HOUSE OF LORDS

Communications and Digital Committee

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

Tuesday 23 April 2024

3.30 pm

Watch the meeting

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

Evidence Session No. 13 Heard in Public Questions 120 - 133

Witnesses

I: James Harding, Co-founder and Editor, Tortoise Media; John Quinlan, Chief Executive Officer, JOE Media Group; Tom Slater, Editor, *Spiked* Magazine.

Examination of witnesses

James Harding, John Quinlan and Tom Slater.

Q120 **The Chair:** As I promised, we are back with a second session and a panel of three witnesses. Can I ask the witnesses straightaway to introduce themselves and the organisations that they are here representing? I will start with Mr Quinlan at the end of the panel.

John Quinlan: I am the CEO of JOE Media Group.

James Harding: I am the editor and founder of Tortoise Media.

Tom Slater: I am the editor of *Spiked*.

The Chair: Thank you very much. Thank you, all three of you, for being here representing three very different types of news organisations. For anybody tuning in, I should just warn you that this not a political debate between our three witnesses. We are here as a committee to ask them questions. We have invited them here because they are smaller news organisations that target particular audiences or are new entrants.

We are keen to cover in the categories of questions that we will be asking today the role of each of these news organisations as they see it in the news market, the challenges they face in achieving commercial success, how they see things developing for themselves and the part of the industry that they are a part of in the future and, finally, what the role of Government might be, or indeed their interaction with Government on media policy. I will hand over to Lord Knight.

Q121 **Lord Knight of Weymouth:** It is good to see all three of you. I want to explore your separate roles in the news market: who your competitors are, the gaps you are filling and how that might compare to larger media outlets. I want to start with James from Tortoise.

Looking at your CV, James, you come very much from a very establishment media background with editing the *Times*, running BBC News and so on, yet you have decided to raise money and start something quite different. I am interested in what is wrong or what did you see as a gap in the mainstream media that was an opportunity that you could fill?

James Harding: Thank you. What we have tried to do is address a feeling that many people have, which is just being overwhelmed by the news and increasingly switching off from it, feeling that things are coming at them so fast and there is no time to reflect and to try to understand what is driving the news, not breaking news but what is driving it.

As you say, I worked at the BBC. I grew up at the *FT*, then worked at the *Times*, then worked at the BBC. To give you a sense of it, when I started out at the *FT* we were a newspaper and were producing a couple of hundred stories a day. The BBC was producing many, many seconds of news for every second of the day. I felt that in the wake of the global financial crisis, the technology revolution, Brexit and Trump there was a

sense that things were moving so fast and people were really overwhelmed by the news.

As the name suggests, the idea of Tortoise was to slow down, wise up and to try to understand what is driving the news. I suspect we will get to some of the questions about the business and the market, but the fundamental proposition to people was: is there a way of understanding the big forces—technology, culture, planet, those things that are changing the way in which we live—which we might feel are not addressed in our daily papers, our daily news bulletins and scrolling on social media?

Lord Knight of Weymouth: You have been able to find a way of funding journalists to spend time looking at things?

James Harding: Yes, some of the really formative experiences I had in journalism showed me that the best work we do always takes longer than we think. It is not the breaking news, it is the investigations that we thought would take weeks, possibly months, and then took many, many months. When I was at the *Times* we investigated child sex grooming in Rotherham and Rochdale. We thought that would be months and it was much, much longer than that. At the BBC, the work that was the most impactful was often the work that had taken weeks, months, sometimes years in the making.

The economics of news are really difficult. They were difficult before the advent of social media and they look likely to get more difficult with the arrival of generative AI, but in their simplest terms, there are four separate ways in which news organisations can make money. There is subsidy, either public subsidy or political subsidy—we were just hearing from Andrew Neil. The public subsidy is obviously the BBC. I am a big believer in public funding of journalism. We are seeing political subsidy in the form of GB News. As Andrew Neil was saying, that is not a profitable business but more likely to become one. Then there is advertising, eyeballs, advertising sponsorship, direct customer revenues, either subscription or supporters, and then there are content services, convening or commissioning content.

Everyone is trying to put together a mix of those and so I do not want to say to you, "We have a simple model here that simply showed us the way". In the last five years since we have been running Tortoise, we have been running a mix of those three things. Obviously, we do not have public funds.

Lord Knight of Weymouth: I declare an interest that I am a subscriber to Tortoise, so I look at the content a lot, but it feels to me like it has moved very much as being a podcast platform and has now become an audio platform more than anything else. Is that where reflective investigative journalism has now gone?

James Harding: Thank you. The rest of the committee should feel free to join in. Lord Knight, the truth is, we never expected to get into podcasting. When we started, having come from the BBC, I thought there was not going to be room for an audience for that kind of in-depth

journalism and I was completely wrong. Actually, it has been extraordinary. We have gone from having 10,000 to 20,000 downloads a month to 2 million to 3 million downloads a month. What has been really interesting for us is that that is a very different audience from the one that I grew up with at the *FT* or the *Times* or even the main news bulletins of the BBC. It is 80% under the age of 44 and 60%-plus female. That is not the audience that I had been used to in those previous jobs. Our business is newsletters, podcasts and then live events—podcasts where, to our happy surprise, we found a big and growing and different audience.

Q122 **Lord Knight of Weymouth:** Thank you. Turning to JOE Media, forgive me if I have this wrong but it feels like you saw a gap in quite a narrow male demographic. Is that again a failing of the traditional media in neglecting that demographic? Did you see another commercial opportunity there?

John Quinlan: Yes. JOE started off as you are talking about, but it has developed quite a lot in the last 10 years. It has been going 10 years. I have not been CEO for all those years, and I was not the founder, but where it has developed now is where people consume their news—entertainment and sport across a multiple of our channels across multiple different social media and our website.

We would certainly describe ourselves as like a social media publisher. Most of the content that people consume from us is via platforms. PoliticsJOE, which is a very popular and very successful channel of ours, dealing with news, politics and culture, does about 1 million video views a day and our wider portfolio of brands, let us call it. We did 7 billion views last year across all of them, so it is fair to say it has gone a bit more mass media than when it started, while it did start as a niche, yes.

Lord Knight of Weymouth: We heard from Andrew Neil, who said there is an unintended consensus among mainstream media about what is news, and it is pretty narrow. Does it follow that the niche that JOE was founded for is still pretty much ignored by that consensus?

John Quinlan: Yes. I would expand the niche to be younger people—under 35 is our sweet spot—and the PoliticsJOE channel I think would probably subscribe to what you are saying in particular. That is very news and politics-heavy, and we have a very engaged audience that I do not think is served elsewhere.

Q123 **Lord Knight of Weymouth:** Thank you. Tom, from my limited understanding, the characterisation of *Spiked* is news that would otherwise be "spiked"—that is, ignored. Do you agree with John about the sense that there is a demographic that has been left behind?

Tom Slater: Absolutely. I would put a slightly different emphasis on it coming from the perspective at *Spiked*. We are new media, but we are also a kind of older media. We have been around since 2001 as the UK's first online-only political magazine. Particularly in recent years, we have seen a surge in readership because of the fact that there are increasing

numbers of people who feel under-served by the mainstream and, given the fact that *Spiked* is a polemical political magazine, we are there to make arguments and to campaign on behalf of issues that we care about.

What we particularly see is that on particular issues of freedom of speech, Brexit, identity politics, things that we have been writing about before they were quite so fashionable as they are now to talk about, there is an audience that feels under-served and certainly feels like the mainstream media is either covering those issues insufficiently or is not showing the proper breadth of views on those particular issues.

There is a very profound sense—I certainly see it among our own readership and supporters—that not only are their views not really represented in the media, but actually they can be scorned at the same time. I feel like many of us who are operating in that sphere of political commentary, punditry polemic as it are, find that we have seen a growth in audience, precisely because of the fact that there is an increasingly large chunk of the population who do not feel reflected in the media or in our politics at this point.

Lord Knight of Weymouth: You have that long heritage of being an online news provider. You will have seen substantial changes in the way that the online world works, with the growth of mobile online, the growth of social media, the growth of algorithmic decision-making within that space, which is all about trying to grab attention. How do you then resist the temptation to go into conspiracy theory, to go into untruth in your quest to offer the truth that people who are being neglected at the moment want to hear?

Tom Slater: At the moment I do think we are unique as our whole mission is to campaign on the path of the issues that we care about, to make the case for things like freedom and democracy. That is really what we are in this for. That is part of the reason we have never gone towards a paywall because we want as many people as possible to be able to read us. Luckily, we have been able to find alternative ways of being able to fund our particular model.

For us, it has very much about a commitment of principle but, you are right, there are issues. You see them across the spectrum where there is an element of what people might call audience capture, people reflecting what they think their audience want or often what the noisiest minority within their audience want. At the same time, it is not an issue that I think we have encountered, just because we are very firm in our position. We do not mind who we upset, even if that includes a part of our own audience. The story of the Covid period reflects that. We were very anti-lockdown. We campaigned against it very firmly for civil liberties reasons, but also we were very pro-vaccine. Therefore, we upset a very passionate and sometimes quite deranged section of the online audience for taking that particular position. For us, I do not think it is too much of a danger, but you see it elsewhere in the media, shall I say, without naming names.

Lord McNally: You said you had a different way of funding. What is that

different way of funding?

Tom Slater: In contrast to paywalls, our model is very much based on supporters, on people who donate, so 70% of our revenue comes from people who, despite the fact that everything we produce is free, decide to give as much as they can afford. The vast majority of those regular donors are about £5 or so a month. We supplement that with advertising, with more traditional forms of revenue, but this is something that we might get on to and I will not go into too much detail now.

That has been increasingly squeezed because of some of the issues that we have already been talking about with big tech and the way in which they operate, but also the new anti-disinformation industry that I know you have been speaking about recently. That increasingly seems to just be suppressing dissenting views rather than ones that are purposely putting out misleading information.

The Chair: We will come on to that. Lord Young, you had a brief supplementary.

Q124 **Lord Young of Norwood Green:** Yes. It is going to be focused on you, James, because Tom has just got a slight ambition to change the world, which I love, and is definitely focused on younger people. James, are your demographics of a certain generation? Where do you think it is? Is it the younger generation or is it a broad spectrum, the people that are attracted to you?

James Harding: It is quite broad. As I mentioned, the podcast audience that we have, Tortoise podcasts, is about 80% under the age of 44 and about 60% female. That is partly a reflection of the podcast audience itself, but also what we found was that we were interested in a different kind of journalism, in narrative investigations that some think of as "washing line" journalism: you take a story and then on that story you hang a bunch of different pieces of information that tell you something about the world. We found that that has a different audience from the one that you get in traditional newspapers or bulletin-based journalism.

Q125 **Lord Hall of Birkenhead:** I had better declare an interest that James and I worked together at the BBC. I too subscribe to Tortoise, so you now have a sixth of the committee signed up, I think, so congratulations.

Can we talk about business models? You have all been beginning to talk about that, but can we unpick some of the issues around the challenges you face in making your businesses commercially viable, and what those barriers to success might be in regulation or practices from tech firms, and how could they be addressed? Tom, you began to talk about that. Would you like to kick off? How difficult is it to keep sustainably what you are doing?

Tom Slater: It is difficult because you are working in an environment in which the rules are constantly changing, and that certainly goes for social media. Up until recently, many people were heavily relying on some of the big social media platforms—Facebook in particular—to funnel traffic towards their website. They have obviously been moving away

from news in particular in recent years, so that is something that you have to adjust to. Those changes are going to happen. A platform is obviously well within its rights to say, "We want to prioritise people's pet pictures rather than spicy political debates on the internet". That is up to them.

What I am particularly more concerned about is the increasing way in which it feels like the big tech firms, but also the way in which the anti-disinformation industry within the advertising space, are quite decisively putting their thumb on the scale in how much reach you are getting, as well as how much revenue you are getting. I can give a couple of very quick examples.

Lord Hall of Birkenhead: That really helps to give an example or two, yes.

Tom Slater: You saw this very much accelerate over the course of 2020 and onwards, in which the kind of pre-existing policies that some of the big social media or user-generated websites—take something like YouTube, which is almost obligatory to be on as a media publication at this point—began to tighten up very quickly. They also began to get very nervous about what content they would so-called monetise—that is, to allow advertising to be placed on. Of course, this is all automatic. It is algorithmic and there is not someone making this decision.

As a consequence of that overreaction, we now find a whole plethora of our content that we put up on YouTube will just be instantly demonetised. There is not even much rhyme or reason to it. There might be an anti-lockdown video—again, just opposing it on the politics of it, but still that is something that raises hackles—through to a conversation about grooming gangs or a conversation about legalising drugs. There is no rhyme or reason to it, other than the fact that it is a dissenting opinion, at least from our perspective. That is something that can have a direct impact on your ability to reach people and make money.

The other slightly more complicated one—and I know that you spoke to Freddie Sayers from UnHerd about this last week—is the way in which over the past eight years there has been this whole array of organisations, some not-for-profit, some for profit, a lot of them state-funded incidentally, who have kind of placed themselves in the advertising space as disinformation hunters. They call themselves "brand safety". They maintain lists of websites that are supposedly disreputable, and the same way in which I heard Freddie talk about UnHerd's experience very closely mirrors ours.

We found that our advertising went from being about 25% of our revenue to plunging very quickly. Then we found out, basically through people working at the advertising companies, that one of these brand-safety organisations, Grapeshot, who you have already spoken to, that worked with this thing called the Global Disinformation Index, had put us on one of these blacklists.

This is despite the fact that we are a reputable news organisation. We have standard editorial policies in place. Rival brand-safety

organisations, like NewsGuard, give us a 100% rating. We have about 15 points on the *New York Times* with our transparency and editorial processes, according to its perspective, but because of this new anti-disinformation industry—really I see it as a kind of anti-dissent industry in many respects—you can find yourself being defunded on a particular platform very quickly and having to scrabble around to make up for it, changing platforms and so on.

Lord Hall of Birkenhead: On YouTube and demonetising, which means you cannot make any money out of what you are doing, and in this latter case of being, as you would say, wrongly set up by those agencies, what is your ability for redress in both cases?

Tom Slater: With YouTube, you are dealing with a giant machine. A lot of these things are sent to you automatically. You can request that a human being reviews it but these moderators are thousands of people often working in call centres in the developing world. It is not as if you are calling up YouTube and asking to speak to someone to whom you always speak. It is a very difficult process to overcome these things. As anyone who works in new media, digital media, knows, the first 24 hours is the most important. If you have been stifled during that period, not only will your views but potentially your funding be significantly stifled.

It is a similar picture with the advertising agencies. It is very opaque. It has been very difficult for us to get a direct answer out of Grapeshot and the Global Disinformation Index in particular. That has been the experience of many people. What is interesting is that I think many people do not even know these companies exist. It is such a long chain of organisations—a news publisher, their advertising agent, the brand-safety company that they work with, the disinformation company to which they subcontract their responsibilities—that it is often difficult to even know what is going on, let alone who to take up when something goes wrong.

Q126 **Lord Hall of Birkenhead:** Thank you very much. John, do you want to talk us through your business issues, how you have managed to maintain a sustainable business and how you got there?

John Quinlan: There are similarities to what Tom was saying and similarities to what James was saying. Programmatic advertising makes up 20% of our revenue, so we are not completely dependent on it, but it is a nice thing to have, an important thing to have. You will get the impression from me that it is about the diversity of those streams for us. We do podcasts and events. We have, effectively, an advertising agency bolted on to the business. Our big bet is the scale and the credibility of our brand.

As I was talking about before, we have gone for a model where we have tried to use the social media platforms for our own gains. There are some issues there around transparency and monetisation or demonetisation, as you talked about, but our big thing is that we want to get our brand in front of as many people as possible and then we will also try to monetise that brand in lots of different ways. That may

include subscriptions or supporters. We are aware of how tough it is on the platforms, and it is not a transparent process about why one video might be demonetised and why one might not be, so we are trying to hedge our bets across as many revenue streams as we can.

Lord Hall of Birkenhead: Andrew Neil said to us earlier on, "Just do not use Facebook. Just do not go there. Look for models that are away from that." It is not as simple as that, is what you are saying.

John Quinlan: No, it is not as simple as that. He has a brilliant brand. The *Spectator* has been going a long, long time. I do not think that is the same situation as probably any of us here, but it depends, and you want a diversity of people here. That is a fair point from his perspective, but I do not think it is realistic. The platforms are in such a powerful position now for young people, in particular, who we serve. I do not think that that is a realistic thing for us to pursue.

Lord Hall of Birkenhead: If you wanted to advise us on two things, sustainability but also aiding new entrants to come into the quality journalism market, what would you say?

John Quinlan: For me, I think that we have touched on it a little bit already with working with the tech platforms. I understand that is actually a tough ask, particularly as there are all sorts of issues around bias and disinformation there. It is not exactly working at the moment, so I would say that we need to do something on that. That would be a useful conversation to have for us all.

From our own perspective—this is anecdotal but it is relevant—with the access that we get to Government Ministers, for example, we think there should be an obligation for people, particularly on issues that affect young people, to actually speak to us. That is fairly uncontroversial. That is where there is a duty to inform, and we find that does not really happen at the moment and it should. There is a further conversation around capital and stuff like that, but I think those two things to start off with—transparency and access—would be a step forward.

Q127 **Lord Hall of Birkenhead:** Thank you. James, you did a tough thing leaving the BBC, going off and saying, "I am going to make this a subscription model slow news operation". What have you learned from that about quality journalism and how you can sell it and maintain it? I was very interested in what you said earlier about having the resources to do long-form journalism—the sort of journalism that means you will have people who are doing nothing but following the stories for a long time. What have you learned about how to make a sustainable business model for that sort of journalism?

James Harding: As I was listening to John, I was thinking what this conversation would be like if we had sat here five years ago and had it. At that time VICE News was still around, and BuzzFeed News was still around, and Ozy and the Messenger, and all of these things that have sadly come and gone. There has been one big fundamental shift, which is that there was a time when were really excited about chasing scale of audience, believing that advertising could sustain it.

Over time the returns on that advertising have fallen on a per viewer basis but also we have just seen an increase in the scale and the volume of content out there. That is the reason I said at the beginning that the arrival of generative AI is about to change the equation once again. There will be so much stuff out there that the news, if it is available for free, will be competing with so much content that the economics of this industry are going to change adversely again. As I mentioned, we have this model that is between subscribers, members of Tortoise, advertisers for our podcasts and the live events content services I mentioned.

Can I pick up on your point about "How do you create sustainable new news businesses? How do you support new entrants?" There are two things that are on my mind at the moment. As I mentioned, we are in the podcast market. It is a fledgling new market. One of the recent changes that is really concerning to us is the proposal from the BBC, as it happens, to say, "Look, we are going to start putting our podcasts out into the podcast market and then we are going to get advertising against those podcasts". I have actually written to Melanie Dawes at Ofcom to try to spell out how problematic that is for new news companies. First, the BBC brings an enormous volume of content and—as John mentioned brands—an enormous brand. It will drain advertising away from journalism and the podcast market.

It means that we worry, in a very material way, what will happen to advertising against our podcasts. As it happens, I think it will rebound really badly on the BBC. People will start saying, "Hang on a second, as a licence-fee payer, why am I also effectively being charged twice so that the BBC can get advertising in the UK?" I think when people start to ask that question, people in the film and TV side will say, "Hang on, if the BBC has crossed the threshold in taking advertising revenue in the UK for audio, will it do that for video as well?" I am against it for us, I am against it for journalism and for news, but I am also worried about it for the BBC.

One of the things that is frustrating, if you are in the podcast world, is that, of course, the BBC has the brilliant platform Sounds. It said that it was going to open that platform to other providers of public service journalism. By any measure, if you look at what we do, it is public service journalism, but the BBC will not allow us on its platform where we could have a real impact and a real reach with our journalism. Therefore, there is an issue there for the BBC to open up Sounds to providers of public service journalism. It will also help with diversity of views and opinions and the range of voices that BBC audiences hear from.

There is a real set of changes there. If you get to your point about how you sustain new entrants in quality journalism, there are two things that are worth exploring. One is whether or not there should be a pot of money that is public service funding that goes to public service journalism. When I was working at the BBC, you will remember that we set up the local reporters project to try to deal with the deficit in reporting of local democracy. There was then a moment where we were saying, "We understand that in support of the local news industry, we

want to make available some of that public service journalism funding". That would make a really significant difference to new entrants because it would put in public money and make it easier to bring in private money to do the kind of journalism that you talked about, long-form journalism.

However, there is an interesting question about the platforms because there is a way of addressing the behaviour of the platforms in favour of good journalism. There is a role for the regulator to look at behaviour by the platforms that might interfere with or be at odds with the provision of good information for the public. When Ofcom looks to fine a platform, why do we not ring-fence that money and make that available as a pot for investment in news? It is not just saying that we are going to look to the BBC, not just public funding. We are going to look to the platforms that, when they behave badly, get fined, and those fines go into better journalism and the better provision of public information. Sorry for a long answer.

Lord Hall of Birkenhead: No, that is really interesting. I would love to ask you about GenAI and what you think that is going to do to the landscape but, Chair, should I—

The Chair: I am happy for you to ask the question but can I ask for short answers? We have two colleagues who have not yet asked any questions who are wanting to come in with supplementaries.

Lord Hall of Birkenhead: James, what do you think the impact of generative AI will be on good-quality journalism?

James Harding: I am quite contrary. It is going to increase the value of quality journalism because there will be so much stuff out there that is a mash-up of everything else that is out there. Something that brings human intelligence and human judgment to what is perceived as a human set of problems will be quite valuable.

Lord Hall of Birkenhead: Thank you very much.

Q128 **Lord Kamall:** John, I was particularly interested in your comment about speaking to Government Ministers and particularly about young people's issues. I want to get this right. You are suggesting—I do not want to put words in your mouth—that it would be useful for the Government to speak to you or your organisation to understand young people's views. Is that correct?

John Quinlan: Yes, there should be a criterion that if you are at a certain scale, like we are, or of a certain credibility or have credibility in certain areas, I particularly argue that we are the best people to talk to to inform the public, which I think is where they should go.

Lord Kamall: Yes. That leads me on to my question because if suddenly Government Ministers do decide what you suggest and say, "We ought to talk to people who understand young people", there would be some organisations that would jump up and say, "You should talk to us. We represent young people" or, "We understand young people's views". Why do you think they would or should come to you, given all the other people and the other players who claim to speak for young people?

John Quinlan: Yes, sure. I think there is a scale and a practical element and there is a little bit of their decision as well, but at the moment I would say that it is not happening very much at all. I would just be putting our hand up to say, "Let us look at that and see what we can do on that". As Andrew Neil said, broadcast is very entrenched—that was the word he used—so I am saying we need to untrench that.

Lord Kamall: That is very helpful. Thank you for clarifying that.

Q129 **Lord Storey:** James, I want to come back to your comments about your time, and I suppose Tom's time, in having the notion of local democracy journalists. I always thought it was a sop to the Government in the charter renewal. It seemed to me bizarre that at the same time that the BBC was funding these local democracy journalists, BBC local radio stations were seeing their staff made redundant. I also found it bizarre that the local journalists were going to the big newspaper groups.

However, the notion of local journalism, which would encourage local writing, long-form writing, would be good if it went to smaller organisations like yours. I look at Liverpool and Manchester and Birmingham, where there are online newspapers. The one in Liverpool now has 20,000 subscribers and 2,500 paid subscribers. Could you see that model being used to encourage smaller news providers to develop journalism? I have another question if I—

The Chair: I am just wondering if the question you have just asked really relates to the question that Baroness Healy is about to ask on the way in which the future is evolving. What was your other question, Lord Storey, because we can put that—

Lord Storey: I will leave it to that one then.

James Harding: The short answer is, yes, I think it can work. The reason I mentioned local democracy in the context of thinking about a pot for public service journalism is that I wanted to be clear that I understand the BBC will be very reluctant to examine this because there is enough pressure on BBC funding. That is why I said at the beginning I am a big believer in making sure the BBC, and BBC news in particular, has the money it needs.

We have already acknowledged that there are ways in which journalistic organisations that deliver that kind of public service journalism can be recipients of that money, and it is good for journalism in this country. It is very possible to see how this could be developed and I hope that this committee will think about how would that work in practice. How would different news organisations apply for it? What would be the expectation of the output as a result?

Lord Storey: We should also think about how your comment about how small podcast providers going on to BBC Sounds would work, because there has to be a way that that could happen.

James Harding: Strangely, there is one podcast that comes from my old paper, the *Times*, which is on but for some reason others are not, so it is not clear exactly how the BBC makes that judgment.

The Chair: We will move on to Baroness Healy, and there may be a couple of things that have been raised in the course of answers to questions that have just been asked that Mr Quinlan and Mr Slater may also want to offer a view on, and perhaps you can offer that when you are answering in this category.

Q130 **Baroness Healy of Primrose Hill:** Thank you, all three of you. I presume you are all the future—I think, listening to you—in the new audiences that you are going to get, the younger audiences. Looking ahead, do you see a future where there is a growing number of smaller providers or where there are a few large conglomerates and that, because of the pressures, you may have to sell up or expand or you cannot compete in the end? If I may start with Mr Slater.

Tom Slater: What is interesting now, particularly in the realm of podcasting opinion punditry, is that every man and woman is their own journalistic outfit. You have individual kinds of personality-fronted platforms as well as podcasts, everything from Substack through to YouTube channels, which is suggesting that we are a threadbare infrastructure, and someone can develop an enormous platform and an enormous business as a consequence of that.

That is just a reflection of the fact that, on the one hand, there has been a crisis of faith in some of the mainstream media. It is actually quite stark. If you look at the Reuters Institute report from last year on digital media, between 2015 and 2023 it has gone from about 51% overall trust in a large part of the media to as low as 33%. If we think about all the things that took place between 2015 and today—Brexit, lockdown, the explosion of identity politics and those sorts of things—it points towards what part of the problem is here.

We are seeing the fracturing of the media landscape, but perhaps it needs to fracture to a certain extent. There is a lot of establishment media that has felt that it could count on its audience, that they would just continue to consume their content, that they would not start to look elsewhere, and that is proving not to be the case.

What I am concerned about is that some of those establishment platforms—and certainly figures within politics and the social media companies—seem to be going out of their way to make it much more difficult for those of us who are more insurgent to operate, and to entrench the position of those institutions that have been called into question,

The future is definitely an array of different providers, but that is a positive thing so long as it is not stifled from the beginning.

John Quinlan: If I may, I will break down what you are talking about into a couple of different points. For example, there is definitely a long tail of lots of small providers in, say, analysis and opinion. When it comes to original reporting of breaking news it is a bit harder to do, and that would favour a slightly bigger organisation. The tech platforms are all pushing creators. They are all pushing micro subscriptions for lots and lots of different people to have smaller amounts of revenue rather than

one big one having lots, so that is naturally going that way anyway. It depends on what type of content we are talking about but, yes, there is definitely going to be a broader amount but probably a longer tail.

Baroness Healy of Primrose Hill: Do you think that the best model will be subscriptions as supporters or there is no one model that you would look to?

Tom Slater: Our opinion is there is no one model that solves it all. If we take the themes of what James said in particular, like with AI, if you have lots more content out there and it is very, very easy to make a podcast now, where does the advertising money go? You will find lots and lots of people have audiences, but how they monetise the audiences will probably be the next question.

Baroness Healy of Primrose Hill: Thank you. Mr Harding, I know that your model is a different one, and you also talk about the possibility of government funding, but would you not be worried about the independence of the media being affected if it was reliant on more government or local authority funding, or do you have a different model in mind?

James Harding: No, I am interested to take the three bits of those questions. On "Is it going to be a fragmented market or is it going to be consolidated?", it is important to say that we do not know, but it is worth having an eye to the bigger picture—that we are at the beginnings of a technology revolution, AI. At least in my experience, that is different from technology revolutions that I have seen before in that it favours its incumbents. If you are Microsoft, Amazon, Alphabet/Google, you are making fortunes from the sale of cloud services. That gives you an incredible war chest to make the most of what is happening in AI. This is different from the disruptions of the internet as was.

On subscription, I agree with John. I do not think there is a perfect model, and, by the way, there is not a perfect public outcome with each model. One of the issues around subscription is that it really works if you are asking people to pay with their corporate credit card—that is, if it is a business information service. That speaks to a deeper problem, which is information inequality. The subscription models work for people who can afford to buy information. The vast majority of people cannot, and so there is a problem there.

That is one of the reasons why I come back to the argument in favour of public funding of information. I happen to agree with you on your third point that it is incredibly important. The most important thing about public funding of new services is the requirements that are put in place to ensure that they are and are seen to be independent. If you put those in place, we should be proud supporters of public funding for information in the public square.

Baroness Healy of Primrose Hill: Thank you very much.

The Chair: Can I just ask if Mr Slater wants to comment on the issue of public funding of news and public service journalism being available on, say, BBC Sounds? I would imagine you have a view on that. It would be

quite interesting to hear it.

Tom Slater: Absolutely. I feel like I am the only one on the panel here not making a special case as to why my platform should be included in any of these particular schemes we are talking about.

The problem about whether we are talking about compelling or pressuring something like the BBC to include an array of non-BBC content on its platform, or even if we are talking about putting some sort of duty on the big social media platforms to create a pot of money, which would then be put to one side to fund quality journalism, is the question of: who decides what quality is? Who decides what will fit that particular ratio?

As I have been talking about, even though my own publication is a very professional journalistic outfit, I guarantee we would not be included in either of those two schemes even if we wanted to be. That is part of the problem. In an attempt to take the thumb off the scale for big tech or the establishment media to give a bit more room and air to breathe for newer upstarts, you do not want to put a whole new thumb on the scale by artificially boosting some voices at the cost of others. Someone always has to make that decision as to what is supposedly in the public interest—what supposedly meets the criteria to be given that leg up in that sense. That is something that I would be concerned about.

James Harding: I do not know, Tom. I do not entirely agree. Channel 4 would be the argument against. If you set the requirement properly for those people actively to go and hear dissenting voices, they would be incentivised to say, "No. We want to make sure that we have the likes of *Spiked* too".

Tom Slater: It is fair to say that it is not always going fantastically on Channel 4 news.

The Chair: There is a potential for more on this but let me move on to Baroness Primarolo to talk us through the next category. If there is time, we may come back to some of this.

Q131 **Baroness Primarolo:** I think we will be coming back to some of this, yes. It is a fascinating discussion so far. Talking about useful conversations but not with whom, necessarily, and whether there should be funding models, or, Tom, as you mentioned the establishments, our propensity to make it difficult for smaller providers to enter the market, the first question I want to ask about the role of the Government is: is there a role in addressing the issues you have identified for the Government?

Secondly, do you feel currently that you are able to have an input into the developing policy framework that the Government are working on? For instance, John, you talked specifically with regard to young people. I feel a bit nervous of even saying "young people" because I realise that at my age that is quite a lot younger than me, but each one of you is making the case that you are bringing to the table important principles that need to be considered in this developing landscape. What do you

feel the role of the Government is and do you have a voice in that and what should it be? I am going to start with Tom because you talked about the establishment, and I presume by that you mean the Government as well.

Tom Slater: Absolutely. This is a really thorny issue because of the fact that we have been talking a lot about big tech today and about the impact that has had on journalists, new media and the way in which that can really stifle you. On principle, when you have a firm like YouTube or Facebook, with billions of monthly users and platforms, that so monopolises their respective area of the digital public square.

Take YouTube. If you are not allowed to have a YouTube account, your ability to function as a kind of video journalist is so severely limited that no one can say that it is not a big deal and that it is just a private company making its own particular decision. On principle, I tend to think that we should prioritise the speech rights of journalists and individuals over the property rights of these big monopolising platforms.

All that being said, the problem at the moment is that when there is a discussion about what the Government should do to get involved, it is to lean on these companies to censor more. It is to incentivise these companies to clamp down more. We have seen that in the midst of the debates over the Online Safety Act. Of course, I am not convinced at all that the safeguards that have been put in that Bill for journalism will win out.

You also see it with some of the anti-disinformation industry that we have been talking about. Many of those organisations, which are quite opaque in how they operate, are in receipt of government funds, whether it is the US State Department or the Foreign Office that has also funded the Global Disinformation Index, which we have been talking about a little bit here today.

One of the big issues of our time is the privatisation of censorship, the way in which sometimes it is directly and sometimes it is other, so I guess my point would be less is more.

Baroness Primarolo: Yes, I understand that polemic but what needs to change, or does it need to change at all for the voice that you are giving to those points to be at least part of the consideration of government policy? Do you feel that you get the opportunity to do that?

Tom Slater: Very briefly, I think we need to remove the pressure that is being put on these companies to censor. Whether you are talking about the Online Safety Act or the Digital Services Act in the European Union, across the piece the pressure is on companies to censor more. If we are going to put pressure on these companies, it should be to censor less. It should be to say, "We are not going to allow you to dictate what our citizens can say on what is increasingly in the public square".

It is about not funding organisations that are censoring journalists. It is about not putting pressure on big tech companies to censor—if anything, the opposite—and it is about trying to break up the relationship that has built up between Government and big tech that, to all intents and

purposes, resembles outsourcing censorship, which has become a big problem for us, I think.

Baroness Primarolo: James, do you think the Government value the smaller media providers and, therefore, allow the space to hear your views on the development of the policy framework?

James Harding: Well, inasmuch as you have invited us here, this is a chance to speak to the establishment in one form or another, so I am not too worried about that.

I want to pick up on Tom's point because the reality is I think we have quite deeply different views on this. I really worry that there is an argument that is made under the banner of freedom of speech that actually promotes freedom from fact. What is needed is a recognition that the platforms have a responsibility to fact and they have a responsibility to try to deal with the deliberate dissemination of information that is untrue, divisive and sometimes dangerous. That is not to say that I expect Tom will have a different view on dissent. Dissent is something else.

The reason I worry about that and the reason I think it is worth thinking about is: how do you ask the platforms to take an interest in responsible publishing? Should you think about punishing them twofold when they fail in that duty by fining them and then putting the funds that come from that fine into responsible provision of information and opinion?

Look around at the world at the scale at which disinformation is causing real problems, real disinformation, real-life harms and real damage to democracy. I do not buy the laissez-faire argument. I do not buy the argument that Andrew Neil provided, which is that by the time the Government come to do anything it will be too late. We are 25 years into a technology revolution and the impacts of it have been very significant. I do not want to see another 25 years where we do not do anything.

We should be clear that, in the absence of doing things, only those people with the deepest pockets can begin to shape or reshape the public conversation. What Andrew Neil said about GB News is fascinating. Here is a new entrant into the marketplace, funded by people who have made their fortunes in hedge funds. Good luck to them, but the clarity here is that this is a business that makes about £4 million a year and runs at a cost of £40 million and has burned through well over £100 million. That is the provision of information in the absence of thinking about public goods handed over to individuals with huge private wealth.

Baroness Primarolo: John, on the question of influencing Government, being consulted by them, sharing your expertise, do you feel that there are routes in to do that? Could there be better routes? Do the Government have a proper appreciation of the smaller media organisations?

John Quinlan: I do not think they do but, as James said, we are here today, so maybe after today. A lot has been said that I will not repeat because I agree mostly with what James was saying, but I think it is on the Government to do more. I would not be shy about getting involved.

The reason I am saying that is because the business model clearly does not work for a number of reasons.

We outlined some anecdotal evidence about advertising next to content, and then GB News and the figures you just talked about. If that is not working—and we are also saying that disinformation is bad—at some point someone has got to say, "Well, whose job is it to step in and help?" I would say it is 100% the Government's job to do something. There are lots of different things. I do not think it is one thing. I am not saying that us being in the morning briefings will solve it all either, but there is definitely a lot to be done on that.

Baroness Primarolo: James made some suggestions about funding models that could be used. Do you have specific changes that you think would assist or not?

John Quinlan: There were good points. I had not thought about some of them, to be honest with you. As a country, we already have the EIS if we want to attract capital into certain businesses because we say we want entrepreneurship or whatever that may be. There are already schemes out there for things to achieve certain ends. I am just saying that one of those ends should be good-quality journalism and a diverse range of views.

It is not beyond the principles already in place for us to do some of those things, and they can be incentivised through various means—capital is a big one. If you wanted to allow people to move from being single- or sub five-people businesses to 50-person businesses, I think you will definitely need that. Particularly when the business model is in flux at the moment, you might need to give people and businesses time to find the right business model, and that is all down to how much we value the kind of diverse range of opinions.

The Chair: Thank you. Baroness Wheatcroft, you have a supplementary.

Q132 **Baroness Wheatcroft:** I will come in very quickly because I am particularly interested in this idea of the BBC platform being made available to a wider range. We know that investigative journalism is really expensive and time consuming. The BBC probably does not do as much of it as many of us would like to see, and in doing away with news on "Newsnight" it will be doing even less.

James, could you tell us whether you think that the old Reithian idea—the three aims of the BBC—is being met properly or in the way you would like to see it, and if the budget is being used in the right way or the cuts are falling in the wrong places?

James Harding: The reason I like the idea of having a platform that is available is there is another Reithian idea, which Lord Hall mentioned when I arrived at the BBC, which is "The best of everything for everyone". If it is possible to bring the best of journalism to everyone, that will have two benefits. People listening on Sounds will get a greater choice, a greater run of stories and a greater range of opinions. I also think that will feed into the bloodstream of the BBC. The BBC will pick up

the stories and ideas and discuss that within its own programmes. That would be a good thing for coverage and a good thing for audiences too.

I am one of those people who the more I think about the importance of the BBC, both domestically and internationally, the more I think we need to commit to something that is the most important news organisation in this country and the world. It is easy to talk about, "Should the cuts fall here? Should the cuts fall there?" The question is: are we in a phase where we want to invest in a provider of information that makes the UK stand out in the world and also does something cohesive in the UK that, when we look at other countries, we would be mad to lose? How do we make that possible? I realise that touches on some of the local journalism community issues that you talked about with Andrew earlier.

Q133 **The Chair:** Thank you. I have one final question for Mr Harding, just before we finish, on the topic of what more the BBC can do or the role of public funding in supporting journalism. One of the things that Andrew Neil argued in his evidence was that all of the legacy media is now—I think he called it—a mono opinion. Was that the right phrase, "mono opinion"? Anyway, a single opinion. Basically he was saying there was not sufficient diversity in that opinion and that was the gap in the market that emerged for others to move into. We can debate about the success or otherwise of GB News, but what you have been talking about here as well today is about filling gaps.

If the responsibility for impartiality and ensuring that diversity of voices is to be continued and a platform then only becomes accessible to new entrants but not those that might not qualify in the traditional sense of public service news because they are not like the traditional media that exists, is that not just perpetuating the same problem?

James Harding: I have a couple of things. I am not suggesting that there should be a certain kind of news organisation that is on that platform. In fact, the point is exactly to have a much wider range of providers, a much wider range of stories and a much wider range of voices. I like the point that John made about why do we not in a press conference have an understanding that, as well as getting the reporter from the BBC, you get the reporter from JOE Media that stands up, partly because it makes for a more interesting press conference. I have to confess that when I see those press conferences where a bunch of mics is up in front of the politician my heart sinks. Why are we all pouring our resources into pursuing the same conversation with the same person, often about a subject that we think is not really dominating the conversation of the public?

Having different voices in the room would be a good thing. What I am trying to say is that if you could open up those platforms to reach much bigger audiences that would have a big impact on new news providers. As Baroness Wheatcroft said, the reality is about particularly long-form investigations. Whichever angle you come from, they often take longer and they are not particularly economic, but what really matters to the backers of those is that they reach an audience and that there are platforms here that are available to help you reach that audience.

At the moment, the ones that Tom was mentioning—for example, YouTube—we have absolutely no leverage over and we are going to find ourselves increasingly marginalised. The BBC has a platform that could open up and, if it gets the criteria right, that could make a real difference for both the BBC and its audiences.

The Chair: All right. I am going to draw this to a close. I am very grateful to all three of you for your time this afternoon and for all of the answers that you have been able to give us, which have been incredibly helpful.