensure that does not happen?

Julia Lopez: I meet fairly regularly with Tim Davie and others in the BBC and my understanding is that this particular initiative is funded until 2027. It is £8 million a year, and in the context of a £3.8 billion annual licence fee income, that is not an enormous proportion. I feel fairly confident that the Director General will honour that commitment. However, I am happy to raise this with him at my next meeting, particularly if the Committee's feedback is that this is genuinely complementary to existing local journalism.

Q302 **John Nicolson:** Yes, I think we think it is. We are certainly interested in it, so we would be delighted if you did that and told us in due course what you discovered.

Could I turn to a different issue, which is structural inequality in the way that the Government support publishers? We have discovered this with witnesses who have appeared before us. There is a sense—this is what the witnesses have told us—that the bigger, already profitable, corporate titles do well from funding streams and advertising coming from the Government, while more independent titles feel that they miss out. First, do you agree with that assessment and what could you do to address that?



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Julia Lopez: I know that this has been a particular bone of contention in relation to some of the Government's comms spend. That spend was very substantial during the pandemic. I think it was to the tune of £35 million. There was a particular body called OmniGOV that made a lot of the decisions on which publications got government funding, and to be honest the government advertising spend was a lifeline for a lot of publications during the pandemic. It helped to tackle some of the challenges that occurred with falling revenues from the sales of newspapers at the time of lockdown. I don't think there is any regret on the Government's part that that was a useful source of income for a large number of local titles.

John Nicolson: The argument was that it went disproportionately to the larger publishers.

Julia Lopez: Yes, I will come on to that.

I think when the Government did look at a pilot scheme, or did some kind of review at the time, they looked at online-only titles, and they were not convinced of the benefit and the reach that those titles would have with some of the key audiences they were trying to target at the time of the pandemic.

I would probably have to go to the Cabinet Office to see whether they are still content with that assessment, because I know that a lot of smaller publications have been unhappy with that dynamic. I know that one of the challenges was the frequency with which some of those titles were published, given the need for public health information to be got out at a certain speed. I would be happy to look at that issue with Cabinet Office colleagues in the Government Communication Service.

Q303 **John Nicolson:** That would be useful. Moving on from the pandemic and pandemic-focused advertising, what do you think you can do to ensure that smaller publishers get a fair shake when it comes to government advertising campaigns?

Julia Lopez: From the Government's perspective, there is a tension between spending taxpayers' money, for which they have to show a significant value for money, and the ability of smaller publishers to demonstrate that they have the audience reach and demonstrate that value for money if there is government spend on it.

Q304 **John Nicolson:** It might be niche reach, might it not? It might be something that appeals particularly to one demographic.

Julia Lopez: One thing that was extremely successful in the Government's comms campaign was some of the work that was done with community radio stations. That had a particular impact on vaccine takeup in minority communities. It was one of the great successes of the communications campaign and is something that the Government should build on to see what lessons can be learned from that spend. It was



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extremely effective and had a small but very important audience that was hard to reach in traditional ways.

Chair: It is always worth remembering when you are discussing the Local Democracy Reporting Scheme with Tim Davie that £8 million is the equivalent of five Gary Linekers. You may want to remind him of that if he ever says that he wishes to cut it back.

Julia Lopez: I will happily remind him.

Q305 **Dr Rupa Huq:** Was the paper in east London you were talking about the *East London Advertiser*?

Julia Lopez: In relation to Tower Hamlets?

Dr Rupa Huq: Yes.

Julia Lopez: Actually, there was a particular reporter, Ted Jeory. I don't know if he was working for the *East London Advertiser* at the time, but he had a very important local blog and he worked with other very local bloggers, including *Love Wapping*, and they in turn worked with the likes of "Panorama". What was the journalist's name? Is it John—

Dr Rupa Huq: He was very tenacious. I have had dealings with him as well.

Julia Lopez: Yes. They made an enormous difference in shining a light on some issues, and I know that local councillors very much valued the scrutiny that was provided.

Q306 **Dr Rupa Huq:** My question is about community radio, however. It has perhaps always been a bit of a Cinderella sector. When we had Martin Steers in front of us, he said, "community radio is forgotten or left behind or is a footnote". We know there was the Community Radio Fund. In government communications, local community radio is praised, but there are worries that although the media Bill has not yet been published, radio is absent from it. How are you going to ensure that the community radio sector is not damaged by exclusion from the upcoming Bill?

Julia Lopez: The Community Radio Fund still exists and I think we are looking at options to make it bigger—I'm not sure if I'm allowed to say that; probably not—and it is working very well. I think it is wrong to have any comparison between what is going on in some of the press sectors and radio. The radio sector is working incredibly well on the shared initiatives and we work very closely with them as a Department.

As for the media Bill itself, radio issues are not closed. As a Minister, you always have challenges with the scope of any piece of legislation; there is always a balance to be struck between getting it delivered as quickly as possible, not wanting the scope to be so large that it becomes a Christmas tree, and all the rest of it. We are still working very closely with the radio sector to see the extent to which anything it needs can be



added to the Bill. I cannot make promises on that, but we are cognisant of the challenges and we want to work with the sector to try to address them. Community radio is doing very well and thriving, and we work with the sector on a variety of issues. The Community Radio Fund has done great work in providing training and support to radio stations. I think we have even helped to purchase certain equipment within the fund. We have a very dedicated official, Ian, in DCMS who is absolutely dedicated to radio, and I feel we are in very safe hands with him at the helm.

Q307 Dr Rupa Huq: That is very reassuring, because there are worries. We have been to see the Global radio outpost in Hayes, where they have a training school. They are huge giants compared with these little fishes. There is the prominence debate; with connected tech, these are built into devices, whereas your little community stations will not be. So you have not closed the door; it could be in that media Bill.

Julia Lopez: Potentially. I don't want to make promises that I cannot deliver on. I simply say that we are still in active discussion with the radio sector, because we want to assist them where we can.

Q308 Dr Rupa Huq: The Community Radio Fund has provided a lifeline to smaller stations because it has boosted growth, but the funding has been frozen for, I think, 15 years.

Julia Lopez: The extent to which we can look again at that is something that we are exploring.

Q309 Dr Rupa Huq: If there is movement on that, it would be very welcome so that the sector doesn't disappear. In Ealing we used to have several local newspapers but there is only one now. It is called *The Gazette*. It used to be the *Evening Gazette*. There used to be about four papers and *The Gazette* is an amalgam of everything vaguely West London-ish—boroughs far away.

Community radio—well, Capital—also gave us Tim Westwood. I think that is one for Tim Davie, not for you.

Julia Lopez: Yes, let's not stray into that territory.

Dr Rupa Huq: It is part of your purview.

Chair: It is tangential, though.

Q310 Dr Rupa Huq: I was just thinking that I originally heard that character on Capital radio a long time ago.

As a follow-up to that, will you commit to ensuring that local TV and prominence are included in provisions in the upcoming media Bill? I went to the BBC and they showed me how the modern digital receiver is all about what you see when you turn it on.

Julia Lopez: I think licences for local TV are running until 2025. Is that right, Robert?



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Robert Specterman-Green: Yes. We are going to consult on the processes for licensing local television beyond 2025.

Q311 **Dr Rupa Huq:** There is some talk that it is going to be relicensing. Is there going to be an argument around relicensing or renewing the existing licences? Do we know what is happening after that?

Robert Specterman-Green: It will be within the scope of the consultation.

Dr Rupa Huq: Okay, so TBC.

Julia Lopez: TBC.

Q312 **Chair:** Minister, why was radio excluded from the upcoming media Bill?

Julia Lopez: You can have ambitions of your own for what gets into your Bill, but there is always that tension between trying to get the thing delivered and not wanting to widen the scope such that it becomes too large a Bill. There were some technicalities that we were still working through with the industry and that were quite complicated. Some of the questions on prominence, for instance, are quite technical and detailed areas to get right so we needed more time to develop those provisions. Since the media Bill has not yet been introduced, there is still an opportunity to keep refining that work.

Q313 **Chair:** To the first part of your answer to that question, you are saying that it was about not widening the scope and making it more difficult to get through. But surely that was done through the inclusion of the privatisation of Channel 4, which was not a manifesto commitment. If that was the genuine thinking in the make-up of the Bill at the time, why did you include the privatisation of Channel 4 but leave out from prominence in the media Bill the key area of radio, which makes a huge difference to people's lives?

I was reminded the other day that the "Today" programme apparently has 7 million listeners, not 2 million. That is infinitely more than every single TV programme at that time of day. Yet we stick Channel 4 in there, which causes controversy. Radio, which is not controversial, we miss out. How do you explain that?

Julia Lopez: Whenever you are developing a piece of legislation, the precise content is a matter of debate, negotiation and so on between the Department and the centre. The judgment was made by the centre and the Secretary of State at the time that they wanted to prioritise those Channel 4 provisions at a time when some of the other provisions, particularly on radio, were not yet in a fully developed state to be included. I am not being disingenuous. I do not think the radio provisions were ready to go, and there was some keenness in so far as Channel 4 was to be sold before the end of the Parliament.

Q314 **Chair:** So basically the previous Secretary of State wanted to rush this through and get on to Twitter in order to tell us what her next plan was.



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As a result, radio was left on the sidelines, potentially to be put in later.

Julia Lopez: I am not going to run down the previous Secretary of State, I'm afraid.

Chair: She has done a good enough job herself.

Julia Lopez: I found her a very positive person to work for. She gave me a lot of leeway as a Minister.

Chair: Minister, you just said that this piece of legislation had to be brought to market earlier. You intimated as well, when you said, "Secretary of State", that that was the impetus of the Secretary of State. As a result, the fact of the matter is that radio was missed out of this key piece of legislation because the then Secretary of State wanted to bring it out in order to get out there in the public domain that Channel 4 was going to be privatised.

Julia Lopez: If you are going to try to deliver the sale of Channel 4 by the end of the Parliament, the timetable was extremely tight and therefore there was an imperative to get that Bill introduced in the autumn.

Q315 **Chair:** So radio missed out as a result at this stage. Is that fair to say?

Julia Lopez: At the stage at which that particular iteration of the media Bill was being developed, the issues of radio prominence were not sufficiently developed to be able to include them.

Q316 **Chair:** In a roundabout way—

Julia Lopez: I am just being straightforward with you.

Chair: You are, Minister. It has been commented on in our WhatsApp groups that you have been very straightforward and courteous and polite in your answers in that respect.

But this is a really important piece about government process. An industry that is crucial to the cultural life of this country has a major strand of its future left on hold—hanging there, if you like—in order for the previous Secretary of State to bring in legislation, as you said yourself, before the end of the Parliament in order to bring about the privatisation of Channel 4. Is that really a good way to go about designing legislation, as a Department?

Julia Lopez: As a Department, you have a range of issues that affect the industries that you represent, and you are trying to make judgments about which of those are the most pressing issues that need to be addressed. There are always difficult value judgments about which ones you think are the most important to get across the line. We can have disagreements about whether the digital market stuff should be prioritised over the media Bill prominence aspects. I see these as equally important issues, and I want to get all my Bills over the line and agreed to by the centre because I am a DCMS Minister and I want to champion



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my industries. But there is always a limit on parliamentary time and there is always a limit on officials—

Q317 **Chair:** With respect, Minister, we would all say that that area is not remotely controversial. So it was left out for one of two reasons. Either it was not thought about particularly in the Department—you are shaking your head, so that is not the case—or, frankly, there wasn't the scope at that particular juncture because of the advent of throwing the sale of Channel 4 into the media Bill.

Julia Lopez: I am getting to the nub of the challenge that you are putting to me, which is that there is always a range of pressing issues in a Department and you, as a Minister, have to decide which you are going to give the greatest priority to. The previous Secretary of State made a judgment that there are serious enough issues about the sustainability of Channel 4 that she wanted to go ahead with privatisation, and she deemed that to be a more pressing issue, given that there was timetable pressure on getting that delivered.

The current Secretary of State has paused that decision and wants to review it to see whether she would make the same value judgment. That is her right as the Secretary of State. This is not about throwing certain industries under the bus, or anything like that. It is just that at any moment in time in a Department, there are a bunch of pressing issues that you would like to be able to deliver on but you have to accept that there are limitations on officials' time, on parliamentary time, and therefore you have to make a judgment call about which of those issues you think is the most pressing.

Chair: Yes, but I did question whether or not it was so pressing that you had to leave off a very non-controversial area of a Bill. I do not see how that saves any time at all in the big scheme of things. It is just a few paragraphs.

Julia Lopez: If you were the Secretary of State, you would have made a different value judgment and that would have been your right.

Q318 **Chair:** Did you argue with the Secretary of State? Did you put the argument with the Secretary of State that radio should be included in the media Bill?

Julia Lopez: I was keen for the media Bill to be as ambitious as possible. I am always keen to put as much content as we can get into any piece of legislation, and sometimes my officials will push back and say to me, "You can do that, but it is going to make it a more complicated Bill. It is going to be harder to deliver" and all the rest of it. If it was up to me, I would probably want to have all of my priority areas in every piece of legislation, and I cannot have that.

Q319 **Chair:** Did you make the case to the Secretary of State that radio should be in the media Bill?



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Julia Lopez: At the time, the media Bill—

Q320 **Chair:** So no?

Julia Lopez: No, at the time the media Bill provisions were not ready. I think both the Secretary of State and I wanted to have radio provisions in the media Bill.

Chair: So you both wanted to have them in the media Bill, but you and the Secretary of State—both of you or the Secretary of State—decided that radio should not be in the Bill.

Julia Lopez: I don't want to prejudice what comes next, but both of us—

Chair: No, this is not about what happens next; this is about what happened up to this point.

Julia Lopez: Both of us expressed our keenness to have radio provisions in the Bill, and we were exploring ways in which those could be added potentially at a later date.

Q321 **Chair:** So did officials just stop you from doing it, then? If you both expressed your keenness, why is it not in the Bill?

Julia Lopez: No. What happened is that officials continued to work with the radio industry to develop the proposals. We are not yet at the end of those discussions. There will come a point at which we will know whether those provisions are in a state of readiness to introduce or not, and then we will have to make a judgment at that particular point as to the trade-offs of including those provisions.

Q322 **Chair:** Was it the case that they were not ready in time—

Julia Lopez: Yes.

Chair: And the reason why they were not ready in time is so the media Bill could come out at a time when the political landscape was where the Secretary of State wanted it to be when it came to the privatisation of Channel 4. That is the reason why the media Bill came out when it did. That is the reason why, and therefore radio has missed out.

Julia Lopez: There are issues with the sustainability of Channel 4 that she wanted to address. If you wanted to address them via the mechanism of privatisation, there was time pressure if you wanted to complete that process by the end of the Parliament. At the time those things were being developed, the radio provisions were not ready to be introduced.

Q323 **Steve Brine:** Sticking to radio very briefly, last weekend the UK DAB networks were in my constituency in Winchester switching on the latest round. We were opening a new radio station, Winchester Today, which played The Carpenters' "Calling Occupants of Interplanetary Craft", which is good and I think it is probably the first time it has ever been mentioned



in Hansard.

However, I want to get your view on the DAB networks and these very local radio stations, which have a very important part to play in the community. The number of people from the community and local stakeholders who were there at the launch suggested that there is a great level of support for Winchester Today and Winchester Radio, another community radio station. There is no debate here about the importance of local radio in our communities, is there?

Julia Lopez: No.

Q324 **Steve Brine:** Therefore, the only question is how we get from A to B to make it easier for them, isn't it?

Julia Lopez: I think that is what the Community Radio Fund is there for, to look at how we can work with the industry and how the industry can work with itself to develop more skills and expertise when they are needed.

Q325 **Steve Brine:** What is the one thing that the sector tells you, as the Minister, that would make it easier for them?

Julia Lopez: To be quite candid with you, it is not something that I am frequently lobbied about in terms of market challenges. Robert, I don't know the latest feedback that you have had.

Robert Specterman-Green: The Department has a very deep commitment to the radio sector, including community radio.

In the context of the previous discussion, I was going to mention that it was DCMS that launched the digital radio and audio review, a long and comprehensive process working with the sector to look at precisely what it needed at all levels. That review was only published in October 2021 and the Government responded in April 2022.

Since then, we have established a working group with the industry to look at issues such as smart speakers and so forth, because questions around prominence for radio are much newer and less well understood than prominence for television, which is a much longer established system. That is why we have needed more time. There has been some very constructive engagement with the radio sector on the technicalities involved in designing—

Chair: Sorry to cut across you, but it seems to me from, what you have described, that virtually all the work was done. People in the radio sector have expressed extreme dismay that there was no indication of prominence for radio in the legislation, so I really do not buy this about you needing more time and so on. That is not the answer that the Minister gave, which was about the size of the Bill, controversial areas and so on.

I am afraid that this Committee does not take what you are saying—that



the Department still needed much more work in progress. The industry does not say that, Mr Specterman-Green, so frankly I think this seems to be a bit of an excuse. We really do need to see this. We do not need to go over the past all the time, but you can take away that this needs to be addressed ASAP, because this industry is hugely important to this country. Frankly, it is a little bit embarrassing that the Department has missed it out of the media Bill today.

Steve Brine: I echo the Chair's comments. I remember being a Minister and you do not go looking to be lobbied, because frankly you have enough people doing that as it is, but I think there are times when you get a steer from a sector or from a Select Committee, as you are getting today. You mentioned Ian from DCMS (London) and I wonder what he would say about this. Maybe you should go and reach out to the sector with respect to the conversation you have just had with the Chair. I am surprised to hear you say you have not received any lobbying from the sector.

Julia Lopez: To clarify on that point, I thought you were talking specifically about small community radio stations. When it comes to some of the larger operators, and the issue of smart speakers in particular and radio prominence, I have been lobbied. I am not saying that everything is fantastic in radio and nobody has ever spoken to me about the challenges. I thought you were talking specifically about very small stations.

Steve Brine: Yes—slightly crossed wires. The Chair was talking about prominence and speakers. You are quite right that I did start down the road of community radio stations, and I am surprised to hear you say that about that sector—maybe it does not have representation, and therefore it is quite disparate—but I am pretty sure that those who are listening to these exchanges, maybe even the stations that I have mentioned, will now come forward with some of the asks.

Julia Lopez: If they are specific community radio station asks, I am very keen to hear them. There are general issues that probably affect all operators, things like whether you are going to try to maintain car radios, for instance, where we are working with DfT to see what we can do. There are some broad issues about their future sustainability that we are trying to address with the radio industry.

Q326 **Steve Brine:** Good. Can we move on to public notices? Public notices are given—certain types of legal proceedings, planning, traffic, licensing and so on—and local authorities are required to publish those notices in local newspapers. There has been much discussion about this, and you will know that the Cairncross review noted that it is not intended to subsidise the press, but I suppose those notices do end up doing that by being brought to a wider audience. The News Media Association has had things to say about that, as has the Department, and the formerly named Ministry of Housing, Communities and Local Government—now DLUHC—



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has spoken about it. I am just not sure where the system is at the moment.

Are the Government committed to maintaining the requirement for public notices to be in local newspapers? That is part 1 of my question.

Julia Lopez: One of the challenges in trying to support the local news media is that the Government always want to maintain that separation such that we are not seen to be trying to influence a free press but are also mindful of those areas of revenue where government policy has an impact. Public interest notices are certainly one of those areas where we are very mindful of the fact that an important revenue stream for local press derives from those notices. I think it is to the tune of £60 million a year. When these issues are discussed in government, there are sometimes pushes to relax those requirements, because they do constitute a level of bureaucracy that can sometimes be challenging, but DCMS always wants to maintain public interest notices because we are very mindful of the importance of that revenue stream to the local media industry.

Q327 **Steve Brine:** That is good. So the Department bats for that side, if you like, in that discussion. The point I want to explore with you is about the scrutiny as to what publications they go in. Should they go to the title with the most reach at the heart of the community? Or should they go to the one offering the cheapest rate, regardless of whether they are read? They could go to a free sheet, which is in theory delivered to every household, but that is very different from an established newspaper that is produced every week and paid for by its loyal readership. I have one that has just celebrated its 250th anniversary but I also have newcomers to the market, free sheets. Where is the scrutiny on which side of that argument the public notices land?

Julia Lopez: I must confess I need to explore the detail in this area further. The points at which I have been involved in these discussions tend to relate to whether there is any loosening of public interest requirements, to which the DCMS answer has always been, "Please bear in mind the extent to which this is an important revenue stream for local press". I know there has also been some debate about the extent to which we broaden that to include digital publications. I think this is a debate that I probably need to get more involved in, and I am happy for the Committee to make some recommendations.

Q328 **Steve Brine:** I will come on to the digital bit, but examples have been brought to me, as a member of this Committee, of free sheets taking money for public notices that they did not publish during the pandemic, for instance, because they are not paid-for, weekly, professional publications. I am just asking you where the scrutiny is of that public money, because do not think it is there. It sounds as though you are not sure.

Julia Lopez: By definition, given that I am not sure, perhaps you are right that there is not sufficient scrutiny as to which publications get first



dibs on that.

Steve Brine: I am occasionally right, Minister. Even a stopped clock—

Julia Lopez: I should say—Robert is saying to me—that the reason I am not the person who does the scrutiny is that it is a DLUHC ministerial lead. I am not trying to throw DLUHC to the wolves in any way, but it is simply not a funding stream that I have control over. In so far as I need to be looking and asking my ministerial counterpart to provide that scrutiny, I am happy to do so.

Steve Brine: That would be great. If you could come back to us on that, it would be much appreciated.

Julia Lopez: I am happy to.

Steve Brine: As a Committee, we have become slightly weary of Ministers saying, "That's not my beef".

Julia Lopez: Yes, of course.

Q329 **Steve Brine:** You are the Minister at the box, the Select Committee being the box, and therefore you answer all questions. I have been there.

Touching finally on digital-only papers and those that publish less frequently, at the moment the rules are that you have to publish every 26 days or more frequently, meaning that digital-only cannot take those notices. We have taken evidence about that during this inquiry. Should they be made eligible for public notice contracts?

Julia Lopez: Potentially. This is an area that could be worth us looking into in greater detail. I think there is also the question of reach that has been highlighted in your line of questioning. Given how fluid the industry is and how there are more publications coming online, questions probably need to be asked about the reach and audience levels of different publications and how that is measured and determined in the rules that govern public notices. I am very happy to look into this in greater detail.

Q330 **Steve Brine:** I wanted to ask about online publications—we all have local newspapers, and they have their online versions—and the comments on their stories. You know as a local MP that sometimes those comments are beautifully supportive and wrap their arms around you, but sometimes they are not. Sometimes—I know this is unthinkable—they are organised comments by our political opponents. There is a live debate at the moment within the newspaper world about those comments sitting behind register walls or even paywalls to weed out the trolls. Do you have a view?

Julia Lopez: This is not an area that I have explored in great detail, so I cannot say I have a worked-up view as to whether I would advocate for those comments being put behind a paywall.

Steve Brine: That is a fair enough answer. Thank you.



Q331 **Dr Rupa Huq:** I forgot to raise the subject of children’s TV. I think we have spoken about this before. When we had the Secretary of State before us, the issue at hand was the termination of the Young Audiences Content Fund. That has gone now. It finished in February 2022. I think there was some feeling that it was axed as a pilot because its short life was mostly during Covid, so it never settled down to normal conditions. I have constituents who worked on productions and they made the argument to me that it would save British kids from Americanisation.

I think I do have a letter on headed paper from you. I think that the Secretary of State devolved it to you and said we would get a meeting, and it would be great to have that. British children's TV historically has been important—the last PM talked about "Peppa Pig" for example—and I think there are things we could do to stop children's TV from being under-resourced and under-skilled. It would be good if Robert Specterman-Green could make sure that meeting happens.

Julia Lopez: Yes, I am happy to meet.

Dr Rupa Huq: We are both parents.

Julia Lopez: I have a three year-old daughter. My life is currently governed by “The Adventures of Abney & Teal” on BBC iPlayer. I am very passionate about being sure that British children have their own experiences reflected back to them via the content they receive.

I don’t know if it is directly related to this inquiry, but if you ever wish to raise anything with me, my door is open.

Dr Rupa Huq: Okay. Let’s make sure it happens. Thank you.

Chair: Thank you. That concludes our session. Minister Julia Lopez and Robert Specterman-Green, thank you very much for all your answers today.