HOUSE OF LORDS

Communications and Digital Committee

Corrected oral evidence: The future of news: impartiality, trust and technology

Tuesday 20 February 2024

2.35 pm

Watch the meeting

Members present: Baroness Stowell of Beeston (The Chair); Lord Dunlop; Lord Hall of Birkenhead; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Knight of Weymouth; Lord McNally; Lord Storey; Baroness Wheatcroft; Lord Young of Norwood Green.

Evidence Session No. 2 Heard in Public Questions 21 - 33

Witnesses

I: Professor Charlie Beckett, Professor of Practice, Director of Polis and the Polis/LSE JournalismAI project, London School of Economics and Political Science (LSE); Douglas McCabe, Chief Executive Officer and Director of Publishing and Tech, Enders Analysis; and James Frayne, founding partner, Public First.

USE OF THE TRANSCRIPT

This a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Professor Charlie Beckett, Douglas McCabe and James Frayne.

Q21 **The Chair:** This is the Communications and Digital Select Committee. We are continuing our inquiry on the future of news. I start by inviting our three witnesses to introduce themselves and the organisations that they represent.

Professor Charlie Beckett: Hi there. I am a former journalist, including at the Tony Hall BBC for about 10 years. About 17 years ago, I was appointed as the founding director of the LSE's journalism think tank, which is called Polis. In that period, I have mainly been looking at what we are talking about today: the state and future of journalism. At the moment, I am the leader—I have been doing it for five years now—of the LSE's JournalismAI project.

James Frayne: I am the founding partner of an opinion research firm called Public First.

Douglas McCabe: I work at Enders Analysis. My particular research focus has been the newspaper industry.

The Chair: Thank you very much. Before we get to questions, for the benefit of anybody following this inquiry, this is another "big picture" hearing, following on from the first one last week. Last week was about the what, the why and the how of news and the effect of those expectations on current business models. This week, we are looking in particular at trust, impartiality and the economics of the news industry, as well as the impact of tech platforms in terms of the plurality of news or how it might impact the way in which audiences behave in their own consumption and use of news. We are grateful to have all three of you here. We will divide our questions up into those four main categories this afternoon. With that, I will hand over to Baroness Wheatcroft to get us going.

Q22 **Baroness Wheatcroft:** We will start, if you do not mind, by talking about trust in media. Clearly, it has fallen in this country but in many other countries too, just as trust has fallen in so many sectors. Do you think that there is a particular reason why trust in media has fallen so far, particularly in the UK, and is that even important? Charlie, can we start with you?

Professor Charlie Beckett: It is a very important issue. Public confidence in the news media is critical, partly for the business model. If they do not have confidence in journalism, they will not consume it or support it. Generally speaking, though, I take the view that surveys of trust are next to useless and probably harmful for the news industry. I do not mean because they are badly done—not at all—but I think that they measure the wrong thing.

If you asked me whether I trust the news media, I would say, "No, I don't think it's very healthy". As a journalist, I did not trust anybody automatically, so why would we expect the public to do so? Of course,

when the surveys follow up, they ask, "What about the news organisation you use?", and, generally speaking, people have much higher trust ratings in that. Just focusing on that headline can be distracting from the real question—I think this is what you are really asking—which is: has journalism in the UK become less trustworthy? I would question that. I do not think it has.

A lot of the scepticism and cynicism around the news media is part of a much broader societal shift, which should be approved of in a way. We keep telling people to be critical—"Think for yourself. Be educated"—then, when they are, we are deeply disappointed that they do not automatically trust everything we say. When I say "we", I mean journalists and academics.

In some ways, it is not an unhealthy trend. It is unhealthy, of course, if it spills over into fragmentation and cynicism and a complete avoidance of the news media. You cannot counter those broader societal changes—you might not want to—but you can do a hell of a lot of things, which the news media is trying to do partly for its business model. It is trying to increase engagement.

In many ways, the biggest revolution in journalism over the past 20 years was not the internet but the understanding of the audience and the new relationship with them. You have to be on their side, be more relevant to them and be more accessible. You have to talk about the things that they are interested in rather than things that are important to you. There is lots of that happening but obviously not quickly enough to mean that the news media can relax—quite the opposite. In that sense, it is quite a pragmatic issue.

Baroness Wheatcroft: Is there a danger that, in trying to be the reader's friend or the viewer's friend, the barrier between what is fact and what is opinion, or even fiction, becomes blurred?

Professor Charlie Beckett: There has been a degree to which previous—how can I put it? I want to say "partisan media" but all media is partisan in some ways. It used to be because of proprietors, basically—or, in the BBC's case, its public mission and its charter. That has been replaced to some degree. What is driving it now is trying to engage audiences.

From newsrooms—anecdotally, at least—I get people telling me that, if you are in the *Guardian* newsroom, for example, you are not allowed to publish right-wing opinion columns any more because the readers do not like it. However, it is marginal, frankly. In the context of trying to retain people's interest, attention and money, the greater evil would be to fail to engage with these audiences.

In the UK, we have a relatively plural news media. Research tells us that people who go online are especially more likely than people in the analogue era to experience different points of view—on every topic, not just politics—so I do not think that that is a driver of political polarisation, particularly at the moment. I worry much more about

whether people consume journalism rather than if it is a bit too subjective or a bit more parti pris.

Baroness Wheatcroft: It sounds as if you take issue with the view that a lot of people who use social media, particularly for their news, are only interested in opinions that are their own opinions being fed back to them?

Professor Charlie Beckett: We all suffer from confirmation bias. We are all interested in things that interest us and we all like views that align with our own. However, the evidence is that, willingly or not, they experience much greater diversity of sources and perspectives when they go online. Sometimes, I think the real problem is that that is very irritating. You go online to find out about a particular issue that you have a stance on and somebody will come rapidly along saying, "You are wrong" or "You should be thinking differently" or "What about this?" That is very tiring. We are not really programmed to do that.

You are all political people, to a degree, so you are used to this. You are equipped for it. Most people are not. Social media is so intimate that it is literally thrust into their faces and their hands all the time. However much they may eschew overtly political or ideological material, it will come to them at some point. Rather than being worried about, say, filter bubbles—generally speaking, they are a myth—I am more worried about the interreaction people have online, for example the civility of that discourse, how positive it is for people and whether the information they find is relevant and reliable. That is more of a concern.

Baroness Wheatcroft: That is really interesting and helpful—thank you. James, can I put the same question to you? You have done some polling specifically on the trust issue, I think.

James Frayne: We have. I have been tracking this on and off for nearly 25 years now but, last week, I did a big poll on attitudes to the media, media habits, trust in the media, et cetera. We can debate its use in a moment.

My sense is that there has been a bit of a decline in trust overall among the public. By that, I mean that, as a whole, the trust of the population has gone down somewhat. The picture is inevitably more complex than that in that it has dramatically declined for one group of people and has never really been established for a couple of other groups of people.

The group that has seen a very marked decline over the course of the past 10 to 15 years is older, Brexit-voting, working-class, provincial leave voters. All of the data I have collected over the course of the past few years has shown that there is a serious decline; I can talk about why that might be in a moment. Trust in the mainstream media has never really been established among younger voters and among recent arrivals to the UK, where there is not the same culture of taking an English daily newspaper or listening to the BBC.

On why that has happened, for the leave voters I am talking about, there are half a dozen things; I will rattle through them quickly. First, there has been a massive decline in local news. That group of people relied

very heavily on local newspapers, not just for local news but for national news as well. If you were a resident of the north-east or Yorkshire, you would probably take the *Northern Echo* or the *Yorkshire Post* in the old days and, although you may have got your national news through a Yorkshire prism or a north-east prism, you were able to get it none the less. All of that has now gone, or pretty much all gone, so there is a bit of a void there for a lot of those working-class voters.

You then have three or four interconnected problems. You have a perception that the mainstream media has given Brexit an unfair kicking over the course of the past five or six years. Again, that may be fair or unfair, but that is what they feel. There is a sense that, every time any car maker sneezed, it was all over the front pages of the *FT* and it led every single bulletin. More latterly, there is a sense that the media have kept certain big stories that they thought were important out of the media, the most obvious ones being around small boats, large-scale conventional legal migration and a sense that they are not being told the truth. Again, we may disagree; we can talk about that.

Related to all of this, the only time in the past two years that I ever heard joined-up, opinionated criticism of the media was around the time when Boris Johnson was leaving—or being dumped, whichever way you want to think about it. It was a minority of them but a significant minority of leave voters said, "He is being drummed out. The media are against him. They are trying to push him out". There was a sense of a bit of a conspiracy among the media and certain politicians to get him out because he was a Brexiteer. More recently, you get the same sense that certain aspects of the media are very woke. Again, it is not everybody; it is maybe half to a third of leave voters, so you are talking about 15% of the population.

Baroness Wheatcroft: Do you think that this has stopped their consumption of media or just made them more disenchanted with what they continue to read and watch?

James Frayne: It has definitely turned them off the BBC and has probably pushed them to some of the newer broadcasters; TalkTV and GB News are the obvious ones but there is a whole bunch of other options that people get online now. I do not think that it has had much impact on newspapers because people are able to choose the newspapers that, to some extent, suit them a bit more.

I will say one thing before handing over on this one. We cannot divorce the decline in trust in the media with the decline in trust with the political class. In effect, they are the same thing because so many people think that politicians and the media are basically the same. They have the same backgrounds and interests; they look after each other. That collapse in trust in the political class has happened at the same time and is obviously related to a collapse of trust in the media. It is not universal. We need to keep it in perspective. On the whole, most people trust, say, the BBC and their newspapers, but it has diminished significantly; that ought to be a worry.

Baroness Wheatcroft: Thank you. Before I go on, I should have

declared my interest as a member of both those classes of untrustworthy and untrusted individuals, as declared in the register.

James Frayne: I did not have you in mind.

Baroness Wheatcroft: Doug, would you like to comment on what we have heard from your two fellow panellists?

Douglas McCabe: I broadly agree with what I have heard so far. Trust is a difficult metric to nail down in a useful way. By that, I mean that the concept of trust is understood intuitively by people, of course, but measuring it in a way that usefully informs debate about trust in specific media, specific news stories and so on is very difficult.

If there were a recommendation—if trust in the media and the sustainability of the media were going to continue to be important concepts that are discussed—Ofcom should commit to a deep study of trust at a more granular level that can be sustained over time. In other words, you can track over time what is happening.

I completely agree with Charlie's point right at the beginning: at the end of the day, if your main question is, "Do you trust the media?", a normal-thinking educated person is not going to blandly say yes at that point. It is also worth underlining that we are a particularly plural media environment. London has 10 or 12—depending on how you count it—national newspapers and, not surprisingly, our trust scores are considerably worse than some other territories where there is a much narrower group of newspapers.

A good way of thinking about this is that the most trusted media is local media. What does that tell you? It might tell you a variety of things but it probably tells you one very important thing: most local media are a monopoly. By definition, therefore, they have to communicate to all citizens in that community in some sort of agreed consensus about the hierarchy of issues in that area, and reach a stable commentary on that community that the community can believe in. Therefore, they come out as trustworthy media. Unfortunately, as has already been pointed out—we will come to this when we talk about business models in more depth—the single biggest part of the sector that I worry about most, indeed profoundly, is local media.

Baroness Wheatcroft: Given what you have said about trust in local media, does that then indicate that trust is not a guarantee of the economic success of a business model?

Douglas McCabe: We will go over this in a bit more detail later, perhaps, but local media has been so structurally challenged over the past 15 years that you cannot necessarily make quite as simple a correlation as that. None the less, yes, it would suggest that there is no guarantee—that trust alone is not enough, if you like. However, so much generational, technological and economic change has taken place over the past few years that a whole bunch of factors has certainly made it very difficult for the local media industry to thrive, put it that way.

Q23 **The Chair:** Thank you. Before we move on, I want to go back to

Professor Beckett and something that he said about the value of trust as a measure and trustworthiness being more appropriate. Do you also think that trustworthiness is essential none the less for those news organisations—I am thinking particularly about broadcasters here—that have a duty to be impartial and serve everyone? Taking what Mr Frayne said about the differences in demographic reactions to the question of trust, whether it is trust or trustworthiness, what is your view of the importance of trustworthiness—if that is what you want to focus on—in that broader context?

Professor Charlie Beckett: Whenever people raise this, I am a bit hypocritical on it. In 2018, I led an LSE commission on platforms and media. We called it the Truth, Trust and Technology Commission—not a long way from your own inquiry's title. I regret that, in a way, because it raised the word "trust" to almost mystical levels. Now, I always say to people, "Whenever you're tempted to use the word 'trust', find a different word. Do you mean that you want people's attention? Do you want to show credibility? Do you want to show authenticity? Do you want their money or do you want their respect?", et cetera. Trust is too much of a philosophical concept. It is almost like a religious belief—that you should somehow show deference to somebody.

We will talk about impartiality in a minute but I do not think that there is any real relationship to impartiality. I completely agree with Douglas's point that it can be useful. The idea of objectivity, which is at least a related concept to impartiality, arose in the late 19th and early 20th centuries, mainly in America where journalists were seeking to differentiate their product from all the gossip and nonsense that was out there with this new printing invention, the telegraph and stuff. Also, as Doug mentioned, if you are the *Boston Globe*, you have to appeal to everyone in Boston. They came up with this ideal of objectivity—as I say, it is related to impartiality—and it became a business model, as much as anything, and a way of saying, "We are journalists. We are different".

There is a strong parallel now, at this time. There is a market for impartiality and objectivity, and the BBC stands on that pillar. This does not mean that you cannot also be trustworthy by being impartial. Most of our newspapers have strong world perspectives. You could argue that the BBC has a kind of world perspective; that is very effective at connecting with people and giving people the journalism that they want.

The Chair: I am sure that we will pick that up more in the next group of questions. Before I move on, Lord Knight has a supplementary.

Q24 **Lord Knight of Weymouth:** Again, this for Professor Beckett. I was struck by what he said about healthy distrust, so it is in a similar vein to the previous question. I then want to explore truth. I get that there is a healthy distrust of opinion—a lot of news is opinion—but there is also fact, which is now being deployed for political means, with fake news charges led by Donald Trump. In future, one would anticipate more deepfakery and truth being contested. How do you see that playing out for news?

Professor Charlie Beckett: How many hours have you got? There is a simple, flippant answer to that: obviously, truth is provisional. I do not believe that we live in a post-truth world, though. People still want real evidence. They want real-world arguments that they can relate to. They can recognise an argument that is familiar to their circumstances.

One of the biggest disjunctures—James referred to this—is people feeling that the media has a different idea of the world to them. They are living in a completely different sphere and the reason is entirely because they are. The diversity of British journalism has decreased; it has not increased despite the best efforts of people like the BBC and others.

Without trying to be too academic about it, I do not worry too much about truth. I do not even worry as much as I used to about misinformation and disinformation, partly because we need to recognise that, in a sense, this a long-term battle and it is contested. It is much healthier that we have a plurality of perspectives than we try to achieve some sort of mythical truth that everyone should rally around. This is one of the things that worries me about the obsession with misinformation, for example, because that always implies that there is a truth.

The wonderful thing about due impartiality—as the BBC would describe it—is that it does not say that everything has to be balanced and there is only one answer. Due impartiality says that you try to be as balanced as you can and you try to reflect diverse opinions and evidence as thoroughly as you can; that is a healthy stance to take. However, to use that "truth" word again, whenever people use it, it is another time where I say, "Perhaps try to think what you really mean by that".

Lord Knight of Weymouth: Does that mean that Ofcom, as a regulator, should be laid back about misinformation and disinformation?

Professor Charlie Beckett: Not at all—it means the opposite.

The Chair: Let us move on because we are segueing into a topic that is related anyway. Lord Storey is going to pick up on impartiality.

Q25 **Lord Storey:** I will start with you, James, if I may, again on impartiality. Do you think that there is a disconnect between how audiences think about impartiality, what Ofcom expects from broadcasters and what organisations do in practice?

James Frayne: The broadcasters follow the Ofcom code for the most part. I know that there has been some discussion about whether GB News oversteps the mark but, roughly speaking, they all respect those rules. However, the public view impartiality differently. Broadcasters often think that impartiality is having two zealots throwing bricks at each other for three minutes on a radio show, and that that somehow brings balance so the public say, "Oh, that is very impartial". It has made people irritated that so much news is like that. When you put it to them straight—"Do you think that is impartiality? If you are looking to have an impartial show, is that what counts as impartiality?"—the answer is no. They do not want that. They have a slightly what we might call

traditional view about what impartial news should be like, which is not just Ron Burgundy giving you the news and telling you what it is like in San Diego. It is not like that but, none the less, they like the idea of fact-heavy, low-emotion news where you have expert journalists giving expert opinions on what has happened and you are not relying on, as I say, two fire-breathing zealots to create truth out of it somehow.

That said, people quite like having a bit of that. They like the bit of colour that you can get from places such as TalkTV or GB News—or, indeed, from large numbers of YouTube channels and all the rest of it. There is definitely a disconnect in that; to me, it feels like it is going in the wrong direction on broadcast more than in the right one.

Lord Storey: People perhaps choose the newspaper, the print media, because it best reflects their views.

James Frayne: Yes.

Lord Storey: Are we likely to end up with that in broadcasting as well?

James Frayne: As there has been a proliferation not just on actual TV but on YouTube and all the rest of it—on actual channels—yes, clearly there is a danger that people are going to pick and choose far more. That said, at this point in time, the bulk of the public would still like to have an anchor of news that looks a bit like the news we had in the olden days, where it was, as I say, more stripped down and more formal, with more expert judgment than you probably get these days. I think that people want a bit of à la carte on that but it is clearly a danger.

Lord Storey: If impartiality matters—perhaps it does not matter—the viewing public do not know the difference between public service broadcasters and any other channel. For example, if they see a politician presenting a news item on a non-public service broadcaster, does that create problems for the perception of impartiality?

Douglas McCabe: Yes. If I could just frame something from the front, Ofcom is measuring expectations, at some level, so what might appear to be impartial on a BBC programme might not be identical to what might appear to be impartial on GB News. That is because the audience expects something different when they arrive there. You have to take that into account, otherwise you are expecting everything to be narrowly focused.

You have that combined with the sheer proliferation that digital provides. In other words, you have more and more media brands wanting to do something distinctive because that is how they will be noticed, heard and seen. You are inevitably going to get a wider range of opinions. It just feels like a natural factor.

However, what is interesting is that I do not see any evidence in the round that people do not want—I do not know what the right expression is—a central anchor. By that, I mean the idea that there is a consensus on, broadly and roughly speaking—not using absolutely precise language—"This is what we stand for. Here is a bunch of values we recognise".

It is interesting. My research focus perhaps comes more from the traditional publishing industry than the broadcast industry; it has never had impartiality rules. There are lots of editorial codes and so on that it follows but it will often lead with its opinion on a story rather than the story; or it will often lead on what it considers an outrageous reaction to something that has happened, rather than the thing that has happened.

That is quite common—it always has been. I am not describing something new. I am describing what has been part of the ecosystem of the news industry as a whole. Will more of that take place in broadcast in the future than in the past? Yes, partly because even the very word "broadcast" stops making any sense to anyone outside of this room anytime now, really. People no longer think like that. The medium is digital. They are not thinking about the schedule in quite that way.

This may touch on something that we might come back to later, I am not sure, but there is an additional point worth making: to some degree, the business models of digital—I am thinking specifically about social media—reward provocative content and entertainment content. By "content", I am talking about headlines. I am talking about a very brief snippet, not really something in depth. This creates all sorts of issues in and of itself: who is being rewarded for what and what content is out there? How does that mix with misinformation, disinformation and so on as well? You definitely have a landscape that will become harder and harder to manage in that sense.

The other point is—sorry, my mind has gone blank. Let me come back to it. Forgive me.

Lord Storey: Charlie, the other word that we use a lot is "balance". When you were at the BBC, were you conscious that you had to balance every story? Did it really matter, does it matter now and does that affect impartiality?

Professor Charlie Beckett: I refer back to the idea of due impartiality and, as James said, just having two opposing people. We now understand this around climate change, for example. The idea that you always have to have a climate change denier on every time you have a climate scientist on is obviously a nonsense. Balance has always been more subtle than that—or it should be.

I remember being visited by Ofcom when I was at ITN; this is 20 years ago. The person said, "We are really surprised how you guys do not push the boundaries on this at all. You are so well behaved". This was "Channel 4 News", which is supposed to be a bit feisty. Now, that has completely changed because of all the things that Doug and James talked about in terms of the way broadcasting is consumed completely differently.

I will give one example. "Channel 4 News" has, and had, very effective social media platforms. It takes a little clip from the programme of some politician saying something outrageous—outrageously good or bad—and it will go viral and get 2 million views. The actual programme gets only 200,000 viewers. What can you do about balance there?

The public themselves and the platforms—they have different incentives, as Doug said—have immediately unbalanced the Channel 4 journalism there. I do not know whether that is a good or a bad thing. Therefore, in some ways, I am sympathetic to poor Ofcom's dilemma: it is regulating something that is in every sense completely different to the thing it was regulating 10 years ago.

Lord Storey: Did your thought come back or do you want to move on?

Douglas McCabe: Yes. In fact, it was an illustration—Charlie has just echoed it, in any case—of how things have changed, which is worth briefly describing because it needs to be taken into account.

I remember that, in the run-up to the Brexit referendum, there was quite a big controversy—I do not know whether anyone remembers this—around German schools banning sausages. They were not really banning sausages. When you read the story in a lot more depth, you saw that what they were actually doing was this: in an attempt to keep children healthier, they were encouraging fewer sausages being served in schools. It was not a very controversial idea—Jamie Oliver would have been proud of it—but the point is that it became the headline being shared by everyone.

In a newspaper environment, the vast majority of people seeing that headline would read the story and end up with a fairly three-dimensional picture of what happened, what the story is, what the decision was and what its consequences are, but that is not what is being shared on social media. It is being passed around as a headline and people are not necessarily thinking about the implications of the story as a whole. I do not think people are reading it. You often see the "like" button sitting at the top of a story rather than at the bottom. Simple little things like that are really important because, if you are forcing people to go to the bottom of the story, they have read the whole thing—or at least gone to the trouble of finding the "like" button—so they may have taken something more in. It is an important illustration of how the information contained in news is changing because the definition of what is partial and impartial has to take that narrative into account.

The Chair: Thank you. Lord Young has a supplementary.

Q26 **Lord Young of Norwood Green:** I was listening to an interview today on the "Today" programme. The wife of Julian Assange was being questioned—well, I say "questioned"; she was being questioned but there was no challenge. She just said how terrible it was that his life was at risk. There was no attempt at all to say to her, "Just a minute—he was in the Ecuadorian embassy for seven years and they threw him out in the end". There was nothing; they just accepted her version. Is there not some responsibility on the journalist, or interviewer, to challenge?

I could give you half a dozen other examples. Mick Lynch is a wonderful example. He rarely ever gets challenged; we just have to listen to his version of it. What do you think about the importance of a challenging interview rather than what I regard as passive acceptance?

Douglas McCabe: I completely agree. I do not sense that there is a particular trend towards that in media—other than the example of GB News, perhaps, where you have politicians speaking to politicians. Generally, most of the time, trained professional journalists are asking the difficult questions of whoever is in front of them, so I do not sit here worried about a general drop in the standards of journalism in that specific sense.

The Chair: I have a couple of questions but, Lord McNally, you go first.

Q27 **Lord McNally:** I was encouraged by you, Douglas, saying that this is a landscape that will become harder to manage. I agree but I hope that one of the conclusions of this committee—we will listen to the evidence—will be that, as a society, we should continue to try to manage this, put in parameters and set standards. I still think that the best mission statement is to inform, educate and entertain; those three things have different demands of the news providers. Yet we well know that "entertain" gets the eyeballs, so how do we protect the inform and educate parts?

Douglas McCabe: The biggest challenge for news publishers that was brought about by the internet was the unbundling problem, as one might describe it. In other words, each individual content item becomes a stand-alone asset that drifts around the internet to social media, search and so on. It is difficult then to monetise individual items in that way but, more importantly, you are killing the serendipity of a news layout.

The news layout is the way in which the physical pages are laid out. It is very difficult to reproduce it on a phone. In any case, the unbundling problem means that most publishers—certainly, many publishers—are not getting a chance even to entertain that idea. The reason why serendipity matters is because somebody may go for—let us make a cheap point—the royal story but come across the Ukraine story or the Middle East story, and they will read it and take it in. It is not the reason they were there but they will take it in. They will be informed.

An extremely important factor in all of this is: how do you create that serendipity? To state the obvious, there are no guidelines on the internet. There are no recommendations that platforms providing search services or social media services should do certain things—in other words, they should make sure that public interest news is available so that it is high-profile, prominent and found by everyone who uses the service, irrespective of which parts of the service they select and choose to look at. There is an important question here about whether such an approach can be explored.

Q28 **Lord Dunlop:** I want to come back to Professor Beckett's point about engagement. Obviously, social media is very good at engaging people, but, as we heard with the sausage anecdote, it is very partial. To what extent do people get engaged by social media but then their curiosity makes them go to other, more reliable sources to tease out the truth of the matter?

Douglas McCabe: A lot of traffic would suggest that there is some truth in that. A lot of people discover things on TikTok, for example, then quite evidently realise that they need to look at another source and another version of this information; they might find it on TikTok, they might find it somewhere else entirely and they might end up on what we would call a traditional news source, whether it is a broadcaster, a publisher or whatever. So, yes, there is a deep truth to that. The question is: can you recreate that in a guaranteed, reliable way? It is about the guidelines that you may or may not be able to set online.

Q29 **The Chair:** Thank you. I have a couple of questions before we move on. I turn first to Mr Frayne. I want to pick up on something that Mr McCabe said about audiences being attracted to a news provider that sets out quite clearly, "This what we stand for". Thinking about audiences who may be attracted to GB News, if they are attracted to something like that because that is what that channel stands for and they associate with it, do they still want something like BBC News as a complement to that sort of thing? Aligned to that, what are channels such as the BBC, Sky or any of the main PSBs—Sky is not a PSB—not doing that something such as GB News is doing?

James Frayne: On the first, my strong impression is that GB News and places such as TalkTV are seen as being supplementary. Older voters, in particular, still say that they get the bulk of their news from news bulletins. Clearly, some of that will be in real time and some of it will be done on catch-up; some of it will be done on TV and some will be on the radio in the car or something. That is the mainstay for a lot of older voters who are increasingly watching things such as GB News, which is seen as a place where you get stories that you do not get so much on the BBC. Places such as GB News will have an entire day devoted to boat arrivals or something like that. If that is something you are interested in and think is really important, you will watch something like GB News. However, that is a supplementary thing for the most part; people still like their news delivered in a more traditional format.

What could other broadcasters do? I suppose that takes us on to the big question of how these broadcasters can potentially rebuild trust and deliver more impartiality. I know that it is a terrible cliché but one of the problems is that, if you are a typical BBC journalist based in either London or Manchester, most of your friendship group are probably people like you and you work with people who hold similar beliefs. You have a certain view of what is acceptable mainstream opinion and what is not. If you think that having deep concerns about things such as small boat arrivals or the scale of legal immigration to the UK, and that talking about those is somehow a bit unpleasant and difficult, you will probably steer away from them.

Therefore, I think that spending more time worrying about what ordinary voters think about these issues is a good correction to what might be the in-house view on something. I am getting quite close to saying that there is a terrible metropolitan bubble—of course, I would not be so simplistic as to say such a thing—but, clearly, there is something to that.

It helps when organisations are more plugged into ordinary voters and the world outside London. Not so long ago, newspapers had many correspondents across the country delivering news from everywhere, from Leeds and Liverpool to Newcastle. That is now less true than it was, which cannot be a good thing.

Q30 **The Chair:** Thank you. One thing that James Bennet said when he was before us—in fact, it was reflected in the article he wrote predominantly about the *New York Times* but more broadly about journalism—was that there is not the same level of curiosity in the newsroom to understand the cause of some of the big and disruptive, if I can put it that way, democratic events in the way there was in the past. Professor Beckett, do you agree? Is this something that you have looked into as part of your work?

Professor Charlie Beckett: Yes. It goes back to the point I made earlier about diversity. It has to be said first, though, that British media has become a lot more interested in and conscious of this problem. Editors are not sitting there thinking that they have got it right; I do not know any like that. They are all conscious that the topics they cover have to shift, for example. Those with subscriber models or those such as the BBC, which listens to its audience a lot, are especially aware of it.

There has been some accommodation to it but it is a huge problem. It is twofold. It is partly about the make-up of those newsrooms. The make-up will not change overnight but it will change the process of deciding what is news. I used to do this every day. I used to sit there and say, "That is news. That is not news". You do it from a whole set of assumptions—professional, personal or to do with your newsroom identity, for example. This will not change until the diversity changes.

The other thing that is a huge problem is simply around resource. We are asking so much of journalism, particularly journalists. They are paid appallingly. The precarity of their employment is much greater. They are expected to be hugely more productive with less time. That mitigates against what we are talking about: getting out there, reporting, listening to audiences and becoming more expert on more diverse subjects. All those things are wonderful. Personally, one of my hopes about AI is that it may free up some of the time that is desperately needed to do better journalism. This is such an important subject because we know that, when people have a choice, what do they do? They go somewhere else for their information, opinion or debate. They go on social media.

This is a very good plus point; I speak now not as a journalist but as a citizen. Is it not wonderful that people have these incredibly varied fora to talk about specialist and general things? Experts such as academics can have their own blogs and social media sites. There is a whole wonderful discourse, as well as the nasty, shitty stuff. There is wonderful content creation going on and discussions happening online, facilitated by social media. If you are a journalist, you automatically see that as a threat because people are not coming to you any more—I run a journalism think tank—but, ultimately, it is about the journalism, not the news industry. Of course I want the news industry to thrive but, if people

are getting better information or more interesting debate elsewhere, it is up to the journalists to ask what they are doing wrong.

Let me give one last example. We published a report about a year ago on what journalists can learn from influencers—the much-despised influencers who are seen as shoddy, superficial people. They are actually brilliant at doing what journalists are supposed to do: listen to their audience, work super hard to get their attention and give them something that will educate, entertain, inform or whatever. There is a lot that journalists can learn from them—from the better ones, anyway. That is the central problem around this rather than discussions about truth, balance and impartiality, frankly.

Q31 **The Chair:** I have a final question before we move on. One of the other things we often hear about in this context of impartiality, in particular from broadcasters, is the fact that, if both sides of an argument are criticising or attacking them, that is a sign they are getting it right. Do you agree with that, Professor Beckett?

Professor Charlie Beckett: No, of course not. I realise that the BBC say that, and I know what it means by it. It means, "We are not of the left or of the right", if you want to use that binary, "because neither of those sides likes us either". This does not mean that you are giving the full picture. Sometimes, you should be hated by one side of an argument because they are wrong. Generally speaking, I think that most BBC people would agree with that, but there is a tendency, as I keep saying, to confuse impartiality with some sort of tokenistic balance.

There is an interesting problem for journalists, especially those at the BBC, but also other public broadcasters. How can I put this without being rude about the public? We all have our own world views and we do not acknowledge other people's perspectives as legitimate. We are increasingly able, on that lovely social media thing, to express our dissatisfaction. It is usually because the broadcaster is allowing somebody else who they disagree with to have air time or, allegedly, the broadcaster is not covering something that they feel passionately about. In nine out of 10 cases, they probably have. There is that kind of howl around this, which makes quantifying trust even harder to take seriously as a headline.

The Chair: Mr Frayne, do you want to respond to that? How would you evaluate that in respect of the audience demographic that you are particularly interested in? Would it be, "Both sides are criticising us so it must be all right" or the reaction that a news organisation might give that Professor Beckett has just outlined? Can you offer a perspective?

James Frayne: Journalists will often measure public opinion by the amount of noise they get on social media. Increasingly, there are activists and campaigns that will whip up criticism from either side. If I were the BBC, I would not be terribly worried about whether it was getting loads of criticism from some X, Y, Z interested campaign. I would be much more interested when there appears to be a genuine shift in

public opinion against it, and I think that is probably happening now. I would be worried about that.

I have been talking predominantly about working-class voters today, because that is where I think the bulk of the problem is, but I want to keep putting it in perspective. It is a significant minority, but none the less it is a minority. Most people are okay with how things are at the moment. However, if I were the BBC, I would be worried if that group was going to grow and grow.

Q32 **Baroness Harding of Winscombe:** I shall change the subject to move us on to the financial health of the sector. I will start with you, Mr McCabe, to set the scene for us—you have alluded to a bit of this already. How financially healthy do you think the UK's print and broadcast media environment is, separating national from local, as you have hinted? What do you think that will look like over the next five years?

Douglas McCabe: Thank you. The short answer is: not very healthy. However, it is important to distinguish, as you rightly say, different parts of the industry, for two reasons. First, it is literally true: some businesses are doing slightly better than others. Secondly, it helps to illustrate the problem in quite precise ways. By defining this, we start to understand the nature of the problem with more accuracy and usefulness.

I know that this is obvious, but it bears laying out. At the top end of the market, the news industry is more stable. I am talking about the *Financial Times*, the *Times*, the *Telegraph* and the *Guardian*. The *Guardian* has posted a pretty horrible loss recently, but those businesses are stable for a simple reason—they have subscriptions. They have audiences who are paying to access their content online. The *Guardian* might argue that is technically not quite true, but in essence, that is what it is—they are paying for the mission of the *Guardian* in those particular cases. By our estimates, about 2 million to 2.5 million subscriptions have been signed up since the pandemic. Maybe I am just an optimist at heart, but all things considered, I feel quite positive about that. I think that there is a positive story in there. I have been doing this job for a long time and I have been told for years that no one will ever pay for news online. There are several million people out there who disagree with that. It is worth marking the milestone that the propensity to pay for news digitally is now bigger than the propensity to pay for news in print. No one has really marked that milestone, but it is an important moment. Generally, the public are starting to get into this idea.

However, I would still describe those businesses as barely beyond the foothills of quite a tough mountain. I am not suggesting that they have landed in some safe haven, everything is resolved and they have completely understood what the future looks like—I will come back to the future because there is a lot to say about AI and those kinds of things that are coming. They are beyond the foothills. They have developed a strategy that seems to work for now. They have to build out their audiences. They have already attracted what I would describe as their

natural loyalists—in other words, the people for whom it was not a difficult decision to sign up.

Let us think about the rest of the industry, because that is the positive story. As a whole, the industry is still remarkably reliant on print for both revenue and profit. For some publishers, 70% of revenue comes from print. We think of print as being yesterday's medium, a history medium; it is gone—and yet. The industry is under immense pressure to transition across to something that works digitally. They have been doing this for 25 years, but there is not an awful lot of time left. This feeds into your timetable question. We think that a period of roughly five to seven years is crucial as the final phase of industrial-scale print.

I am often asked the question: when does the last printed newspaper get published? The answer is never, but industrial-scale print probably will come to an end in five to seven years' time. You will still be able to get a weekend *FT* for £30 in 20 years' time—you see what I mean. There will still be an appetite for print, but it will be an expensive luxury. In 10 years, print has gone from 8 million copies per day to well under 3 million copies per day, to give you a sense of the scale. That rate continues apace. Let me give one little footnote on the printing point. There is currently a proposal on the table about a joint venture in printing presses between the two largest newspaper groups, News UK and DMGT. I think that is an important step. That collaboration to make the last industrial phase as long as is economically viable is important.

Local, of course, is the thing I mentioned earlier that I am most worried about. I will give you a couple of numbers. This is estimated data from the peak of revenues for local media, which was just before the great financial crash. There were an estimated 13,000 journalists working in local and regional media in the UK. That has now fallen to 4,000. If that does not worry you, I do not know what will. That is the single most frightening number I have heard in media.

Lord Storey: Would you say that number again?

Douglas McCabe: We had 13,000 journalists in local media; we are now around 4,000 in local media. Jonathan Heawood's outfit, PINF—the Public Interest News Foundation—is looking at news deserts. I worry about news deserts—places where there are no local journalists at all apart from maybe a hobbyist. That is not to belittle the hobbyist—we welcome hobbyists. Hobbyists are great, but they are not quite the same thing. It goes to the question that was asked earlier: are they trained to ask the right questions? Do they know how to ask the right questions? Can they really probe a local council meeting and decision-making process in the right way? That is the important thing about news deserts—those people do not exist. News droughts is the other phrase that comes to mind. That is quite worrying now. There are probably lots of those around the country.

On the positive side, we see some interesting experiments and new business models emerging. We have talked about this in our own research. You get start-up businesses such as Manchester Mill, which is interesting. It is very small scale. It is now running three or four different

sites. It is tiny. We are talking about two journalists and tiny offices, but they are building a subscription model using a newsletter as the main format. It is very intimate and well done. They are not pretending to be a newspaper of record for everything you can possibly think of. In effect, they are agreeing the agenda with the community, the general public, that will sign up to it. I think that is a clever way of thinking about it. Maybe I have been doing this job too long, but in fact, that is where newspapers kind of started, if you think about it. A local person would decide to launch a business to inform the public about what is going on. It may have been in his or her interest to do that at some level, but they were also doing a genuinely civic thing. They were helping people to be informed about what is going on. We are returning to that model in a meaningful way.

There is another category of news that worries me a lot and that rarely gets talked about. That is popular journalism. We often use the word tabloid. We often think about tabloids with some negative connotations. Tabloids have had their fair share of criticism and they deserve some of that criticism—I am not here to defend everything they do—but they have also played an incredibly important role historically. We touched on it earlier in the questioning. They have played an important role historically in informing the public about complex issues in a concise and often quite simple way that I think, collectively, the media industry enormously underrates.

That is one of the biggest gaps I see emerging in the market. If we do not have a strong—I do not use the expression "tabloid culture" because it evokes the wrong thing—popular journalism culture, that worries me deeply. What I am describing to you is that the top end of the market, the serious end, the market for and aimed at educated people often living in large cities, will be all right. There is a route you can see. There are tripwires and all sorts of problems ahead, but you can see that they have started to develop a way through it. I worry about everything else. That leaves an awful lot of people, readers and the population, potentially relying on the BBC, of course, and whatever they can pick up online. There is a pretty horrible outcome here—a two-tier media landscape where it potentially becomes quite extreme.

Again, I am encouraged. Recently, the MailOnline has started to develop a subscription model. Ultimately, I am a media business analyst, so I get excited about these things. I am not making any comment about the *Mail* as a product or anything like that, but I very much welcome this as a business idea. In a short period, they have reached 160,000 subscribers. I start to see a world where maybe they do break through and end up with 1 million or 2 million subscribers—make your number up—and they get there. I hope so, because I think that kind of model is incredibly important.

The internet rewards specialists. All the start-up businesses we see are specialist. They are relatively narrow in their outlook and in the journalistic beats they set themselves upon—think about the *Athletic* as an example. They are proliferating in the media landscape. That is because the internet rewards specialists. If we think about how the

internet works, we see that it is specialist businesses that thrive. That is great if you are running a top-end news business, but we should never underrate the role played by popular journalism and the importance of popular journalism, not least because it is particularly and profoundly good at holding powerful people to account. Both those sides of the industry are the ones that I worry about most.

Baroness Harding of Winscombe: Thank you. That was a fantastic overview. Professor Beckett, is there anything that you would like to add to that all-encompassing picture?

Professor Charlie Beckett: The only thing that I will add is that it will all get much more difficult very quickly. I completely agree with the analysis there, of course, including the strange resilience of British news media. Ten years ago, we were all predicting that titles would close down, but partly because of their rapacious competitiveness, they just fight and fight to stay alive. There is reason for optimism.

Obviously, my topic is artificial intelligence. We know the phrase about technological change, that we always exaggerate the short-term impact and we underestimate the long-term impact. I think that it will be similar with AI. We all went crazy last year because of generative AI appearing and it did miraculous things. We published a survey of what news organisations around the world are doing with it and thinking of doing with it. Everyone is excited and experimenting with it. Some groups—for example, local news groups—think that it is a potential salvation because they realise that they have denuded their newsrooms so much that they have local titles with no local journalists or just one local journalist who is so busy rewriting press releases that they cannot do any real journalism. Their hope is that this AI will magically do a lot of that boring, routine stuff and allow that poor journalist to actually leave the building and do some journalism. I think that hope is overoptimistic because there are other huge forces at work here.

There is also the much bigger problem that this is a third wave of technological change. We saw what happened with the internet and with social media, which is disintermediation. People do not necessarily need to go to journalists for information, education and entertainment any more. Other people are doing it at least as well. That will potentially be at least times 10. Bing's large language model chatbot is now topical, so why would I pay a subscription when I can just go to a nice chatbot that will tell me what is happening and so on?

Again, I do not want to exaggerate that, because I do not think it works that easily—I think that there is a strong attraction for people of convenience, reputation and habit that takes them to news brands; in a wicked world, there is an island of identifiable journalism. However—and I am not sure how long it will take—I know that chief executives, quite rightly, are worried about the impact on advertising and attention, as well as huge upcoming battles around copyright, intellectual property and so on.

Baroness Harding of Winscombe: Could I push slightly? Are you overall positive or overall negative about the impacts that generative AI

will have on news media?

Professor Charlie Beckett: I am very positive about the way that it will improve journalism—for what individual journalists in particular newsrooms will be able to do. We do fellowships every year where people come to us and do innovative things. I have just been reading the proposals for this year and it is extraordinary. There is fantastic accountability journalism and investigative journalism using generative AI. That is wonderful. However, as I say, the impact on the business model is that there is this counterweight. To answer your question, if I was to gamble, I would say I am optimistic but, all other things being equal, I think that we will have fewer journalists in the future, and that worries me.

As I said, my hope is that AI will free up journalists to do all the things they do best—judgment, witnessing, curiosity and expertise. Often, that human expertise will be added value. Every news organisation should invest in and focus on their human journalists at this time, because they are the people who will add value, make your brand stand out and serve the public in the best way.

Baroness Harding of Winscombe: Thank you. Mr Frayne, is there anything you want to add?

James Frayne: Nothing at all. They know far more about this than I do.

Baroness Harding of Winscombe: In which case, I will come back to Douglas to ask for your view on generative AI. Is it net positive or net negative for the business models of news media?

Douglas McCabe: I roughly echo what Charlie has eloquently put. Let me step back for a second.

The Chair: Can I ask you to be a bit concise? I have other things that people wanted to get in.

Douglas McCabe: Okay, understood. It is another technology wave. I do not think it will have the scale of negative impact as did the arrival of the internet, the arrival of social media and the arrival of the mobile version of all those things, because that has had an extraordinary impact on the revenues of publishing businesses—local media has fallen by three-quarters since those things happened over the last 15 years. I do not think that will happen. The positives are that it is great for journalism research. There are all kinds of journalism you can do that AI enables—tracking patterns of various kinds, everything from Companies House to whatever kind of story you are looking for; you can do lots of things. AI is fantastic at doing summaries and headlines and all that sort of stuff. The copyright issue is a huge and it is a hurdle. I am not a lawyer, I cannot comment on what is going to happen, but clearly it is a global question.

The concept I come back to is that, at the end of the day, journalists are human beings and media businesses are run by human beings. They will use all the most sophisticated technology they can, but what they need to express is what they do differently because they are human beings. I

know this is kind of obvious, but we have spent 25 years with journalism and the journalism industry not explaining to the public enough that what journalists do is different from everything else that is published on the internet. Most things on the internet are user-generated content. It is great; it is wonderful—I am not in any way criticising user-generated content. Journalism, however, is created by journalists, sometimes within formal media operations, sometimes a little bit more privately, but it is created by people who have training, who have a craft, but who also follow certain things, such as an editor's code. Journalists do not just publish things; they verify them, check them out, look at whether they are right.

In conclusion, it will be more important than ever that the publishing industry takes all that into account to be able to express it to the public, because the internet will become filled with more content that can be created by bots.

The Chair: Thank you. I have a couple of supplementaries from colleagues. I ask colleagues and witnesses to be concise in their questions and answers, because we still have a category of questions to get through.

Lord Knight of Weymouth: I was very struck in relation to the local news issue: that it is media that we trust more and yet the business model is collapsing. Do you have any optimism that with better quality journalism with AI, with a different cost base with AI, there are possibilities of new business models for local news in that new era?

Douglas McCabe: I am optimistic. I am an optimist. I think there will be smaller businesses, by and large. I do not think that the large, big-city titles that we had historically is the age that we are going to move into. That would be an unrealistic picture.

However, there are lots of things that you can do in a community, locally or regionally, using AI on a relatively small cost base, but you need journalists to do it. It is only journalists who can do it. There is a limit to the cost-base reduction. You still need a group of people who are passionate and very curious and who can deliver on the use of the tools.

Baroness Wheatcroft: Do you think that there is any future for micropayments? When people want to read beyond the headline, they do not always want to subscribe, but might they be prepared to pay a very small amount to read?

Douglas McCabe: It is a good question. My instincts are that payments for individual articles at random is not really an economy that you can build in any meaningful way. I am not saying that no one would ever spend anything, but I cannot see it happening.

Historically, we have been a news stand marketplace, so people did not really subscribe to print newspapers. Rather weirdly, or ironically, that started to happen after the internet arrived, but historically, it was not the case; everyone just went to news stands. They left their house, went to the newsagent, picked up the newspaper they wanted and they paid for it. That was a micropayment but it was a micropayment for a day's

access. I wonder whether there is something in that or a much shorter commitment.

The only way it can really work is if it is en masse. That has to be a decision made by journalists and journalism, not by some random newspaper in Cornwall, which will not make it work on its own. If journalism adopted a simple wallet of some kind so that any journalism could be purchased in that way—for a day's access, for example—I think that would potentially become an interesting model. I cannot see it working on a publisher-by-publisher base. It is interesting, for example, that in Norway commitment to paying for online news is much higher and that is partly because they all switched on at the same time.

Lord Young of Norwood Green: I have a quick question about changes in the advertising market affecting business models. Do you recognise that that is partly because we are in a recession and therefore people have had to change?

Douglas McCabe: The change that has affected journalism is more structural than cyclical. Let me just give you a couple of numbers to give you a perspective on this.

In 1999-2000—I know that is a long time ago now—50 pence in every pound, or 50%, spent on advertising was in print media. I am not saying it was all going to newspapers, but it was in print media. The newspaper industry now has about 3%. In print, it has about 3% of the ad market and online, roughly speaking, it also has about 3% of the ad market as a whole. That is between 2000 and 2024 and it is not a cyclical pattern. That is a structural, profound change. It is basically because—

Lord Young of Norwood Green: I accept that, but what about the broadcast media?

Douglas McCabe: It is a tough market for them right now. It is probably mostly cyclical at the moment, but there are some structural changes too. The broadcasters have been extremely good at maintaining a par yield across their catch-up services and their VOD services along with their scheduled broadcast services. But, yes, there is some cyclical challenge there, for sure.

The Chair: Baroness Harding looks to be in pain. Is there a supplementary?

Baroness Harding of Winscombe: I am slightly in pain. It is not a question. It was just that I realised that I had not declared my interests at the beginning of speaking. That was all. I just wanted to register the fact that my brother is a director of Ofcom.

The Chair: Okay, thank you. Lord Hall. We are moving on.

Q33 **Lord Hall of Birkenhead:** Could we go back to the issue of choice and the choice we have? It has been very interesting, listening to you all. I am left with—thank goodness—a sense that we can all believe in, that you all believe in, the power of journalists as human beings, sentient beings, to sort out things, to dig, to do all the things that journalists do,

which is great, but what about the role of technical companies and of news intermediaries, therefore?

It was one thing when, a generation ago, US viewers would hear Cronkite saying, "And that's the way it is". It is quite different now when algorithms are serving up stuff where there is no human contact at all. Can you tell me whether we should think that matters or whether it is, "Do you know what? That is just the way it is"? What is your view of the role of news intermediaries? Douglas McCabe, do you want to start us on that?

Douglas McCabe: Platforms have dismantled the whole way that news is supplied in a really, to say the least, meaningful way. The unbundling is the fundamental problem—the thing that I mentioned earlier. It is the unbundling of individual articles, of the brand itself, of the package. It is unbundling between content and advertising, which partly answers the question about the structural advertising change that I was talking about earlier. It also atomises the way content is consumed in the most spectacular way. We as consumers—the group of people here may be exceptions to this—are coming across individual articles or headlines of news alongside hundreds of other kinds of posts, which may or may not be related to that topic. As a result, the power of journalism to influence and to get its point across about what the facts are and the story and so on is clearly heavily diluted.

I think that platforms have taken this question seriously. Google in particular has taken it seriously and has built certain products to try to address it. Showcase is a good example of that, encouraging individual publishers to provide, inside this thing called Google News Showcase, three or four stories per day which it, the publisher, has selected and curated—all those words matter, and they are saying something about their news brand. My worry about it is that it is sort of separate from the Wild West of the general internet, in that there is a particular kind of person who is going to Google showcase and that is the kind of person who is probably also subscribing to a news service and so on. We have this alarming split in the market, which I think is very serious.

I do not have the answer to all this, I am afraid, but it is a problem that needs to be very carefully thought through, because it undermines fundamental social cohesion and consensus in quite profound ways potentially and is probably only going to get worse.

However, let me pick up on one thing that we get wrong in how we narrate this question—and this partly comes from Ofcom data. We talk about news consumption in a slightly curious way. When people are asked about where they get their news, when they talk about the analogue world, the offline world, they will immediately talk about the BBC or the *Telegraph* or whatever brand that comes to their minds. When they are asked the same question about online, their answer is Facebook or TikTok. These are organisations that do not have journalists. It is like saying, "I went to WHSmith. That is where I get my news." It is a meaningless sort of answer and I think Ofcom should probe a little bit further into that thinking and push people and say, "What was your

source of news? How did you find out what was going on in this particular story?” I think a level of granularity in that research will be necessary.

I will finish by saying what I said in my previous answer, which is that the industry as a whole has to get out and win this fight. It has to win this fight by reminding the public—reminding platforms, for one thing—and reminding government too that it is journalists who make the difference. It is journalists who get the stories and inform the public about what is going on, but they have to find an online way of doing that. They were very good at collaborating in the print era. They developed the model of wholesale distribution and retail and so on. They made the whole system work. They have lost sight of that potential for collaboration in the digital era, and they need to think about it.

Lord Hall of Birkenhead: Social media companies, news aggregators, are doing different things. Would more transparency about the algorithms they are using to deliver what we then consume or see be helpful?

Douglas McCabe: That would be very helpful. I would love to see a world where there was effectively a parallel run so you could see what the effects of a change to an algorithm are going to be, almost in private.

Lord Hall of Birkenhead: How would that work?

Douglas McCabe: Part of the population is looking at the world as it was yesterday, just carrying on running the current algorithm today. In parallel, there is a new algorithm but not launched to absolutely everyone, and people get access to that and they can see how it plays out, what difference it makes. Ultimately, of course, what I am arguing is that if it is terrible, if there is a car crash and all sorts of things go wrong, you can potentially reverse it or at least go into a negotiation about the important factors.

Professor Charlie Beckett: On that last point, we already know what happens and in a way that is bad news. We know, for example, that a Facebook algorithm change has demoted news; it does not want news in your main feed any more. Likewise, we have seen what has happened to what used to be called Twitter, which in a way went in the opposite direction and just unleashed everything and turned it into a hellish place to do news media. Bear in mind that we often talk about these companies in the pejorative, but news companies can now access vast audiences in spectacular ways that they could not before—companies that are also taking advertising. Sorry, I should mention that my AI project is, of course, funded by Google and no one else would have funded the thing. I am not arguing that they are somehow blameless, but the good news is that if we can see that certain changes that they made had an impact, there is no reason why, in a democracy, we cannot ask them to act differently. How you do that is something that, again, we do not have six hours to discuss—the regulation of platforms.

Lord Hall of Birkenhead: Try a quick answer on what we can do.

Professor Charlie Beckett: We are already imposing weird things like GDPR on tech companies. We know, for example, that Facebook has kept itself completely free of pornography. Amazing. If it can do that, it can do other things as well and it is up to us to ask it, politely, to do things differently. As a journalist, I am always worried when politicians start interfering with media generally, but this is the ecology we inhabit. We chose to have the BBC—well, we chose however many centuries ago when the BBC was set up—but can you imagine making that decision now? It is probably one of the best things you could do for the health of the information ecosystem to have a public service broadcaster with the sufficient bulk and universality of the BBC to be a counterweight, and a puny counterweight in the global scale of things, to these big platforms.

I agree with what Doug said about the news industry getting together. They will not do it. They will fight individually to try to blackmail some of the tech companies to hand over some money based on the idea of copyright for the training models. We are short of time so I will not go into it, but I am quite dubious about the validity of that argument. However, I am also hopeful that, because the tech companies have lashings of money, the journalists are able to screw some money out of them, simply to compensate for the competition they are facing.

Lord Hall of Birkenhead: Very briefly, your dubiousness about it is what?

Professor Charlie Beckett: I think it is a bit rich of journalists to say, "You're not allowed to look at other people's information to create a product", because that is what journalists do, literally, every day. It is what I did as a journalist, every day. Some things I paid for, such as from Press Association, but for most of it I was just listening and looking at what other people were saying and doing and writing, and then I would do a bit of journalism of my own to add to it. In a sense, the tech companies are arguing that that is what they are doing, that it is fair use—you know the term "fair use".

Lord Hall of Birkenhead: Mr Frayne, do you have anything to add?

The Chair: Is there anything you want to add about the impact of the tech platforms or the way in which they operate on audiences?

James Frayne: The only thing I will say, just very briefly, is that it is interesting that when you ask people where they get their news from first—the sources—the youngest voters say they see news via online commentary first, so on social media platforms, and then they might dip into mainstream media articles. It is the complete opposite for people of my age and over, where they see something in a newspaper first and then dip in online for additional comment. Where that takes us is anyone's guess.

The Chair: Lord Knight has a quick supplementary.

Lord Knight of Weymouth: I have a quick one for Professor Beckett and a different one for Douglas McCabe. The tragic story of Nicola Bulley was an example of where a social media frenzy drove a news agenda for days and days. Are there any dangers attached to social media

algorithms shifting the balance of impartiality within news, particularly as things roll out in the future?

Professor Charlie Beckett: In what way?

Lord Knight of Weymouth: If we can see social media capturing the news agenda, can we see a social media frenzy that is more around opinion than where we think truth lies?

Professor Charlie Beckett: I am not sure how dangerous it is, but it is definitely an effect. We know, for a fact, that news agendas are accelerated and what goes to the top. You only have to click on the "most viewed" versus the actual front page of a website to see the difference. Social media has definitely accelerated it and made certain things blow up disproportionately. One of the jobs of the news media is to re-proportionate things, to not go, "Oh my God, this is big on Twitter, therefore it must be really, really important". Especially now, that is just not the case. Everyone is on social media, but they are all on different places and journalists are often not where most conversations are happening anyway.

There is a reverse, which is that journalists can become more diverse by understanding or listening to what people are saying and doing on social media, but there is definitely a problem. It is partly that the news has not only got faster but has got bigger and smaller. By that, I mean that the biggest stories become much, much bigger; they are much more dominant of the agenda. People in this building know about that: that something relatively trivial—because it is seen as symbolic and resonates emotionally—for at least six hours will blast everything else out of the water. I do not know whether there is any polling evidence on this, but there is anecdotal and some research evidence that shows that in this maelstrom people are looking for context.

There is a very important concept called user needs. A guy called Dmitry—I have forgotten his surname; he is an ex-BBC guy—did a fantastic piece of research on user needs and found an incredible mismatch between what journalists were producing, which was update, update, update, and what the public wanted. The public wanted "keep me on trend, educate me, entertain me, distract me, give me context, help me understand", and those needs were just not being served. I can see that shifting now. I can see that there is more analytical, more data journalism, and more commentary as well. I think that speaks much more to what the public want.

Lord Knight of Weymouth: Mr McCabe, we have legislation at the moment about strengthening the Competition and Markets Authority. Mobile news is intermediated by the app stores. Google and Apple take a big chunk of revenue from everything that is spent through the mobile internet. If that were changed, if we had a more robust regulator around the app stores, do you think that could release much innovation within news?

Douglas McCabe: Yes, you would hope so. There are two points here. One is an amount-of-money point. I think it will be next to impossible to

calculate, but I have too small a brain, perhaps, to work it out. What I am getting at is how much actual value can you prove has gone from one place to another place when at the end of the day advertisers can do whatever they want. You cannot insist that advertisers spend money in particular ways, for example.

On innovation, yes, but, in addition, it is to do with thinking about whether we need a kind of—I do not know the right language—code of conduct or a set of principles that require social media platforms that have huge audiences, whatever that audience scale threshold is, and where people are spending a lot of their time, to carry certain content and, ultimately, to inform the public about what is going on. That is not really part of the conversation yet, as far as I am aware, but it is quite an important step. If all those things happen, it will create natural innovation—and the best kind of innovation, which is innovation across the sector as well, involving different parts of the supply chain.

What I am describing is making it feel more like a value chain or supply chain. At the moment, the problem is that that they are not in the same industries. They are speaking completely different languages and are talking over and past each other. WHSmith knows how to speak to the *Telegraph*, but a social media platform does not know how to speak to a news publisher. Part of what I hope the CMA is about is trying to understand that it is an ecosystem and that it needs to put some rules and guidelines down there.

The Chair: We are way over time.

Lord Young of Norwood Green: We have not really commented on the demographics. Old fogeys like me are still reading print journalism and still looking at that funny square box, whereas when my kids come round, they do not. They are on social media and do not bother with print journalism. Do we not have to recognise that that is never going to change back? Do you agree?

Professor Charlie Beckett: We certainly will not change back; that is true. You are not saying this, but there is a danger with this argument—

Lord Young of Norwood Green: No, no. I am just saying it is there.

Professor Charlie Beckett: There is a danger in saying that somehow young people are uninterested in news. There is a lot of recent research that shows quite the opposite: that they are very interested in issues and what is happening in their world and, again, they need to be better represented within the media. We tend to make news for people like us and people like you rather than a broad demographic range.

I agree with you that they do it completely differently, and the poor old broadcasters and everyone else are having to manage that sort of schizophrenic, divided public that has two different ways of consuming the media, but we know the direction of travel.

The Chair: Okay. That is probably a point to draw us to a close, because we have taken up far more of your time than I said we would. I thank all three of you so much for your evidence today. It has been fascinating

and very enriching, and I mean that most sincerely.