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Breaking News? The Future of UK Journalism

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Select Committee on Communications and Digital

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Q in footnotes refers to a question in oral evidence.

SUMMARY

The landscape of journalism has radically changed over the past 20 years, recently accelerated by COVID-19: print circulations have declined while online journalism has grown; new technologies and innovative models have presented new opportunities; the dividing lines between print and broadcast have blurred; advertising revenue across print and digital has declined; the nature of journalists' work and their demographics have changed; and publishers' relationships with platforms have become increasingly important and contentious. However, the fundamental role that journalism should play in a healthy democracy has remained constant.

The UK is in a strong position to take advantage of this changing environment. The UK has a developed media infrastructure and good levels of funding. The most successful forms of innovation in the UK have included targeting a specific audience. To achieve this, innovation has involved new technologies, such as artificial intelligence, and engagement and collaboration with audiences, for example by audience involvement in the production of journalism. Engagement with audiences in turn may increase trust in journalism.

Building media literacy is crucial. This should go beyond simply identifying 'fake news'; rather, media literacy is about understanding journalistic processes and their value, how news is presented, how it is funded and to what degree funding is transparent. This should be a key part of young people's education. Levels of media literacy in the UK vary, with people from lower socio-economic backgrounds and the elderly generally having lower levels. Coordination between the many media literacy bodies is important in remedying this.

Improving the job prospects of those from traditionally underrepresented backgrounds who aspire to go into journalism is also important to building confidence in the media. Aspiring journalists face a range of barriers, including often having to complete several internships—which are frequently unpaid or low paid. Journalists are now generally expected to have at least a Bachelor's degree. While universities can be a valuable route into journalism, they should be one of several routes available. The Government should reform the Apprenticeship Levy to make it work better for young people and the industry.

Although online platforms have created new opportunities for publishers to distribute content, they have challenged established funding models and disrupted the relationship between publishers and consumers. There is a fundamental imbalance of power between platforms and publishers. Publishers need platforms far more than the platforms need them; and publishers are disadvantaged by a dysfunctional online advertising market. It is essential that the Government acts swiftly to remedy this and sets aside legislative time to establish a Digital Markets Unit. In the meantime, the Online Harms Bill should include a mandatory bargaining code to ensure that publishers are fairly compensated for platforms' use of their content.

Addressing these structural problems should be the priority. It is essential if the news industry is to survive and thrive. However, the Government should also look to help to bring greater coherence to the various initiatives which financially support journalism. There are many promising schemes, both publicly and privately run, but there is scope for a more joined-up approach. It should also be possible to expand the opportunities for philanthropic support

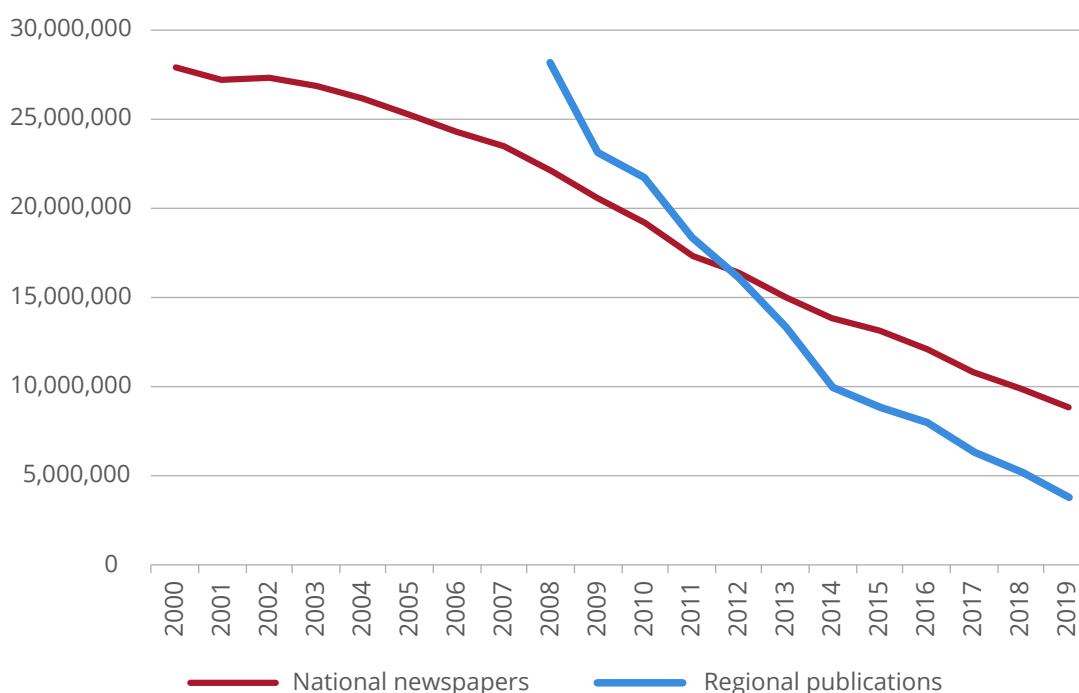
for journalism. In September 2020 public interest journalism was recognised as a charitable purpose by the Charity Commission, a decision which has helped the sustainability of the industry.

Breaking News? The Future of UK Journalism

CHAPTER 1: INTRODUCTION

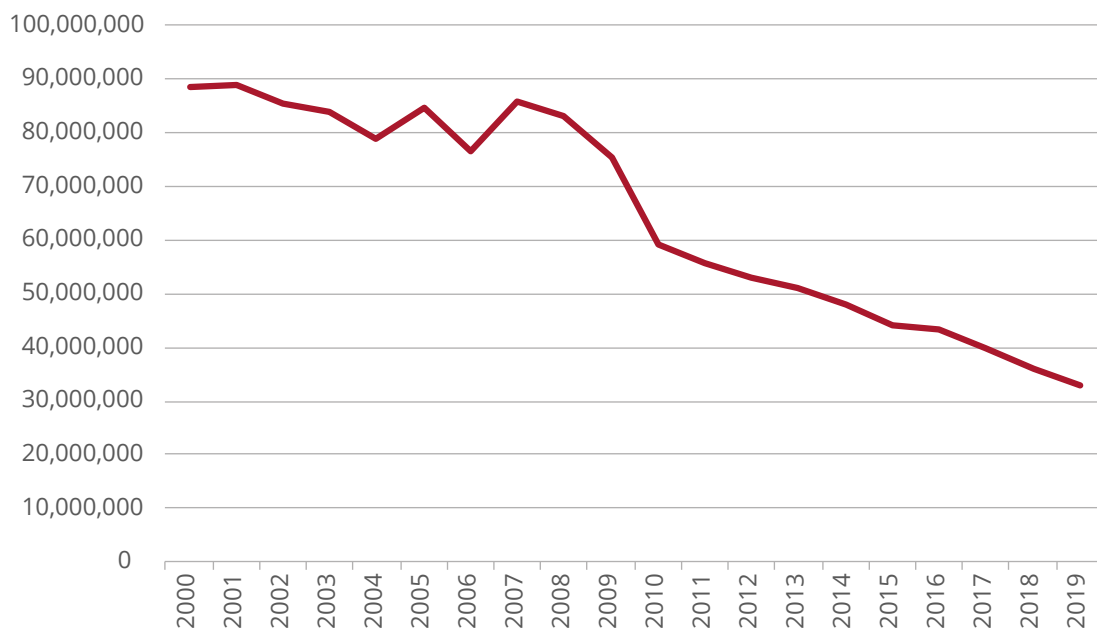
1. The production and consumption of journalism have been transformed in the first 20 years of this century. The circulation of UK national and regional print newspapers (see Figure 1) and monthly consumer print magazines (see Figure 2) have fallen dramatically. In 2019, only 38 per cent of UK adults accessed news via print newspapers and 11 per cent via print magazines, compared with 75 per cent via television, 66 per cent via the internet and 43 per cent via radio.¹ In parallel, digital subscriptions have risen, yet these have not offset a steep overall decline in advertising revenue.

Figure 1: Average circulation per issue, UK national newspapers and regional publications



Source: Audit Bureau of Circulations (ABC), 'ABC Data Hub', available at: <https://www.abc.org.uk/data> [accessed 23 November 2020]. Note: membership of ABC may change over time.

1 Ofcom, News Consumption in the UK: 2019 (24 July 2019), p 17: https://www.ofcom.org.uk/data/assets/pdf_file/0027/157914/uk-news-consumption-2019-report.pdf [accessed 27 July 2020]. In 2019 there were 46,500 employed and 33,700 self-employed journalists (Office for National Statistics, 'Annual Population Survey 2019—Occupation by sex, employment status and full/part time' (2020): <https://www.nomisweb.co.uk/datasets/aps210/reports/employment-by-status-and-occupation?compare=K02000001> [accessed 2 October 2020])

Figure 2: Average circulation per issue, UK consumer magazines

Source: Audit Bureau of Circulations, 'Consumer Magazine Data', available at: <https://www.abc.org.uk/data/consumer-magazines> [accessed 23 November 2020]. Note: membership of ABC may change over time.

2. This change in the business model of journalism has created an existential threat to the industry, particularly combined with a host of other challenges ranging from a surge in 'fake news' to the ability of giant technology platforms such as Facebook and Google to undercut the power of publishers and their revenues. Alongside these changes there has been consolidation in the industry: since 2005 245 newspaper outlets have closed;² of the remaining outlets, five companies hold an 80 per cent share of the market.³ Although economically necessary for some organisations, this consolidation has nonetheless especially impacted regional and local publications.
3. Journalism is important to a healthy democracy. Professor Natalie Fenton, Chair of the Media Reform Coalition, told us:

“A healthy news media is often claimed to be the life-blood of democracy. This is because news provides, or should provide, the vital resources for processes of information gathering, deliberation and analysis that enable citizens to participate in political life and democracy to function better.”⁴
4. Journalism should be enabled to thrive in the face of contemporary challenges. We aim to produce recommendations that will allow the industry to adapt to a changing market. These will cover the industry in general, although our focus is on news journalism.

2 Written evidence from the Independent Community News Network (FOJ0053)

3 Media Reform Coalition, *Who Owns the UK Media?*, p 2 (12 March 2019): <https://www.mediareform.org.uk/wp-content/uploads/2019/03/FINALonline2.pdf> [accessed 1 October 2020]

4 Written evidence from Professor Natalie Fenton (FOJ0022)

5. We build on previous work, including our reports *UK Advertising in a Digital Age* (April 2018)⁵, *Regulating in a Digital World* (March 2019)⁶ and *Public Service Broadcasting: as Vital as Ever* (November 2019)⁷, as well as other work on journalism, most notably the Cairncross Review⁸ and the House of Lords Select Committee on Democracy and Digital Technologies' report *Digital Technology and the Resurrection of Trust*.⁹
6. In *UK Advertising in a Digital Age* we raised concerns over the lack of transparency in digital media advertising, with Google alone having "control at all levels of the market". We recommended that the Competition and Markets Authority (CMA) should conduct a market study of digital advertising to investigate whether the market is working fairly for businesses and consumers.¹⁰
7. Similarly, in *Regulating in a Digital World* we challenged the role of data monopolies and recommended a review of competition law in the context of digital markets; we again called for a market study. The CMA's report, *Online Platforms and Digital Advertising*, published in July 2020, helped inform our conclusions in this report on the relationship between publishers and platforms.¹¹ In *Regulating in a Digital World* we found that gaps exist in regulation which do not clearly fall within one regulator's remit. We argued that: "Policy makers have hesitated to address these gaps. When action does occur, there is a risk that it will be misdirected."¹² To help tackle this fragmented and reactive approach, we recommended that a Digital Authority should be established to co-ordinate digital regulators.¹³
8. In *Public Service Broadcasting: as Vital as Ever* we addressed the position of public service broadcasters (PSBs), including the BBC and commercial public service broadcasters (ITV, Channel 4 and Channel 5). One of our findings, which also is relevant to the current inquiry, was that people from certain groups are underrepresented across UK film and TV production. To help tackle this, we recommended that: "The Government should empower Ofcom to collect data on the diversity of production crews making programmes for public service broadcasters, whether in-house or independent."¹⁴
9. In this report we will build on this drive for diversification and for transparency in reporting on employee demographics. We also expand

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- 5 Communications Committee, *UK Advertising in a Digital Age* (1st Report, Session 2017–19, HL Paper 116)
 - 6 Communications Committee, *Regulating in a Digital World* (2nd Report, Session 2017–19, HL Paper 299)
 - 7 Communications and Digital Committee, *Public Service Broadcasting: as Vital as Ever* (1st Report, Session 2019, HL Paper 16)
 - 8 Dame Frances Cairncross, *The Cairncross Review: A Sustainable Future for Journalism* (12 February 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 23 July 2020]
 - 9 Democracy and Digital Technologies Committee, *Digital Technology and the Resurrection of Trust* (Report of Session 2019–21, HL Paper 77)
 - 10 Communications Committee, *UK Advertising in a Digital Age* (1st Report, Session 2017–19, HL Paper 116), p 23
 - 11 Competition and Markets Authority, *Online platforms and digital advertising* (1 July 2020): https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 24 July 2020]
 - 12 Communications Committee, *Regulating in a Digital World* (2nd Report, Session 2017–19, HL Paper 299), p 60
 - 13 *Ibid.*, pp 40, 63
 - 14 Communications and Digital Committee, *Public Service Broadcasting: as Vital as Ever* (1st Report, Session 2019, HL Paper 16), p 26

our definition of diversity to recognise that diversity, as well as including demographic diversity, includes diversity of representation, perspectives, views, opinions and backgrounds. This goes beyond a diversity of political viewpoints to include a diversity of perspectives informed by often invisible characteristics such as regional backgrounds and socio-economic status, which is also referred to as diversity of thought.

10. This report will also build on the *Cairncross Review* (see Box 1), published in February 2019 and to which the Government responded in January 2020. The review focused on two questions: first, the relationship between media publishers and big online platforms; and second, how society could best support ‘public interest’ local and investigative journalism. While our report examines journalism in general rather than focusing on local and investigative journalism, it will refer to ideas discussed in the *Cairncross Review*. These include online advertising, the Government’s media literacy strategy, the role of innovation funds and interpretation of charitable status for public interest journalism organisations.¹⁵

Box 1: The Cairncross Review and the Government’s response

In 2018 Dame Frances Cairncross was appointed to chair a review to examine the sustainability of high-quality journalism. This was in response to falling circulations and publisher revenues, ongoing closures of local newspapers and losses of journalist jobs. The review made nine recommendations to the Government:

- New codes of conduct to rebalance the relationship between online platforms and publishers
- CMA investigation of the working of the online advertising market to ensure fair competition
- A News Quality Obligation for online platforms
- The development of a Government media literacy strategy
- A review by Ofcom of the BBC’s market impact and role
- A new Nesta-run innovation fund
- New forms of tax relief
- Evaluation and expansion of the BBC Local Democracy Reporting Service (LDRS)
- Establishment of an Institute for Public Interest News.

The review was published in February 2019 and the Government’s full response was published in January 2020. The Government was largely supportive of the review’s recommendations. The Government accepted that codes of conduct may be useful; launched a CMA review; agreed that platforms should take steps

¹⁵ Dame Frances Cairncross, *The Cairncross Review: A Sustainable Future for Journalism* (12 February 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 23 July 2020]

to help users identify the reliability of sources; accepted the creation of a media literacy strategy, outlined in its Online Harms White Paper;¹⁶ welcomed Ofcom's decision to conduct a review into the BBC's news output; launched a Nesta pilot innovation fund; suggested the Chancellor will consider tax incentives; and has encouraged the evaluation of the BBC's LDRS. However, the Government did not commit to the establishment of an Institute for Public Interest News, arguing that it is not for government to lead on the issue.

11. Finally, we will refer to issues also raised by the House of Lords Select Committee on Democracy and Digital Technologies in its report *Digital Technology and the Resurrection of Trust*. These include the Committee's discussion of public interest news, the CMA's online advertising report, the responsibilities of online platforms, transparency of platforms' algorithms and media literacy.
12. During our inquiry the world was struck by the COVID-19 pandemic, which served as a reminder of the importance of journalism. Her Majesty the Queen noted:

“The COVID-19 pandemic has once again demonstrated what an important public service the established news media provides, both nationally and regionally. As our world has changed dramatically, having trusted, reliable sources of information, particularly at a time when there are so many sources competing for our attention, is vital.”¹⁷
13. The economic impact of the pandemic has accelerated the trends already under way in the journalism industry. The Rt Hon John Whittingdale MP, Minister for Media and Data, Department for Digital, Culture, Media and Sport, argued in oral evidence that:

“The Covid crisis has accelerated what was predicted to occur over the coming years so that it has happened in the space of a few months, with a huge take-up of online news material from newspapers and other platforms. At the same time, we have seen enormous pressure put on the traditional publishers.”¹⁸
14. We acknowledge the short-term impact that the pandemic has had on the print journalism industry, with UK advertising revenue possibly falling by 13 per cent in 2020.¹⁹ For example, *City A.M.* suspended its print edition and halved staff pay in April 2020;²⁰ *The Independent* and *indy100* furloughed staff and cut staff wages by 20 per cent for those earning over £37,500;²¹

16 Department for Digital, Culture, Media and Sport, *Online Harms White Paper*, CP 57, April 2019, p 92: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/793360/Online_Harms_White_Paper.pdf [accessed 24 July 2020]

17 The Royal Family (@RoyalFamily), tweet on 5 October 2020: <https://twitter.com/RoyalFamily/status/1313035329255940096/photo/1> [accessed 13 October 2020]

18 Q 170

19 ‘UK advertising revenue could fall 13% in 2020, report finds’, *ResearchLive* (23 June 2020): <https://www.research-live.com/article/news/uk-advertising-revenue-could-fall-13-in-2020-report-finds/id/5070682> [accessed 27 July 2020]

20 ‘City AM suspends print and cuts salaries as coronavirus hits business’, *Press Gazette* (20 March 2020): <https://www.pressgazette.co.uk/city-am-suspends-print-and-cuts-salaries-as-coronavirus-hits-business/> [accessed 27 July 2020]

21 ‘Covid-19 ad slump costing Independent six-figures in lost revenue as it furloughs staff and cuts pay’, *PressGazette* (23 April 2020): <https://pressgazette.co.uk/covid-19-ad-slump-costing-independent-six-figures-in-lost-revenue-as-it-furloughs-staff-and-cuts-pay/> [accessed 27 July 2020]

BuzzFeed ended news operations in the UK;²² Reach plc cut 550 jobs;²³ and *The Guardian* announced cuts of 180 jobs.²⁴ It remains to be seen how long-lasting these job losses are: predictions are conflicted, with GroupM predicting the advertising market will recover by 13 per cent in 2021 to pre-COVID-19 levels,²⁵ while PricewaterhouseCoopers predict global decline until at least 2024.²⁶ The COVID-19 pandemic will therefore be considered in this report only insofar as it can be expected to impact the industry structurally.

15. Other important areas, such as media freedom and the safety of journalists abroad, are not within the scope of this report and have recently been covered by the Houses of Commons Foreign Affairs Committee.²⁷ Nonetheless, we would like to emphasise the importance of these issues and highlight that the inquiry took place in the context of journalists around the world facing “a wide and worsening array of abuses”;²⁸ as we heard from Adam Thomas, Director of the European Journalism Centre (EJC), press freedom has deteriorated globally.²⁹ As Professor Fenton wrote, a healthy news media “requires a journalism that operates freely and without interference from state institutions, corporate pressures or fear of intimidation and persecution.”³⁰
16. Our report is focused on the future and how public policy can create the conditions for high-quality journalism to thrive. It considers how audiences can be better supported to engage with and understand journalism, the support journalists need, including to make the profession more representative of the population it serves, and how public policy can ensure news organisations find a financially sustainable future. In order to achieve these we make recommendations to the Government on how it can support the journalism industry and to the industry itself on how it can change.
17. Throughout the course of the inquiry we have been fortunate to have as our specialist adviser Professor Jane Singer, Professor of Journalism Innovation at City, University of London, who provided expert advice. We are most grateful to her for her important contribution to our work. We also thank everyone who submitted written and oral evidence.

22 ‘Buzzfeed closing UK and Australian news operations’, BBC News (13 May 2020): <https://www.bbc.co.uk/news/uk-52650038> [accessed 27 July 2020]

23 ‘Reach insiders speak out on latest redundancy plan as Mirror publisher surpasses 1,000 job cuts in a decade’, *PressGazette* (10 Jul 2020): <https://pressgazette.co.uk/reach-insiders-speak-out-on-latest-redundancy-plan-as-mirror-publisher-surpasses-1000-job-cuts-in-a-decade/> [accessed 27 July 2020]

24 ‘Guardian to cut 180 jobs as it reveals Covid-19 will cost it £25m this year’, *PressGazette* (15 July 2020): <https://pressgazette.co.uk/guardian-job-cuts-covid-19-annual-results/> [accessed 27 July 2020].

25 ‘UK advertising revenue could fall 13% in 2020, report finds’, *ResearchLive* (23 June 2020): <https://www.research-live.com/article/news/uk-advertising-revenue-could-fall-13-in-2020-report-finds/id/5070682> [accessed 27 July 2020]

26 ‘Report predicts five years of steep global decline for newspaper industry revenue (print and online)’, *PressGazette* (14 September 2020): <https://www.pressgazette.co.uk/report-predicts-five-years-of-steep-global-decline-for-newspaper-industry-revenue-print-and-online/> [accessed 1 October 2020]

27 Foreign Affairs Committee, “*Media freedom is under attack*”: *The FCO’s defence of an endangered liberty* (Twenty-Seventh Report, Session 2017–19, HC 1920)

28 *Ibid.*, p 3

29 *Q 73* (Adam Thomas)

30 Written evidence from Professor Natalie Fenton (FOJ0022)

CHAPTER 2: THE CHANGING PRODUCTION AND CONSUMPTION OF JOURNALISM

Introduction

18. Although we heard evidence detailing many of the changes in journalism, experts were unanimous that the fundamental aim of journalism, and the public value it delivers, remain the same. Professor Rasmus Kleis Nielsen, Director, Reuters Institute for the Study of Journalism said: “The most important roles that journalism plays that are of public value, and important to our society and democracy are that it helps people stay informed about and understand the world beyond their personal experience”.
19. Journalism is integral to liberal democracy, as News UK said, because it “shines a light on wrong doing and acts as an essential check on the behaviour of individuals in positions of power,” as well as providing citizens with the knowledge “to decide for themselves whether something is worthy of their business or their support”.³¹ Professor Karin Wahl-Jorgensen, Director of Research Development and Environment in the School of Journalism, Media and Culture at Cardiff University, highlighted “If you do not have a functioning news system, if you do not have functioning journalism, then you do not have a functioning democracy.”
20. The main force behind change has been the rise of digital technologies, which have dismantled long-standing business models, expanded the amount of information available at any moment and allowed any individual or organisation to disseminate information around the world. Digital technologies continue to substantially impact all sectors, not just journalism, with 60 million workers potentially being substituted by technology by 2030 worldwide.³²
21. The consumption of news has been transformed, reaching a state that Rossalyn Warren, a freelance journalist, described as “chaotic,” with small “chunks” of news consumed from a variety of sources: “a headline here, a push alert there, an Instagram story—or [consumers] might occasionally search for an issue on Google and then not know what source is the most reliable one to trust.”³³ The rapid growth of private messaging services, such as Facebook Messenger or WhatsApp, has removed the scrutiny that comes with publicly sharing news on platforms, such as comments from other individuals or information from the platform on the provenance of the source.³⁴ The proportion of readers using WhatsApp for news across 12 countries including the UK rose from 7 per cent in 2014 to 16 per cent in 2020.³⁵ Streaming services such as YouTube are gaining importance as sources of news, with the proportion of people across 12 countries using it for news rising from 16 per cent in 2014 to 21 per cent in 2020.³⁶ Ms Warren argued: “video personalities form an intimate bond with viewers over time,

31 Written evidence from News UK (FOJ0083)

32 McKinsey & Company, ‘How will automation affect economies around the world?’ (14 February 2018): <https://www.mckinsey.com/featured-insights/future-of-work/how-will-automation-affect-economies-around-the-world> [accessed 1 October 2020]

33 Q 34

34 *Ibid.*

35 Nic Newman et al., *Reuters Institute Digital News Report 2020* (June 2020), pp 33–35: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 2 September 2020]

36 *Ibid.*

also making them a ground for amplifying misinformation and, more importantly, blurring the line between what is reporting, what is opinion and what is a personality online”.³⁷

22. The range of skills that journalists need has changed, although again we heard that the fundamentals remain the same. “The debate about the ongoing relevance of shorthand as an essential journalistic skill is a reminder that, while the development of digital knowledge is vital, there remains a significant market for the most traditional of talents,” the National Council for the Training of Journalists (NCTJ) wrote.³⁸ A vital part of journalists’ training is also on press regulation and media law, both of which are key parts of the NCTJ diploma.³⁹
23. Yet the range of skills required in a newsroom have increased, as Nic Newman of the Reuters Institute described. “Newsrooms used to have writers and subs and editors—now you have writers, videographers, podcast producers, data-visualisation experts, audience engagement teams, Snapchat and Tik Tok producers,” he said. “It is a much more complex mix.”⁴⁰ Professor Kevin McConway and Professor Sir David Spiegelhalter highlighted the growing importance of journalism based on data. They warned that there is a “a culture of innumeracy” among UK journalists, with too few people who are good with numbers going into journalism and too little training to improve data literacy.⁴¹
24. Will Gore, Head of Partnerships and Projects at the NCTJ, emphasised that traditional skills are still needed in parallel: “Many of the skills that they [journalists] need are precisely the same as those that they needed 20 years ago, such as how to construct a story, how to follow the relevant legal and ethical requirements and so on, but they have had to take on a huge number of digital skills for tech”.⁴²

The news market

25. Consumers have become accustomed to free news. A business model based on advertising revenue underlies the provision of free-to-read journalism, with a paywall model relying on paying subscribers. However, advertising revenue has declined over the past 10 years (see Figure 3) and the growth in digital advertising has not offset the overall downwards trend (see Figure 4), making a model based solely on advertising difficult to sustain. Many observers think quality has suffered along with revenue; Michelle Stanistreet, General Secretary of the National Union of Journalists (NUJ), said that news organisations have cut costs and diverted resources away from front-line journalism in order to maintain profits.⁴³

37 [Q 34](#)

38 Written evidence from the National Council for the Training of Journalists ([FOJ0020](#))

39 [Q 26](#)

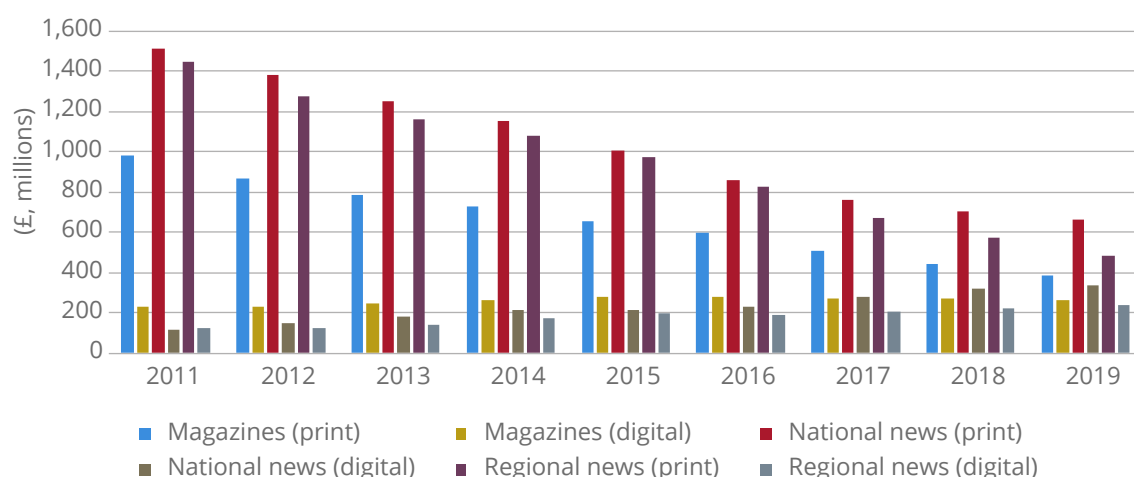
40 Written evidence from Nic Newman ([FOJ0003](#))

41 Written evidence from Professor Kevin McConway and Professor Sir David Spiegelhalter ([FOJ0052](#))

42 [Q 25](#)

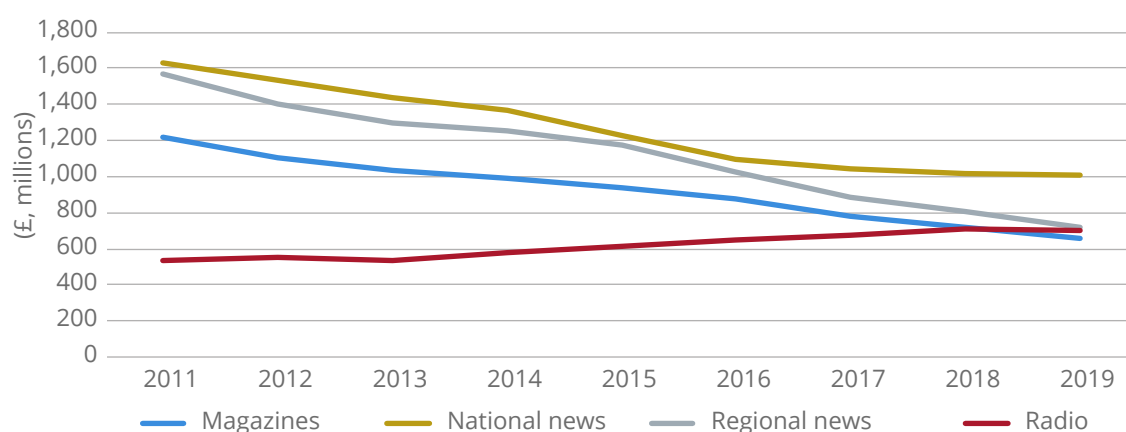
43 [Q 108](#)

Figure 3: Advertising expenditure 2011–19, UK



Source: AA/WARC, *Expenditure Report* (July 2020), available at: <https://expenditurereport.warc.com/> [accessed 23 November 2020]

Figure 4: Advertising expenditure 2011–19, UK



Source: AA/WARC, *Expenditure Report* (July 2020), available at: <https://expenditurereport.warc.com/> [accessed 23 November 2020]

26. Another concern is that publishers can be tempted to turn to clickbait: “stories that, through the use of an enticing headline and photograph, encourage readers to click through and read”.⁴⁴ With the loss of advertising revenue, publishers have attempted to publish their stories faster and on more platforms—again, with fewer journalists: “This has led to a faster and shallower journalism commonly referred to as ‘cut and paste churnalism,’” Professor Natalie Fenton said.⁴⁵
27. The platforms are part of a bigger problem for news publishers, as Dr Kleis Nielsen of the Reuters Institute explained: they now dominate the advertising market, leaving publishers with “very low market power”.⁴⁶ The role of platforms in advertising is discussed further in Chapter 4.
28. Publishers pursuing different business models face considerable challenges. Paywalls, for instance, “are not a panacea to the industry’s financial woes,”

⁴⁴ Written evidence from Professor Natalie Fenton (FOJ0022)

⁴⁵ *Ibid.*

⁴⁶ Q 4

as Felix Simon, a Leverhulme Doctoral Scholar at the Oxford Internet Institute (OII), said.⁴⁷ Only 7 per cent of UK consumers pay for online news, with 39 per cent of them saying they want to help fund good journalism.⁴⁸ National newspapers thus find themselves in what has been described a “winner-takes-most market”, with the relatively few who do pay having access to quality content. However, most outlets in the UK—including most national newspapers, local and regional print publications, and the public service broadcasters—have not created paywalls.⁴⁹ Nor are paywalls necessarily a viable business model. Between 2013 and 2015, for example, News UK introduced a paywall for TheSun.co.uk; while more than a million subscribed at some point, there were high levels of churn even at the cost of £2 a week, and the maximum in any month was 220,000 subscribers. *The Sun* removed its paywall—and now enjoys around 36 million unique users per month.⁵⁰

29. While different factors contribute to which socioeconomic groups consume news, increasing use of paywalls risks exacerbating inequality of access and reducing the range of news sources available to those unable to pay. This is particularly the case for those who suffer from digital exclusion. As Ms Warren said, “If you live in poverty in the UK, you do not access as much high-quality news as wealthy people ... especially online.”⁵¹
30. Various other models exist, such as *The Guardian*’s reader funding model, although their long-term sustainability remains to be seen. Edward Iliffe, CEO of Iliffe Media, maintained that the key to a successful business model is quality: “quality is everything”. He pointed to the paradox of the industry making the “product worse” “when the going gets tough”, rather than investing. On the back of investment, “the advertising will follow”.⁵²

Innovation

31. The news industry, in the UK as elsewhere, faces continual and profound change in three interconnected aspects: the tools it uses to create and deliver information; the ways in which its audiences find, access, and use that information; and the strategies it employs to sustain itself economically. Innovation in each of these areas is central to the activity of journalists and the organisations that employ them, as well as crucial to their ongoing sustainability.
32. Google highlighted the benefits of digital technologies, which they argue have reduced distribution costs, increased the number of outlets and enhanced the visibility of content for more producers, including smaller and niche ones. Google said that the result has been greater diversity and the ability for more minority voices to be heard: “The likes of *Gay Star News* and *Pink News* have, alongside the online operations of long-standing magazines such as *Attitude* and *Gay Times*, provided comprehensive news from a LGBTQ perspective. Publications such as *The Voice* have also been able to use the internet to expand their reach to BAME communities. Sites such as *Gal-dem*, with a

47 Written evidence from Felix Simon (FOJ0005)

48 Nic Newman et al., *Reuters Institute Digital News Report 2020* (June 2020), pp 33–35: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 31 July 2020]

49 *Ibid.*, p 22

50 Written evidence from News UK (FOJ0083)

51 Q 43

52 Q 100

focus on the female BAME perspective, have been possible because of the internet”.⁵³ Diversity within the profession is discussed further in Chapter 3.

33. Although different organisations are following different strategies crafted to their market position, many successful adaptations reflect renewed attention to strategies for engaging audiences with their content. Early responses to the digital environment sought to apply a version of the 20th century advertising model: lure as many users as possible, with clickbait if necessary, and advertisers will pay to reach them.⁵⁴ This model, however, proved poorly suited to a contemporary media environment in which consumers’ content options are virtually unlimited, and platforms such as Google and Facebook overwhelmingly dominate the advertising market, as described in Chapter 4.⁵⁵
34. We heard that many publishers are finding more success today with innovations that enable them to deliver content that is of value to particular audiences. The approaches they take are diverse, but broadly and as indicated in the rest of this section, they are doing so by seeking to turn each of the three challenges indicated above to their advantage. They are using technologies such as artificial intelligence to better understand their audiences, tailor and deliver content to them, and track their usage of that content so it can be continually adapted. They are becoming increasingly sophisticated at developing content tailored to the ways in which real people actually use it, a shift in focus—from what works for journalists to what works for readers, viewers and listeners—that takes in everything from the constantly evolving array of social media platforms, to interactive data visualisations of complicated topics, to novel storytelling forms built on creative audio and video techniques. Publishers are seeking to capitalise on the value of this content though economic models in which the revenue share from audiences grows as the share from advertisers continues to shrink. Growing numbers also are finding that collaboration with audiences and with other news organisations, both unthinkable not so long ago, can help fill gaps in their own reach and resources.⁵⁶
35. We heard about the success some media organisations and platforms have enjoyed in using innovative approaches to reduce costs and provide new services. Mr Thomas highlighted UK media outlets’ ability to take advantage of emerging capabilities:

“Membership and subscription models, solutions journalism, artificial intelligence technologies and other technologies to support news distribution and revenue are now emerging in a way they have not in the past five years. The UK is doing pretty well in this regard. There are notable examples of all those types of things in the UK. The UK has a good solid platform of media infrastructure, solid well-known regulation and good funding compared to a lot of the rest of Europe, which puts it in a really strong position.”⁵⁷

53 Written evidence from Google (FOJ0080)

54 Regina G Lawrence et al., ‘Practicing engagement: participatory journalism in the Web 2.0 era’, *Journalism Practice*, vol 12 (2017), pp 1220–1240: <https://www.tandfonline.com/doi/abs/10.1080/17512786.2017.1391712> [accessed 2 November 2020]

55 Jacob L Nelson, ‘The next media regime: the pursuit of ‘audience engagement’ in journalism’, *Journalism* (2019): <https://journals.sagepub.com/doi/10.1177/1464884919862375> [accessed 2 November 2020]

56 Magda Konieczna, ‘Reimagining newsroom collaboration: how two European news nonprofits are inviting citizens in’, *Journalism Practice*, vol 14 (2020), pp 592–607: <https://www.tandfonline.com/doi/abs/10.1080/17512786.2020.1757490> [accessed 2 November 2020]

57 Q 66

36. For example, we heard from Professor Charlie Beckett, Professor of Practice, Department of Media and Communications at the London School of Economics (LSE), about the impact of artificial intelligence for news organisations. According to Professor Beckett innovative use of new technologies and affordances can result in high-quality journalism—from major international investigations such as the Panama papers all the way to hyperlocal data on homelessness that can be used by local media—as well as greatly improved data about journalists’ audience, which allows content to be targeted to better serve news consumers.⁵⁸
37. We also heard, though, that not all segments of the news industry have embraced innovation and the shift to digital production and consumption. The advent of artificial intelligence offers one example, as Andrew Dickinson, Senior Lecturer in Multimedia Journalism, Manchester Metropolitan University, explained: “The industry’s response to AI has been pretty much the same as its response to most technological innovation: that is, in the first instance to ignore it, in the second instance to attack it, and then in the third instance to try to monetise it.” Although many media organisations are using AI to improve or innovate, he said, some reportedly are “making hard-and-fast decisions about replacing journalists or replacing the need for that particular resource because they can offload that to an AI”; examples include routine sports content and coverage of some local authority actions.⁵⁹
38. Another innovative business model, cited by the Professional Publishers Association, is the ‘Spotify’ model of ‘all-you-can-read’ subscription services such as PressReader, AppleNews+ and Readly.⁶⁰ The Zuora Subscription Economy Index found that digital news and media subscriptions grew in March 2020 at three times the rate of the previous year, likely as a result of COVID-19.⁶¹ Whether a subscription model will succeed in the long term remains to be seen, however; the Association notes that growth in subscriptions has been “eclipsed by the decline in advertising and newsstand revenues”.⁶² Another option comes from Axate, which allows readers to pay for individual articles, rather than a full subscription.⁶³ This is a development of the ‘metered’ paywall model adopted by the *Financial Times* in 2007 and *The New York Times* in 2011: occasional users are allowed to read a small number of items for free, helping boost advertising revenue, but regular readers must pay for more comprehensive access.⁶⁴
39. The challenge is harnessing and understanding this potential, said Professor Beckett: “The biggest problem they face is strategising that, having the resources and the knowledge from the management right through. That is not the knowledge to understand the algorithms or the black boxes, but just to understand the capabilities and limits of some of this tech.”⁶⁵
40. More broadly, witnesses pointed out that models for innovation should not rely solely on technology; doing so can lead to what Dr Julie Posetti has referred to as ‘Shiny Things Syndrome’, an “obsessive pursuit of technology

58 Q 86

59 Q 86

60 Written evidence from the Professional Publishers Association (FOJ0046)

61 Zuora, *Subscription Impact Report: COVID-19* (June 2020): <https://zuora.app.box.com/v/COVID19SubscriptionImpact> [accessed 10 August 2020]

62 Written evidence from the Professional Publishers Association (FOJ0046)

63 Written evidence from Nesta (FOJ0031)

64 Written evidence from Dr Marc Edge (FOJ0039)

65 Q 86

in the absence of clear and research-informed strategies”. Rather, innovation should be “audience-focused and technology-empowered”.⁶⁶ Mr Simon emphasised that innovation must rest on the foundation of “a strong identification of audiences with the respective outlet and a strong belief in its mission and journalism. Outlets have to make a credible case (in perpetuity) why the journalism they produce matters and why audiences should support them.”⁶⁷

Differences in the industry

41. There is no ‘one-size-fits-all’ model for innovation—and attempting to create one would defeat the aim of innovation. Dr Seth Lewis, Associate Professor, Shirley Papé Chair in Emerging Media, University of Oregon School of Journalism and Communication, argued:

“Although there are some commonalities across countries in the ways that audiences access news and the way journalists do their work, there are crucial differences that we need to take into account. The difficulty is in determining when an innovation is something that should be modelled elsewhere, and how we learn from that.”⁶⁸

42. Different challenges face hyper-local, local, regional, national and international organisations. Larger, better-resourced organisations are more likely to have the funds to innovate. Mr Dickinson argued they are “the ones that are hoovering up the lion’s share of external monies—your Googles, Facebooks or BBCs. If, for whatever reason, a little bit of money haemorrhages from these organisations, over 75 per cent or 80 per cent of the revenue and the staff go to those large media organisations”, he said. Yet it is smaller organisations which “speak to communities where people will recognise themselves”.⁶⁹ Small organisations have the agility and drive to innovate but may not have the financial resources required.⁷⁰
43. Professor Wahl-Jorgensen outlined the success of some hyperlocal or community news providers. These are “small, independently owned print or online publications which represent a specific geographic area. They publish locally relevant news and community-focused content without political, religious or commercial bias.”⁷¹ More than 400 hyperlocal sites operate in the UK, most of them established since 2010. However, most subsist on donations from readers and limited advertising revenue; many have an income of under £25,000 per year.⁷² A report commissioned by the Department for Digital, Culture, Media and Sport has raised concerns about the impact of increasing commercial pressures on local newspapers’ ability to perform their civic role.⁷³

66 Dr Julie Posetti, *Time to step away from the ‘bright, shiny things’? Towards a sustainable model of journalism innovation in an era of perpetual change*, Reuters Institute for the Study of Journalism (November 2018), p 7: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2018-11/Posetti_Towards_a_Sustainable_model_of_Journalism_FINAL.pdf [accessed 2 November 2020]

67 Written evidence from Felix Simon (FOJ0005)

68 Q 15 (Dr Seth Lewis)

69 Q 90

70 Q 15 (Professor Karin Wahl-Jorgensen)

71 Written evidence from Professor Karin Wahl-Jorgensen (FOJ0054)

72 *Ibid.*

73 Plum Consulting, *Research into recent dynamics of the press sector in the UK and globally* (May 2020) p 5: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924325/Plum_DCMS_press_sector_dynamics_-_Final_Report_v4.pdf [accessed 13 October 2020]

44. Even across hyper-local organisations, innovation differs widely. For example *The Lincolnite* raises advertising revenues based on partnerships with local businesses and agencies; *The Bristol Cable* sustains itself as a co-operative with a membership scheme and a quarterly print publication; and three community newspapers are supported by a community interest company, Social Spider.⁷⁴ In Wales, news start-ups may receive a grant from the Welsh Government, which provides £200,000 to support independent community news producers. Across the UK, they may be supported from the £2 million Nesta Future News Pilot Fund or the BBC LDRS. The Nesta fund and LDRS are discussed further in Chapter 4.
45. Hyper-local organisations often only have one person working on the publication full time who are supported by local citizen journalists (see Box 2).⁷⁵ Citizen journalists provide user-generated content, which consumers tend to find more authentic and engaging than traditional content. Photo- and video-journalism are a key tool for citizen journalists where there are no professional journalists on the scene, such as in the instances of the 2011 Tōhoku tsunami in Japan or 2005 7/7 London bombings, but there are citizens with smartphones able to record the incident. We heard from Professor Wahl-Jorgensen that citizen journalism can provide “invaluable” footage and imagery, although “there is also a growing recognition among journalism scholars and practitioners that it is not necessarily a substitute for the work of professional journalists.”⁷⁶

Box 2: Citizen journalism

Citizen journalism involves private individuals, who are normally consumers of journalism, generating their own news content. They differ from freelance journalists in that they do not rely on journalism as a significant part of their income, they have not received formal training, and they do not disseminate this news through organisations; they create user-generated content. This content can take different forms and can contain text, pictures, audio and video. Social media plays a large role in its dissemination.

Widespread access to smart phones has been a key driver behind citizen journalism: citizens are more often the first on-scene for breaking news and can disseminate the story quicker than traditional media reporters. This also comes with new risks, as citizen journalists may not have conducted the same background research or source verification.

Between 2013 and 2018, *The Guardian* ran a project called ‘GuardianWitness’ which allowed readers to submit content for publication. 85 per cent of contributions were approved by the reviewing team. They included news, experiences and views presented through different forms of media.⁷⁷

46. Innovation has also come from small but national organisations, which “provide a slice of a ‘full service’ news outlet”.⁷⁸ Examples include *The Conversation*, which provides specialist reporting on research; Full Fact,

74 Written evidence from Professor Karin Wahl-Jorgensen (FOJ0054)

75 Q 19

76 Q 18

77 ‘GuardianWitness is closing—but you can still contribute your stories’, *The Guardian*, 21 August 2018: <https://www.theguardian.com/help/insideguardian/2018/aug/21/guardianwitness-is-closing-but-you-can-still-contribute-your-stories> [accessed 19 October 2020]

78 Supplementary written evidence from Chris Waiting (FOJ0090)

which fact-checks statements in the news; and Tortoise Media, which incorporates audience input in emphasising the context of news stories.⁷⁹

47. Professor Beckett of LSE drew a parallel with the arts: “You have massive art institutions such as the National Theatre, but then you will have a lot of tiny, fragile, often quite transient local arts levels, which may even be voluntary or community.” In the news industry, he said, there are both “monolithic local news and monolithic national news” organisations, but the overall trend is to “fewer but much bigger news media organisations”. At the same time, there is increasing diversity in “not just the hyper-local but the hyper-specialist type media organisations. It is a very fragile ecosystem. They might come up and disappear. It is partly about the so-called passion economy: people who can make a living just on their own doing something they are particularly excited about.”⁸⁰
48. These organisations are using technologies such as artificial intelligence to better understand their audiences, tailor and deliver content to them, and track their usage of that content so it can be continually adapted. They are becoming increasingly sophisticated at developing content tailored to the ways in which real people actually use it, a shift in focus—from what works for journalists to what works for readers, viewers and listeners—that takes in everything from the constantly evolving array of social media platforms, to interactive data visualisations of complicated topics, to novel storytelling forms built on creative audio and video techniques. They are seeking to capitalise on the value of this content though economic models in which the revenue share from audiences grows as the share from advertisers continues to shrink. Growing numbers also are finding that collaboration with audiences and with other news organisations can help fill gaps in their own reach and resources.⁸¹
49. **Although the forms journalism takes and the technologies by which it is produced have changed, its fundamental purposes and importance in a democratic society remain the same.**
50. **We welcome journalism organisations which are innovating to adapt to changes in the market, while continuing to hone traditional journalistic skills, producing high quality content and holding an understanding of their audiences at the heart of this innovation.**

Trust in journalism

51. Trust is an imperfect measure of the reliability of journalism, although is often used as a measure for gauging audience engagement. For “up-market” newspapers, Dr Kleis Nielsen of the Reuters Institute noted, trust could simply be “deference more than an actual assessment”. Conversely, lower trust in digital titles could be due to unfamiliarity: “Some may be very trustworthy, but if people are not familiar with them, they may not yet have built that trust”.⁸² Moreover, consumers may still read a particular title even if they do not trust it, as they may have goals apart from a desire for reliable

79 ‘Can Harding make Slow News pay?’, BBC News (17 October 2018): <https://www.bbc.co.uk/news/entertainment-arts-45875284> [accessed 10 August 2020]

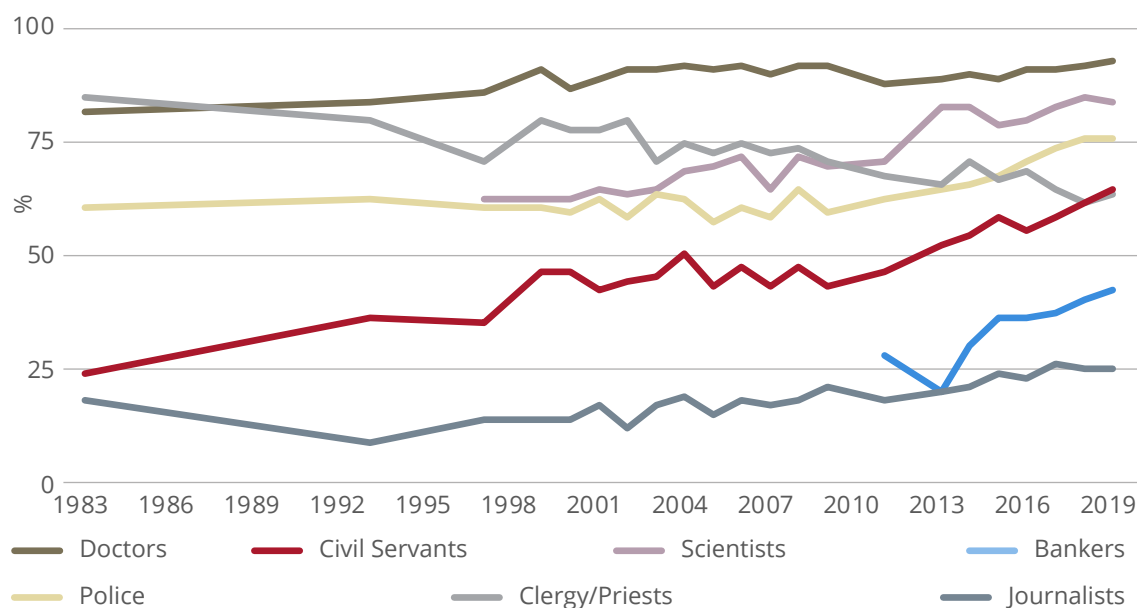
80 Q 90

81 Magda Konieczna, ‘Reimagining newsroom collaboration: how two European news nonprofits are inviting citizens in’, *Journalism Practice*, vol 14 (2020), pp 592–607: <https://www.tandfonline.com/doi/abs/10.1080/17512786.2020.1757490>

82 Q 6

information: “because they find them diverting, entertaining, it gets their blood pressure up in the morning, or in other ways find them engaging.”⁸³ Trust in journalism generically has long been low (see Figure 5). Recent events—including the 2007 and 2011 phone-hacking scandals and political polarisation around the 2016 EU referendum and the 2019 general election—have acted as flashpoints. Since 2015 trust has fallen by over 20 percentage points.⁸⁴ The UK media are less trusted by the nation’s citizens than the media in any other surveyed country in Europe (see Figure 6).

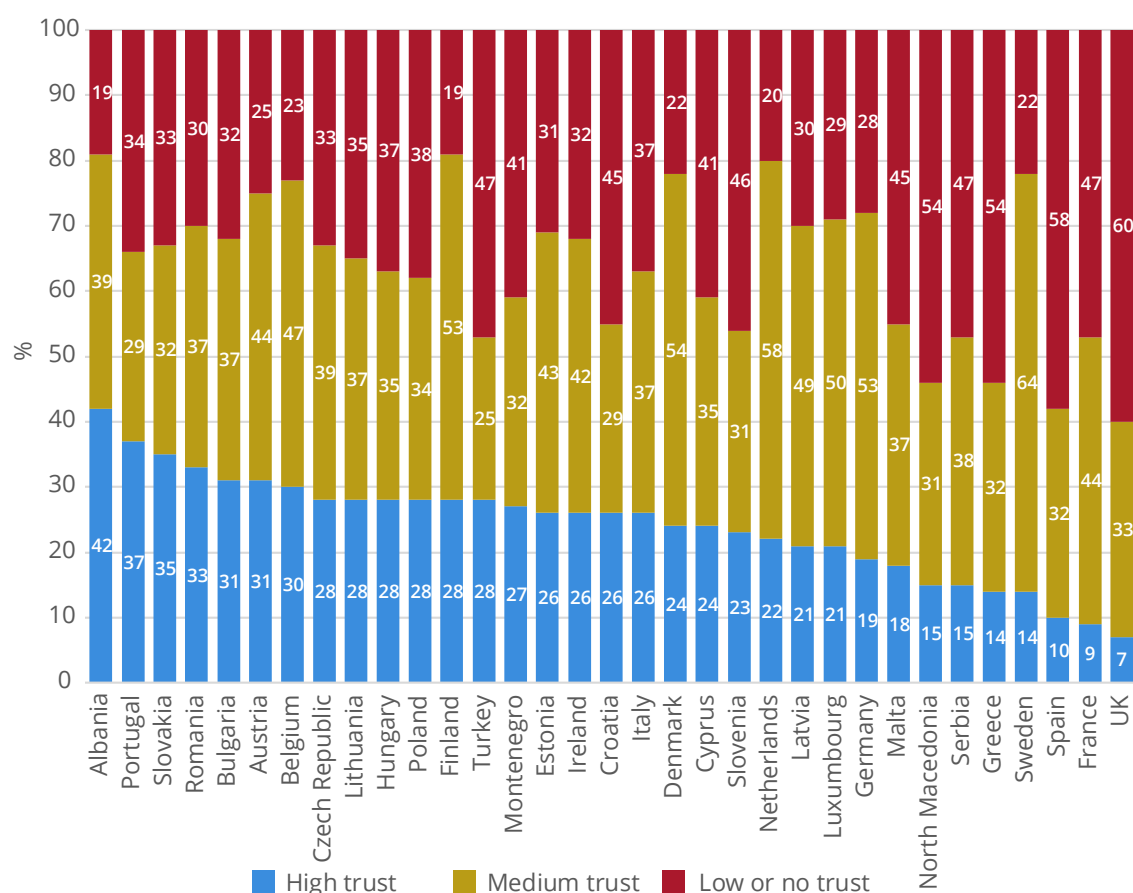
Figure 5: Trust in different occupations (per cent of population)



Source: Ipsos MORI Veracity Index 2019 (November 2019), p 6: <https://www.ipsos.com/sites/default/files/ct/news/documents/2019-11/trust-in-professions-veracity-index-2019-slides.pdf> [accessed 23 November 2020]

⁸³ Q 7

⁸⁴ Nic Newman et al., *Reuters Institute Digital News Report 2020* (June 2020), pp 60–61: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 20 July 2020]

Figure 6: Trust in media (per cent of population, 2019)

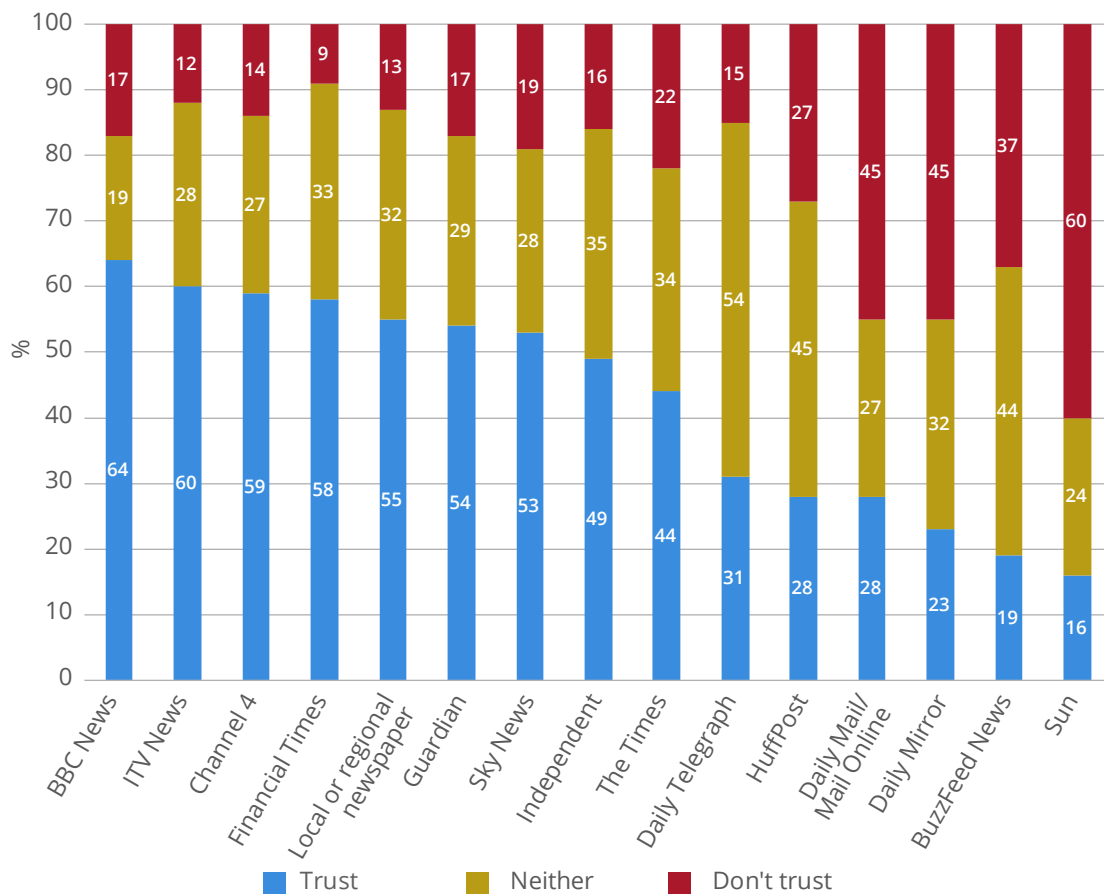
Source: European Broadcasting Union, *Trust in Media 2020* (June 2020), p 6: https://www.ebu.ch/files/live/sites/ebu/files/Publications/MIS/open/Trust_in_Media_2020/EBU-MIS-Trust_in_Media_2020.pdf [accessed 11 August 2020]

52. Nonetheless, trust in the public service broadcasters as a source of news remains relatively high, with *BBC News*, *ITV News* and *Channel 4 News* enjoying the most brand trust (see Figure 7). This reflects JPIMedia's view that "it is too simplistic to adopt a view that there has been a uniform decline in trust in journalism. Recognised news providers (across a variety of media) remain the principal method by which the majority of people access news content."⁸⁵ Professor Steven Barnett, Professor of Communications at the University of Westminster, told us that "there is clear and longstanding evidence that different kinds of journalism in the UK command different levels of trust", dispelling the "potentially serious misconception in assuming that all journalism is regarded with similar degrees of confidence or suspicion".⁸⁶ The COVID-19 pandemic has been a critical test of trust in public service broadcasters, with audiences displaying higher levels of trust in PSBs on news related to COVID-19.⁸⁷

⁸⁵ Written evidence from JPIMedia (FOJ0025)

⁸⁶ Written evidence from Professor Steven Barnett (FOJ0064)

⁸⁷ Ofcom, 'Covid-19 news and information: consumption and attitudes' (August 2020): <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/news-media/coronavirus-news-consumption-attitudes-behaviour/interactive-data> [accessed 19 November 2020]

Figure 7: Brand trust scores, 2019

Source: Nic Newman et al., *Reuters Institute Digital News Report 2020* (June 2020), pp 33–35: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 11 August 2020]

53. Nic Newman, Senior Research Associate at Reuters Institute, suggested that the overall decline in trust may be due to an abundance of sources of news: “that maybe these journalists did not have all the answers and there are actually different perspectives on the same stories.”⁸⁸ He suggested that lack of trust in the media is one aspect of rising scepticism in general; a problem, however, is that scepticism has now tipped “into cynicism and the vilification or abuse of journalists”. As a result, “low trust is a real problem now for democracy and society, and we need to be talking about the fundamental solution of strengthened support for good journalism”. He outlined three proposals for restoring trust: politicians and ordinary people respecting good journalism, rather than undermining it; news organisations stopping “attacking each other”; and journalists focusing on the needs of audiences and less on the needs of advertisers.⁸⁹
54. Ms Warren pointed out that “mistrust in the news is not necessarily new”.⁹⁰ However, she also said that contemporary mistrust looks different: “It has gone from ‘The media lied to us’ to ‘They are ignoring these stories,’ and that is coming from both the left and the right in the UK.”⁹¹ She put this perception down to algorithms, discussed further in Chapter 4, which give prominence to certain articles based on an individual’s past activity on the

88 Q 40 (Nic Newman)

89 *Ibid.*

90 Q 40 (Rossalyn Warren)

91 *Ibid.*

platform. Consumers, however, “may presume that this is a conspiracy in which no media are discussing the issue”.⁹² Ms Warren said one solution could be greater transparency by journalists on how they report their stories, demonstrating that journalism is not “writing up any old stuff that we think”.⁹³

55. Anna Hamilos, Senior Programme Manager at Nesta, believed that ‘fake news’ was a “big reason why people had mistrust in the news”.⁹⁴ The issue of disinformation and fake news was recently covered by the House of Lords Select Committee on Democracy and Digital Technologies report *Digital Technology and the Resurrection of Trust* and the House of Commons Digital, Culture, Media and Sport Committee’s report *Disinformation and ‘fake news’*.⁹⁵ We heard from Anna Mallett, CEO of ITN, that there is a “trend of unregulated and unreliable news sources on digital platforms, and currently there is no value to platforms in providing quality news; indeed, fake news that goes viral may ironically be of more value.”⁹⁶ This is of concern to consumers, with 70 per cent of UK adults saying they are concerned about fake news online⁹⁷ and 73 per cent of people in research across 27 markets being worried about disinformation “being used as a weapon”.⁹⁸
56. Adam Cantwell-Corn, co-founder of *The Bristol Cable*, believed that consumers of news look for impartiality not only in the news content but in the structure of the organisation. He linked trust to “accountability, transparency, and perceived or actual influence of proprietors or others”. People look for a transparent structure, at who owns the organisation, and whether the organisation is for profit or otherwise.⁹⁹
57. Organisations which provide online credibility ratings can help to provide greater transparency. Online credibility ratings are installed as a browser extension or ‘plugin’ which then provides the user with information on the news source being viewed. The source is rated by journalists employed by the organisation, who judge the site against different criteria. However, only a small number of credibility rating organisations exist, with the main organisations being NewsGuard, the Trust Project and the Journalism Trust Initiative. NewsGuard claim that as a result of their feedback more than 800 websites have improved one or more of their journalistic practices. For example, Reuters, *The Times*, *The Sun*, and the MailOnline posted detailed information about their journalists; Newsweek and Yahoo improved their corrections policies; Forbes labelled its advertising more clearly; and Al Jazeera disclosed its Qatar government ownership to its readers. In April 2020, NewsGuard received an endorsement from the Secretary of State for Digital, Culture, Media and Sport, The Rt Hon Oliver Dowden MP,

92 *Ibid.*

93 *Ibid.*

94 [Q 72](#)

95 Democracy and Digital Technologies Committee, *Digital Technology and the Resurrection of Trust* (Report of Session 2019–21, HL Paper 77); Digital, Culture, Media and Sport Committee, *Disinformation and ‘fake news’: final report* (Eighth Report, Session 2017–19, HC 1791)

96 [Q 181](#)

97 Nic Newman et al., *Reuters Institute Digital News Report 2019* (2019), pp 60–61: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/inline-files/DNR_2019_FINAL.pdf [accessed 19 October 2020]

98 Edelman, *2019 Edelman Trust Barometer* (January 2019), p 19: https://www.edelman.com/sites/g/files/aatuss191/files/2019-02/2019_Edelman_Trust_Barometer_Global_Report.pdf [accessed 19 October 2020]

99 [Q 101](#)

regarding its work around empowering UK citizens against COVID-19 misinformation.¹⁰⁰

58. **With an increasingly wide range of news sources available online, it is more important than ever that consumers have easy access to information about the credibility of their news publishers so they can critically assess news stories. We welcome credibility ratings and nutrition labels in browsers initiatives which seek to provide transparency, in particular those which note: whether publishers have disclosed how they are funded and who is in charge, including any possible conflicts of interests; whether they clearly label advertising; whether they provide the names, biographical or contact information of content creators; and by what process they respond to complaints and correct errors. We encourage the news industry and platforms to work together to build on these initiatives and make them widely available.**

Impartiality

59. We heard that impartiality play an important role in creating trust. Vikki Cook, Director of Content Media Policy at Ofcom, argued that even among young audiences who do not watch the main broadcasters, which have the highest levels of trust,¹⁰¹ “when it came to big events or big breaking news stories ... they do”.¹⁰² Participants in Ofcom’s study group also said that for big breaking news stories, they turn to “the proper broadcasters.”¹⁰³ Ms Cook therefore argued that valuing impartiality and accuracy cuts across all groups and ages.
60. TV news is regulated by Ofcom under the Broadcasting Code to ensure due impartiality and accuracy. The Broadcasting Code does not apply to online content, although ITV and Channel 4’ say that they maintain the same standards online as on-air.¹⁰⁴ The lack of oversight raises the possibility of public service broadcasters publishing content online which is not duly impartial or accurate and audiences trusting it because they assume it is regulated in the same way as broadcast content from the same brand.
61. The BBC’s online content is also not subject to the Broadcasting Code. However, Ofcom has overall responsibility for regulating the BBC—including its online content—and produces an annual report on its performance. Ofcom found that, among those who use them at least once a week, the number of people who believe that the BBC News website and app are impartial fell from 68 per cent in 2018 to 61 per cent in 2019.¹⁰⁵
62. Selina Swift, a student of Media and Communications Governance at the London School of Economics and Political Science, recommended that

100 Written evidence from NewsGuard ([FOJ0084](#))

101 Nic Newman et al., *Reuters Institute Digital News Report 2020* (June 2020), p 22: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 20 July 2020]

102 [Q 6](#)

103 *Ibid.*

104 [Q 132](#) (Julie Etchingham); Channel 4, ‘Social media guidelines’: <https://www.channel4.com/producers-handbook/c4-guidelines/social-media-guidelines> [accessed 23 November 2020]

105 Ofcom, *Review of BBC news and current affairs* (October 2019) p 13: https://www.ofcom.org.uk/data/assets/pdf_file/0025/173734/bbc-news-review.pdf; Ofcom, *News consumption survey 2018* (July 2018) p 98: https://www.ofcom.org.uk/data/assets/pdf_file/0024/116529/news-consumption-2018.pdf [accessed 23 November 2020]

broadcasters which are subject to Ofcom rules offline should be subject to the same rules online. She explained:

“it is currently entirely up to the broadcaster as to whether they follow their usual standards or try something new. The danger of this choice comes from the temptation of profiting from digital platforms’ ability to commercialise, plus the heightened competition on social media platforms.”¹⁰⁶

63. Sir Robbie Gibb, former Head of BBC Westminster & Editor, Live Political Programmes,¹⁰⁷ suggested that journalists’ use of social media has eroded trust:

“Before, an interviewer would put a contrary position in an interview... and that was always defended, because of course you take the contrary position, which is how the interview works. But then they repeat those same arguments on Twitter, which demonstrates that they were not taking a contrary position—it is their real position.”

Sir Robbie felt the problem was especially significant with broadcast journalism, as “people had assumed that all BBC and broadcast journalists were impartial”.¹⁰⁸

64. Julie Etchingham, a broadcaster for ITV, cautioned:

“Twitter is a seductive and tricky place for impartial news broadcasters to operate in because, of course, it is part of our instincts as journalists to want to take part in a conversation and to be part of the debate. We absolutely have to be rigorous in how we engage and about which stories we like or retweet ... I absolutely see the pitfalls of being drawn in too deeply.”¹⁰⁹

65. Most controversies have related to Twitter. David Jordan, Director of Editorial Policy and Standards at the BBC, said Twitter:

“has become more adversarial, argumentative, combative, opinionated, polarised and sometimes actually rather toxic, and it can suck people in. The immediacy of it can be alluring and the live dynamics of it can be ... seductive ... it can become almost addictive for some of our journalists. We have had issues about the use of social media at the BBC where people have not adhered to our standards or have overstepped the mark.”¹¹⁰

66. Social media can give journalists a false impression of what the public thinks, a concern highlighted by Sir Robbie.¹¹¹ Only 29 per cent of the population uses Twitter.¹¹² A news agenda driven by Twitter users is therefore shaped by its disproportionately young and highly educated users, as Figures 8 and 9 from a University of Manchester study by Jonathan Mellon and Christopher

106 Written evidence from Selina Swift ([FOJ0098](#))

107 Sir Robbie Gibb was Director of Communications for 10 Downing Street, 2017–19.

108 [Q 124](#)

109 [Q 132](#)

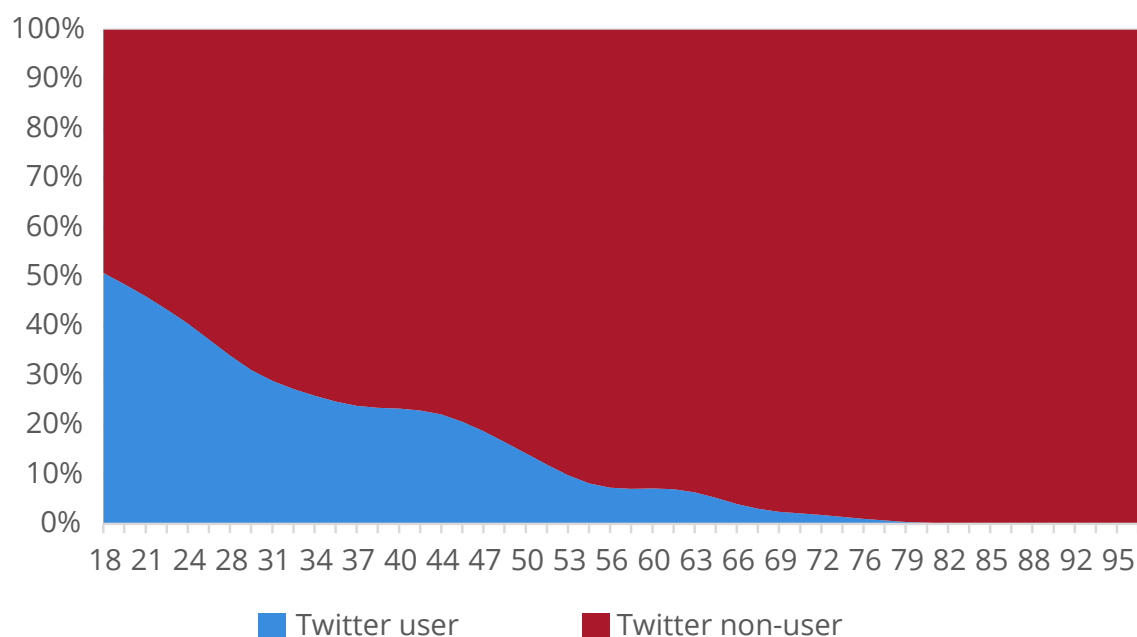
110 [Q 185](#)

111 [Q 125](#)

112 Reuters Institute for the Study of Journalism, ‘United Kingdom, Digital News Report 2020’ (June 2020: <http://www.digitalnewsreport.org/survey/2020/united-kingdom-2020/> [accessed 23 November 2020])

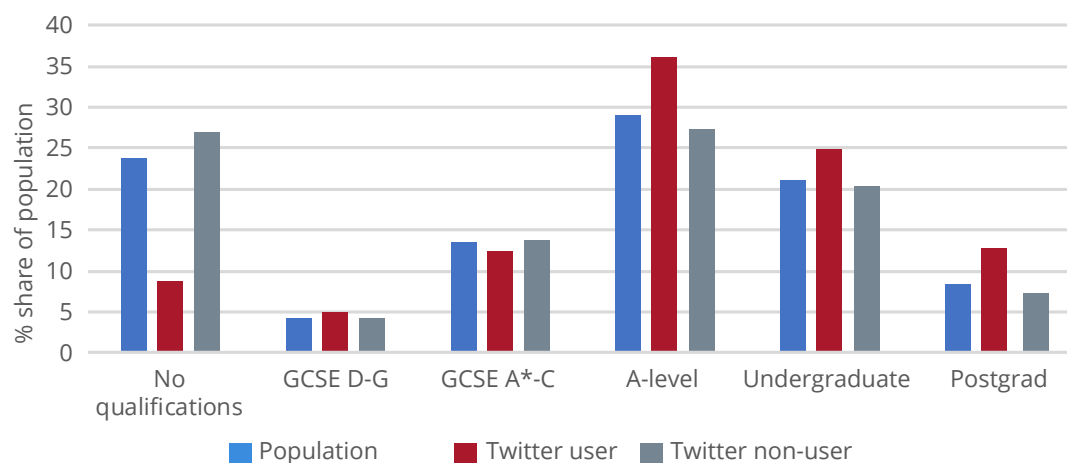
Prosser demonstrate. Research also shows that journalists can end up in ‘bubbles’, where they interact only with others like themselves.¹¹³

Figure 8: UK Twitter v non-Twitter users by age



Source: Jonathan Mellon & Christopher Prosser, ‘Twitter and Facebook are not Representative of the General Population: Political Attitudes and Demographics of British Social Media users’, *Research & Politics* (2017): <https://www.research.manchester.ac.uk/portal/files/57965848/2053168017720008.pdf> [accessed 23 November 2020]

Figure 9: UK Twitter v non-Twitter users by education



Source: Jonathan Mellon & Christopher Prosser, ‘Twitter and Facebook are not Representative of the General Population: Political Attitudes and Demographics of British Social Media users’, *Research & Politics* (2017): <https://www.research.manchester.ac.uk/portal/files/57965848/2053168017720008.pdf> [accessed 23 November 2020]

67. The BBC asked Professor Richard Sambrook, Director of the Centre of Journalism at Cardiff University and former Director of BBC News, to

¹¹³ Nikki Usher and Yee Man Margaret Ng, ‘Sharing Knowledge and “Microbubbles”: Epistemic Communities and Insularity in US Political Journalism’, *Social Media + Society* (June 2020): <https://journals.sagepub.com/doi/pdf/10.1177/2056305120926639> [accessed 23 November 2020]

review the issue. Tim Davie, Director-General of the BBC, told staff in his inaugural speech: “If you want to be an opinionated columnist or a partisan campaigner on social media then that is a valid choice, but you should not be working at the BBC.”¹¹⁴ In October 2020, the BBC announced new guidelines on impartiality and employees’ use of social media. Staff working in news or senior leadership positions, or who have a high profile, will be held to higher standards. Staff will complete new impartiality training tailored to their role.¹¹⁵

68. In December 2019 Channel 4 banned non-political journalists from posting about politics as part of what a Channel 4 source called “a period of deep self-reflection” after “a number of errors made on social media by Ofcom regulated journalists across the industry”.¹¹⁶ Sky News has also imposed new restrictions on its journalists’ discussion of politics on social media.¹¹⁷
69. **Although broadcasters have a duty to be accurate and duly impartial, Ofcom’s broadcast code does not apply to broadcasters’ online content. Public service broadcasters have a special role in the provision of impartial and accurate news; it is important that trust in their brands is preserved. We welcome initiatives taken by individual broadcasters, including the recent guidelines announced by the BBC.**
70. *The Government should empower Ofcom to regulate online news content produced by UK public service broadcasters in the same way it regulates broadcast content.*
71. **There is no real distinction between broadcasters’ social media accounts and those of their journalists. Ofcom should be empowered to ensure that public service broadcasters monitor the accuracy and impartiality of their journalists’ public social media posts and take appropriate action where necessary.**

Media literacy

72. Media literacy is important for creating discerning consumers of news and in equipping consumers of news with the tools to hold the media to account. Professor Martin Conboy et al wrote that media literacy education can empower “citizens to hold journalism to account for its weaknesses and failures as well as recognise and reward its strengths and victories”, and argued that greater levels of trust depend on high levels of media literacy.¹¹⁸ Likewise, the fact-checking website Full Fact stressed that media literacy can ensure people are “better equipped to understand what affects media coverage, and can be more confident in identifying and challenging false or misleading claims.”¹¹⁹

114 Vanessa Thorpe, ‘BBC broadcasters furious over new rules restricting “partisan” use of Twitter’, *The Observer* (6 September 2020) <https://www.theguardian.com/media/2020/sep/06/bbc-broadcasters-furious-over-new-rules-restricting-partisan-use-of-twitter> [accessed 23 November 2020]

115 BBC, ‘New measures to reaffirm BBC’s commitment to impartiality’ (29 October 2020) <https://www.bbc.co.uk/mediacentre/latestnews/2020/impartiality-measures> [accessed 23 November 2020]

116 Mark Di Stefano, ‘Channel 4 Bans Nonpolitical Journalists From Tweeting About Politics’, *BuzzFeed* (20 December 2019): <https://www.buzzfeed.com/markdistefano/channel-4-reporters-banned-from-politics-tweets> [accessed 23 November 2020]

117 Jim Waterson (@Jimwaterson), Tweet on 16 June 2020: <https://twitter.com/jimwaterson/status/1272903516529573889?s=20> [accessed 23 November 2020]

118 Written evidence from Professor Martin Conboy, Dr Charlotte Elliott-Harvey, Dr Julie Firmstone, Dr Carl Fox, Dr Jane Mulderrig, Dr Joe Saunders, Dr John Steel, and Dr Paul Wragg (FOJ0032)

119 Written evidence from Full Fact (FOJ0079)

73. Central to media literacy is being able to engage constructively with online and offline sources, and to judge their provenance and content. The Communications Act 2003 places a duty on Ofcom to promote media literacy.¹²⁰ Matteo Bergamini, CEO of ShoutOut UK, a network which runs political and media literacy programmes aimed at young people, told us that media literacy: “is how to critically understand the media we consume—online, offline, radio and TV, et cetera—as well as understanding misinformation, disinformation and fake news”.¹²¹
74. Dr Alison Preston, Head of Media Literacy and Research at Ofcom, defined media literacy as running “from things such as awareness of privacy and of your own data and being able to recognise scams and so on to a set of attitudes and behaviours around critical understanding.”¹²² Ms Stanistreet of the NUJ highlighted the importance of asking questions such as: “Why did that person post that? Why did they say that? How has that been edited? Where does that information come from?”¹²³
75. The decline of print media and its growth online brings challenges for consumers as well as producers of news. The increasing ease with which individuals and organisations can publish news stories, which may be monetised by trying to attract as many ‘clicks’ as possible, raises the question of how readers can know whether what they are reading is from a reliable source. Dr Preston told us that it is important for readers to learn how to judge the provenance of sources:
- “People need to be aware of the distinction between advertising and editorial and, because a platform may provide you with a list of sites, whether you trust all those links because that platform has returned it, whether you are aware of how particular online services are funded and therefore might be targeting you”.¹²⁴
76. Dr Preston said there was “a significant minority across the population who remain either unaware or unwilling to engage or be more aware online”.¹²⁵ In print and broadcast media, the distinction between advertising and editorial is “a given for pretty much everybody”. But when Ofcom showed study participants a Google page where the first few search result links were advertisements, as displayed below the Google result links, only half the participants correctly identified the advertisements.¹²⁶ Online credibility ratings, discussed earlier in the Chapter, are one way to help consumers of news understand the provenance of online news sources.
77. We heard that levels of media literacy tend to be lower among those from a lower socio-economic background, and that those from a lower socio-economic background are more likely not to use the internet. Among working age people (16–64), 13 per cent of those in DE households are offline compared with 3 per cent in ABC1/C2 households.¹²⁷ Dr Preston found that understanding an understanding of how social media is funded

120 Communications Act 2003, [section 11\(1\)](#)

121 [Q 50](#)

122 [Q 9](#)

123 [Q 112](#)

124 [Q 9](#)

125 *Ibid.*

126 *Ibid.*

127 Ofcom, *Adults’ Media Use and Attitudes* (June 2020) p 9: https://www.ofcom.org.uk/_data/assets/pdf_file/0031/196375/adults-media-use-and-attitudes-2020-report.pdf [accessed 2 September 2020]

“varies by socioeconomic group, so richer, AB households are more aware of these things than poorer households.”¹²⁸ Mr Bergamini argued that people from a lower socio-economic background are more likely to be suspicious of media institutions: “Young people from low socio-economic backgrounds, not always but quite often, will feel more distanced from society, more alienated, more abandoned. That breeds a lot of anger and disenchantment with the Government, with society, with institutions in general.”¹²⁹ Media literacy can be a tool to alleviate this disenchantment, helping to build a “healthy scepticism as opposed to the cynicism that, ‘Everything’s garbage, none of it’s true and I want to push away from it,’” he said.¹³⁰

78. We heard that while media literacy is a “crucial component of education for young people”, there is also a “benefit in it for older generations”.¹³¹ Research by Intuit & Norstat found that 78 per cent of young people sometimes check the facts of a news story, but only 46 per cent of over-54s do so.¹³² A study by researchers at New York University and Princeton found that US Facebook users over 65 shared nearly seven times as many articles from fake news domains as those aged between 18 and 29.¹³³
79. Mr Whittingdale acknowledged the importance of media literacy for elderly people: “young children need to be educated particularly about [online] safety. Then again, elderly people, for whom technology can be rather frightening and confusing, need reassurance as well.”¹³⁴ Media literacy among the elderly is being addressed by organisations including the Carnegie Trust and the Good Things Foundation.¹³⁵ Anaïs Adriaens-Allemand, International Project Manager at CLEMI, the French national media literacy body (see Box 2), explained that CLEMI produces a ‘family guide’ which aims to “create debate within the family, with parents and grandparents, on the importance of our own practices. The idea behind our guide is to help parents question their own social media practice and screen use.”¹³⁶
80. Media literacy can benefit the production as well as the consumption of journalism. Ms Stanistreet of the NUJ said media literacy encompasses informing students of what journalism is like as a career and making them aware of the opportunities it creates. Media literacy should “make schoolchildren think of journalism as a prospective career: ‘That might work for me.’ Often, when we go in and talk to schoolchildren, they have never really thought about reporting or journalism as something anybody like them could do, particularly if they do not know anybody among their families or friends who have been connected with the industry”, she said.¹³⁷ This is particularly important for reaching students from a lower socio-economic background.

128 [Q 9](#)

129 [Q 54](#)

130 *Ibid.*

131 [Q 35](#)

132 Ofcom, *Online Nation* (2020) p 36: https://www.ofcom.org.uk/_data/assets/pdf_file/0027/196407/online-nation-2020-report.pdf [accessed 18 October 2020]

133 Andrew Guess, Jonathan Nagler and Joshua Tucker, ‘Less than you think: Prevalence and predictors of fake news dissemination on Facebook’, *Science Advances* (2019) <https://advances.sciencemag.org/content/advances/5/1/eaau4586.full.pdf> [accessed 18 October 2020]

134 [Q 177](#)

135 Supplementary written evidence from Ofcom ([FOJ0067](#))

136 [Q 49](#)

137 [Q 110](#)

81. Ms Adriaens-Allemand of CLEMI (see Box 3) explained the advantage of a public body co-ordinating work on media literacy: “The link with the [French] Ministry of National Education gives us this specificity among different actors. All the actors come to us because we have direct access to schools and are part of the education system.”¹³⁸ However, CLEMI is independent of politics, she said:

“It is more the link with teachers on the ground that is our strength. We do not have a political structure. We have a board with different media partners, media organisations and media associations that ensure our independence from political power. This gives us the ability to assure our partners that we are not working for the Government but with the education system”.¹³⁹

Box 3: CLEMI

CLEMI (Centre de liaison de l’enseignement et des médias d’information) is the French media literacy body. A public body under the French Ministry of Education, it was founded in 1983 to promote media literacy education, helping students develop an understanding of, and interest in, the media and form skills of critical judgement as a citizen.

CLEMI’s organisational roles include identifying gaps in French students’ knowledge (such as, recently, data education), training and producing resources for teachers and families, and running a programme for students to produce their own journalism. Every year 30,000 teachers and other educational professionals receive government training on media and digital literacy. An optional media and digital literacy course is part of the secondary school curriculum.¹⁴⁰

In September 2018 the French government launched a new digital inclusion strategy to improve access to digital skills and infrastructure for the 6.7 million citizens who still do not use the internet. The plan is intended to support 1.5 million people each year, with a budget of up to €100 million. The Government also announced that it would invest €5 million over 18 months to create a series of ICT training centres called ‘Hubs France connectée’.¹⁴¹

In addition, the French government has launched a ‘digital pass’ (‘pass numérique’) programme to enable 200,000 people to participate in up to 10 digital skills training sessions at little or no cost. After an initial €10 million investment, 1 million digital passes have been made available across 48 municipalities, allowing citizens to access workshops teaching them how to use the internet.¹⁴²

82. The UK Government has taken a less proactive approach to media literacy. We heard that the Government should do more to support media literacy. The Select Committee on Democracy and Digital Technologies’ report *Digital Technology and the Resurrection of Trust* found there was a “focus on

¹³⁸ Q 45

¹³⁹ *Ibid.*

¹⁴⁰ CLEMI, ‘Training, CLEMI’s flagship mission’: <https://www.clemi.fr/fr/formation/la-formation-mission-phare-du-clemi.html> [accessed 28 July 2020]

¹⁴¹ ‘French Government launched a set of initiatives to promote digital inclusion’, Digital Inclusion Newslog (16 October 2018): <http://digitalinclusionnewslog.itu.int/2018/10/16/french-government-launched-a-set-of-initiatives-to-promote-digital-inclusion/> [accessed 28 July 2020]

¹⁴² ‘France launches ‘digital pass’ programme to boost digital literacy’, Digital Inclusion Newslog (14 August 2019): <http://digitalinclusionnewslog.itu.int/2019/08/14/france-launches-digital-pass-programme-to-boost-digital-literacy/> [accessed 28 July 2020]

computer science, rather than critical digital media literacy skills” and recommended that “the Department for Education should review the school curriculum to ensure that pupils are equipped with all the skills needed in a modern digital world”, with critical digital literacy being embedded across the wider curriculum.¹⁴³ Full Fact told us that the Government’s promised media literacy strategy should as a minimum include better coordination and oversight of existing media literacy initiatives.¹⁴⁴

83. However, Ofcom has worked on coordinating media literacy stakeholders through the Making Sense of Media programme, a programme which helps improve the online skills, knowledge and understanding of UK adults and children.¹⁴⁵ Dr Preston told us of “an agreement that we should all do more to join together and pool resources and expertise and get more awareness of what works.”¹⁴⁶ Collaboration also occurs within the News Literacy Network, a working group chaired by the National Literacy Trust and comprised of news organisations, NGOs and academics. The group helps teachers find the most useful resources about fake news and critical literacy.¹⁴⁷

84. The Independent Press Standards Organisation (IPSO) stressed the importance of this style of collaboration, stating that:

“any approach to improve media literacy needs to include input from organisations working widely across the media landscape including the newspaper industry, internet platforms, regulators and those interested in the reporting of particular issues.”¹⁴⁸

Emma Goodman, Policy Officer, and Professor Sonia Livingstone, Professor of Social Psychology in the Department of Media and Communications at LSE, suggested that coordination of the BBC, public service broadcasters, libraries, the National Literacy Trust and platforms should be orchestrated by an independent regulator or other body. They wrote that this body should make a “particular effort” to target vulnerable and hard-to-reach groups.¹⁴⁹ Mr Bergamini echoed this call for coordination, asking “Whose job is it to bring it all together?” and suggesting this should fall on the Department for Education.¹⁵⁰

85. We heard that media literacy should not just be the responsibility of government; responsibility should also lie with digital platforms such as Google, Facebook, and Twitter, which are carriers of news. Edward Bowles, Director of Public Policy for Northern, Central and Eastern Europe at Facebook, accepted this responsibility: “there is almost certainly a great deal still to be done in relation to media literacy”.¹⁵¹ “There is a necessary attempt to make sure not only that what people are seeing on the platform

143 Democracy and Digital Technologies Committee, *Digital Technology and the Resurrection of Trust* (Report of Session 2019–21, HL Paper 77), pp 109, 119

144 Written evidence from Full Fact (FOJ0079)

145 Ofcom, ‘Making Sense of Media’: <https://www.ofcom.org.uk/research-and-data/media-literacy-research> [accessed 10 September 2020]

146 Q 9

147 Written evidence from the Guardian Foundation (FOJ0073) and News Literacy Network, ‘News Literacy Network: find the right fake news and critical literacy teaching resources’: <https://literacytrust.org.uk/policy-and-campaigns/all-party-parliamentary-group-literacy/fakenews/newsliteracy/> [accessed 10 September 2020]

148 Written evidence from the Independent Press Standards Organisation (FOJ0036)

149 Written evidence from Emma Goodman and Professor Sonia Livingstone (FOJ0066)

150 Q 54

151 Q 148 (Edward Bowles)

is a reflection of their preference but that they can understand why they are seeing things”.¹⁵² Facebook has introduced features to help meet this goal, including tools on the menu bar that inform users why the content is being shown and allow them to block similar content.¹⁵³ Tom Morrison-Bell, Government Affairs and Public Policy Manager at Google, agreed that platforms have a responsibility to ensure media literacy, outlining Google’s engagement with media literacy programmes.¹⁵⁴

86. This responsibility extends to media organisations. Media literacy “is the industry’s problem as well,” Mr Dickinson of Manchester Metropolitan University told us. “It is the industry’s job to be better at explaining what it is, what it is for and what it does.”¹⁵⁵
87. **In a complex news landscape, media literacy is crucial. It means more than identifying ‘fake news’; it is about understanding journalistic processes and their value, how news is presented online and how it is funded. We commend the work of Ofcom and media literacy organisations in improving media literacy for young people. However, we are also concerned by evidence that people from lower socio-economic groups and older people have lower levels of media literacy.**
88. **Work on media literacy suffers from a lack of co-ordination. We recommend that a regulatory body, which could be Ofcom, the Digital Authority we proposed in our report ‘Regulating in a Digital World’, or another body, should co-ordinate work on media literacy across Government, media organisations, platforms, academia and charities. Given the crowded regulatory landscape this should not be a new body. This body should look to France’s CLEMI for effective ways to coordinate media literacy.**
89. **The Government’s upcoming media literacy strategy should include coordination between the Department for Education, Ofsted and Ofcom on how to better integrate critical thinking and media literacy into the school curriculum.**

Relevance to communities

90. We heard that some news organisations have a disconnect with the communities they serve. Ms Cook explained that many participants in Ofcom’s regional focus groups felt that they were not properly represented within journalism: “They felt that a predominately white, middle-aged, London-centric agenda was still being chased.”¹⁵⁶

¹⁵² *Ibid.*

¹⁵³ *Ibid.*

¹⁵⁴ [Q 148](#) (Tom Morrison-Bell); written evidence from Google ([FOJ0080](#)); Google’s engagement with media literacy programmes includes Be Internet Citizens, aimed at teenagers and designed to teach media literacy, critical thinking and digital citizenship; Be Internet Legends, a free educational programme “to empower Key Stage 2 pupils with the knowledge and skills they need to be safe and confident online”; NewsWise, a free, cross-curricular news literacy project for 9–11 year olds; and The Student View, “a programme which works with schools, businesses, and the media to help young people spot disinformation, create trusted local news content, and become creative and confident writers.”

¹⁵⁵ [Q 89](#)

¹⁵⁶ [Q 6](#)

91. A YouGov poll conducted in April 2020 on trust regarding COVID-19 reporting found that, while middle- and working-class people distrusted newspapers to the same degree (71 per cent), there was more of a disparity on a regional level: the largest disparity was between 64 per cent for London and 75 per cent for the Midlands/Wales.¹⁵⁷
92. Libby Drew, Founding Director of On Our Radar, a non-profit communications agency which specialises in community reporting with marginalised groups, argued: “Media houses are often seen to be occupying an ivory tower, looking in from outside at the realities of civic life, cherry picking concerns and stories, and in doing so overlooking huge swaths of people’s experiences”.¹⁵⁸ Ms Drew added that this cycle of mistrust is difficult to break. This disconnect is partly due to young people in communities growing up and seeing the “people they identify with routinely demonised in the press”, which can be “humiliating and frustrating and fosters hostility towards those platforms”. As a result, these young people may withdraw from engaging with the media as both creators and consumers. She warned that there is no easy solution, instead requiring a “sustained effort to rebuild burnt bridges”.¹⁵⁹
93. To alleviate this lack of connection with communities, Ms Warren, a freelance journalist, proposed a fund for independent and local freelance supporters working on news projects within their communities, as provided in the US by organisations such as the Pulitzer Center and the International Women’s Media Foundation: “we should have a system whereby local journalists dotted all over the UK can say, ‘Actually, I want to spend a month looking at the NHS in this corner of my town’”.¹⁶⁰ Mr Cantwell-Corn advocated fostering trust by organisations helping arrange events in the community, in partnership with local organisations and through providing early-career journalism schemes.¹⁶¹ Dr Lewis placed also emphasised the importance of making journalism relevant to communities.¹⁶²
94. One further aspect of a loss of trust is the loss of physical presence of news outlets in the communities they cover. Paul Foster, Lecturer in Journalism at the University of Portsmouth, noted how “brands are no longer a visible presence on the streets and, in many instances, journalists have been removed from their communities”.¹⁶³ This is a particular issue for chain-owned local papers, which have sought to create economies of scale by combining newsrooms or by consolidating news operations in regional hubs.¹⁶⁴ Five conglomerates (Gannett, JPI Media, Reach, Tindle and Archant) account for 80 per cent of all regional titles, with a further 57 smaller publishers holding the remaining 20 per cent of titles.¹⁶⁵ For TV the total spend by public service broadcasters, who are the largest contributor on productions in the nations and regions, on productions outside London declined by almost nine

157 YouGov, ‘YouGov/Sky Survey Results’ (April 2020), pp 5–6: https://docs.cdn.yougov.com/vamyzlzifr/Sky_Coronavirus_200421_V2.pdf [accessed 20 July 2020]

158 Written evidence from Libby Drew (FOJ0095)

159 Supplementary written evidence from Libby Drew (FOJ0095)

160 Q 43

161 Q 102

162 Q 22

163 Written evidence from Paul Foster (FOJ0018)

164 *Ibid.*

165 Media Reform Coalition, *Who Owns the UK Media?*, p 8 (12 March 2019): <https://www.mediareform.org.uk/wp-content/uploads/2019/03/FINALonline2.pdf> [accessed 1 October 2020]

per cent between 2012 and 2018.¹⁶⁶ In *Public Service Broadcasting: as Vital as Ever* we raised concern the unequal spread of TV production, recommending that “Ofcom should ensure that public service broadcasters uphold the spirit of regional production quotas to aid the development of regional skills and production companies based in different nations and regions”.¹⁶⁷ A similar trend has been underway with radio, for instance with local and regional outlets owned by Bauer Media now broadcasting under the single brand Greatest Hits Radio.¹⁶⁸

95. We heard from Ms Cook of Ofcom that it is important for journalists to be authentic: consumers prefer stories which come from a journalist who “looks and sounds like me, so someone who understands the issues around me. It is not someone who has been parachuted in from London to tell me a story.”¹⁶⁹ Michael Jermy, Director of News and Current Affairs at ITV, also raised the importance of having regional media, saying “There is a relationship between regional presenters and an audience that a lot of viewers find really reassuring”.¹⁷⁰ He emphasised that ITV had not deviated from the more traditional, region focussed model: “The way we do that is the way the ITV regions have been doing that since the 1950s. We do it in a modern context with modern technology and we operate in different ways, but the key to ITV regional news is that it is deeply rooted in the regions in which it operates”, although admitted that “15 or 20 years ago there were more of what are sometimes described as non-news programmes—current affairs or lifestyle programmes—across the regions.”¹⁷¹
96. **While regional consolidation may result in economic savings, we encourage continued engagement with communities as part of news, TV and radio production through use of new technologies. Increased programme making in and for the regions can also help bring about an expansion of journalism, creating jobs in local areas and providing opportunities for aspiring journalists, particularly for those from a socioeconomically disadvantaged background; this could help promote the Government’s “levelling-up” agenda.**¹⁷²
97. **News organisations which have launched ‘engaged journalism’ schemes to build relationships with the communities they serve should be commended, as should those which have increased transparency by explaining their journalistic processes in innovative ways. We believe that an important way to serve communities better is by ensuring that newsrooms are representative of their audiences. We consider this issue in Chapter 3.**

166 Ofcom, *Review of Regional TV Production and Programming Guidance* (December 2018), p 17: https://www.ofcom.org.uk/_data/assets/pdf_file/0015/130911/Review-of-Regional-TV-Production-and-Programming-Guidance.pdf [accessed 19 October 2019]

167 Communications and Digital Committee, *Public Service Broadcasting: as vital as ever* (1st Report, Session 2019, HL Paper 16), p 46

168 ‘Bauer closes dozens of regional radio stations in England and Wales’, *The Guardian* (31 August 2020): <https://www.theguardian.com/media/2020/aug/31/merger-of-bauer-local-radio-stations-criticised-as-cultural-vandalism> [accessed 19 October 2020]

169 Q 6

170 Q 188

171 Q 192

172 The Conservative and Unionist Party Manifesto 2019, *Get Brexit done, unleash Britain’s potential*, p 2: <https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba/Conservative%202019%20Manifesto.pdf> [accessed 22 October 2020]

Court reporting

98. Several witnesses raised the decline in court reporting, describing it as an important part of public interest journalism which is ripe for innovation. According to Megan Lucero, Director of Bureau Local, an investigative journalism network, the BBC considered including court reporting in the LDRS but decided against it partly due to the legal and resource requirements. “How do you support people to write about family courts, which are incredibly complicated and where the people reported on need a lot of protection? That level of reporting requires a lot of additional resources,” Ms Lucero said.¹⁷³ She said researchers from Bristol University went to every magistrates’ court for a week and found that the majority of courts did not have a journalist present.¹⁷⁴ Chris Summers, a specialist crime reporter, also noted that many court cases are not covered “by a single reporter”, adding that news providers usually report these cases on the basis of a press release from police forces.¹⁷⁵
99. Mr Whittingdale agreed that “it is very rare now to see a court reporter perched, taking a record of the proceedings”. Mr Whittingdale argued that the LDRS should be extended to cover courts.¹⁷⁶ In its response to the *Cairncross Review*, the Government stated that “organisations including DCMS, the Ministry of Justice and HMCTS [Her Majesty’s Courts and Tribunals Service] are working together to identify what more can be done to facilitate journalists’ access to and reporting of court proceedings.”¹⁷⁷
100. Mr Iliffe of Iliffe Media, stressed the importance of court reporting to the public: “We did a micropayments test in one of our newspapers, where we would charge 20p to read content. Strangely, most of the content that people paid for was court reporting.”¹⁷⁸
101. Both Ms Lucero and Mr Iliffe argued that one of the biggest challenges is a lack of digitisation in courts.¹⁷⁹ Mr Jones called the increase in digitisation “piecemeal”. With increased use of platforms and mobile technology by court reporters, as well as more video cameras in courtrooms, courts “have gradually shown more willingness to accommodate media interests”.¹⁸⁰ However, he suggested that court reporters could further be aided by repealing the ban on publication or broadcast of audio recordings in court (Contempt of Court Act 1981) and the restrictions on court photography (Criminal Justice Act 1925). He said the audio ban was made “with the convenience of court users such as barristers in mind, outweighing open justice considerations”.¹⁸¹ Recently, restrictions have been partially relaxed through the Crown Court (Recording and Broadcasting) Order 2020; however, this order applies to TV cameras filming judges passing sentences only for murder, sexual offences, terrorism and other serious high-profile criminal cases in the Crown Court

173 Q 62

174 Q 63

175 Written evidence from Chris Summers (FOJ0002)

176 Q 172

177 Department for Digital, Culture, Media and Sport, ‘Government response to the Cairncross Review’ (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism> [accessed 24 July 2020]

178 Q 100

179 Q 62

180 Written evidence from Richard Jones (FOJ0017)

181 *Ibid.*

in England and Wales.¹⁸² Filming has been allowed in the Supreme Court since its creation in 2009 and in the Court of Appeal since 2013.¹⁸³

102. Reporters are not allowed to use smartphones for recording in court. Mr Jones said it would be “unobtrusive” to allow reporters to “put their phones on a table in front of a barrister giving an opening statement, or a judge delivering sentencing remarks, much in the manner of recorders left running at a press conference”. Mr Jones supported both video and still photography in court, saying the images would “assist the visibility of court stories when published online”.¹⁸⁴
103. The Coronavirus Act 2020 introduced temporary provisions which enable participants in court hearings to participate via video or audio link or via telephone, due to restrictions on travel during the COVID-19 pandemic. Under the Act participants in hearings can join via audio or video link, and criminal, family and civil courts and tribunals are able to make directions to live stream such hearings.¹⁸⁵ Accredited journalists who wish to report on proceedings remotely are able to submit a request,¹⁸⁶ and there have been examples of where courts have enabled the media to have remote access to hearings.¹⁸⁷
104. There are still restrictions on unauthorised photography and recordings. The explanatory notes to the Coronavirus Act acknowledge that the restrictions contained in the Criminal Justice Act 1925 and the Contempt of Court Act 1981 were created “long before the concept of a virtual hearing was thought possible”; the Act therefore creates similar offences in relation to unauthorised photography and recordings in the context of virtual hearings.¹⁸⁸
105. Mr Iliffe highlighted another obstacle to adequate court reporting: the closing of court buildings, which has left those which remain open less likely to be located near publishing offices. “If I want to cover a court case relating to some misdemeanour in Bury St Edmunds, I have to travel 100 miles, as a round trip, on the off chance that the court is running to timetable and so on, to get the story,” he said. “If that story could just be transcribed and made available online, our journalists could deal with that from anywhere in the world”.¹⁸⁹ Crown Court transcripts can be requested, although there is no transcription service in the Magistrates’ court as it is not a court of record; appeals are given a fresh hearing, with no account of the previous

182 The Crown Court (Recording and Broadcasting) Order 2020 ([SI 2020/637](#))

183 Channel 4, ‘Media law: filming the courts’: <https://www.channel4.com/producers-handbook/media-law/contempt-and-reporting-legal-proceedings/filming-the-courts> [accessed 10 September 2020]

184 Written evidence from Richard Jones ([FOJ0017](#))

185 Coronavirus Act 2020, [sections 53–57](#)

186 HM Courts & Tribunals Service, ‘Guidance: HMCTS telephone and video hearings during coronavirus outbreak’ (October 2020): <https://www.gov.uk/guidance/hmcts-telephone-and-video-hearings-during-coronavirus-outbreak#media-access-to-proceedings> [accessed 26 October 2020]

187 ‘Old Bailey allows journalists to cover criminal cases from home in legal first’, *Society of Editors* (26 March 2020): https://www.societyofeditors.org/soe_news/old-bailey-allows-journalists-to-cover-case-in-legal-first/ [accessed 26 October 2020]

188 Coronavirus Act 2020, [Explanatory Notes](#)

189 [Q 100](#)

case.¹⁹⁰ However, since September Magistrates' court listings have been published online.¹⁹¹

106. One innovation introduced by Caerphilly Media, an independent newspaper publisher in South Wales, is building a live, searchable database of every case heard in magistrates' courts in England and Wales. The initiative is funded by Clwstwr, a Research and Development partnership, and Google's Digital News Innovation Fund.¹⁹² However, the data currently are provided in PDF documents, sent by the courts, that can run to 100 pages; these documents can be difficult to search and stories of public interest are easy to miss.
107. **A central role of journalism is to publicise the work of public bodies, including courts. However, we have heard concerns about the limited availability of online data about court proceedings. We welcome the Government's commitment "to identify what more can be done to facilitate journalists' access to and reporting of court proceedings".**¹⁹³
108. **We welcome the introduction of the Crown Court (Recording and Broadcasting) Order 2020. However, restrictions on use of audio, photography and video in court remain and are arguably outdated in today's multimedia news environment.**
109. *We recommend that the Government review legislation banning the use of recording devices in court and consider permanently implementing the relaxation of live streaming of certain court hearings.*

190 HM Courts & Tribunals Service, 'Guidance: HMCTS telephone and video hearings during coronavirus outbreak' (October 2020): <https://www.gov.uk/guidance/hmcts-telephone-and-video-hearings-during-coronavirus-outbreak#media-access-to-proceedings> [accessed 26 October 2020]

191 'Magistrates' court listings now published online', *HM Courts & Tribunals Service* (1 September 2020): <https://www.gov.uk/government/news/magistrates-court-listings-now-published-online> [accessed 27 October 2020]

192 'A searchable court case database aims to improve reporting on public interest stories', *Journalism.co.uk* (23 July 2020): <https://www.journalism.co.uk/news/welsh-news-publisher-develops-a-searchable-court-case-system/s2/a758733/> [accessed 31 July 2020]

193 Department for Digital, Culture, Media and Sport, 'Government response to the Cairncross Review' (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism> [accessed 24 July 2020]

CHAPTER 3: JOURNALISM AS A CAREER

Diversity

110. According to the Office for National Statistics (ONS), in 2019 81,000 people in the UK worked as a journalist or newspaper or periodical editor. Table 1 shows the number of journalists by employment type. As discussed in Chapter 1, the COVID-19 pandemic has given rise to significant numbers of redundancies in journalism, which are not reflected in the latest figures.

Table 1: Number of journalists by employment type

	Employed			Self-employed		
	Full-time	Part-time	Total	Full-time	Part-time	Total
2019	41,800	4,700	46,500	17,400	15,900	33,700
2014	30,000	6,000	35,000	15,000	10,000	25,000
2009	34,000	*	38,000	10,000	10,000	20,000
2004	33,000	*	38,000	10,000	*	18,000

* Data unavailable.

Source: Office for National Statistics, Labour Force Survey: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/employmentbyoccupationemp04> [accessed 23 November 2020]

111. Table 2 provides a breakdown of the percentage of journalists working in each sector.

Table 2: Percentage breakdown of journalists working in each area

Sector	2002	2012	2018
Newspapers	41	40	59
Regional/local newspapers	30	30	46
National newspapers	11	10	13
Magazines	25	18	8
Business magazines	15	8	5
Consumer/leisure magazines	8	6	2
Other magazines	2	5	1
Radio	11	6	6
Regional/local radio	7	3	2
National radio	4	2	2
Television	10	10	11
National TV	6	5	6
Regional TV	4	4	4
Cable/satellite TV	*	1	1
Online	4	8	9
Other	4	17	9

Sector	2002	2012	2018
Independent production company	2	1	★
Books	1	3	★
Public relations and corporate communications	1	7	2
Other	2	2	5

* Data unavailable.

Source: National Council for the Training of Journalists, *Journalists at Work* (October 2018) p 17: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 23 November 2020]

112. Our Committee has long been interested in the diversity of the industries within our remit. Most recently, we discussed diversity and representation in *UK Advertising in a Digital Age* and *Public Service Broadcasting: as Vital as Ever*.¹⁹⁴
113. Several witnesses in our inquiry explained why diversity is particularly important in newsrooms. For example, Barnie Choudhury, Professor of Professional Practice in Communications at the University of Buckingham, suggested that certain controversies about coverage of race in the media could have been avoided if the newsrooms concerned were more diverse.¹⁹⁵ Michelle Stanistreet explained: “Diversity is important to any organisation, or should be, but when it comes to journalism it has a particular impact. We are supposed to be holding up a mirror to the communities that journalists serve. It means that we are missing out on a lot of diversity of thought, lived experience and, frankly, talent that is going untapped”.¹⁹⁶
114. Julie Etchingham, a broadcaster for ITV, agreed: “If you do not have sufficient diversity of thought in a newsroom, by definition you are not really understanding the whole range of opinions and perspectives that are out there... The more voices that we can draw on around an editorial table, the better informed we are then to make an impartial and objective judgment on how to proceed on a story.”¹⁹⁷
115. Having a range of religious and philosophical perspectives can be an important element of this. Ms Etchingham cited her experience of covering debates about euthanasia as an example.¹⁹⁸
116. Asif Sadiq MBE and Sir Robbie Gibb argued that ‘diversity of thought’ was too often overlooked.¹⁹⁹ Sir Robbie suggested that this had led to broadcasters “completely misreading the country”. PressPad and Mr Sadiq thought it important for newsrooms to have a culture in which ‘diversity of thought’ is encouraged.²⁰⁰
117. The BBC has received particular scrutiny on this issue. John Humphrys, a former BBC journalist, has argued that there is “a form of institutional liberal

194 Communications Committee, *UK Advertising in a Digital Age* (1st Report, Session 2017–19, HL Paper 116) and Communications and Digital Committee, *Public Service Broadcasting: as Vital as Ever* (1st Report, Session 2019, HL Paper 16)

195 Written evidence from Barnie Choudhury (FOJ0110)

196 Q 109

197 Q 129

198 *Ibid.*

199 Written evidence from Asif Sadiq (FOJ0087); Q 126

200 Supplementary written evidence from PressPad (FOJ0096); written evidence from Asif Sadiq (FOJ0087)

bias”, driven by hiring predominantly middle-class university graduates, which leads to a “groupthink mentality”.²⁰¹ Roger Mosey, former Head of BBC Television News, has expressed concern that the BBC “appears to be narrowing its range of thought and edging towards groupthink.”²⁰²

118. David Jordan, Director of Editorial Policy and Standards at the BBC, agreed that having ‘diversity of thought’ was important and said: “Have we always been successful in doing that? No, candidly, we have not. I know I am not the first person from the BBC to say this; the former director-general, Mark Thompson, has said something similar. We had issues about, for example, tracking the rise of Euro-scepticism ... across the BBC, did we do that adequately? No, we did not. Did we have issues tracking the growth of concern about immigration? I think that we as an organisation did have that.”²⁰³
119. In October 2019, June Sarpong was appointed as the BBC’s Director of Creative Diversity, aiming “to make the BBC more inclusive and representative of the broad and diverse audience it serves.”²⁰⁴ Ms Sarpong has warned that the BBC has had “serious issues” connecting with working class audiences.²⁰⁵
120. The Government suggested in its response to *the Cairncross Review* that:

“improving the diversity of newsrooms could also have a positive impact on the sustainability of the industry by helping news publishers improve their appeal to currently underserved and under-represented audiences. Through diversity of perspectives, this could in turn lead to an increase in readership and associated revenues.”²⁰⁶
121. Many news organisations have schemes to improve the diversity of their organisation.²⁰⁷ However, there is a lack of data on diversity apart from surveys of the whole industry. Except for broadcasters, news organisations are under no obligation to report on the diversity of their workforce.

201 Sam Greenhill, ‘Broadcaster John Humphrys savages bias at the BBC as he accuses the ‘Kremlin’ style corporation of being out of touch’, *Daily Mail* (20 September 2019): <https://www.dailymail.co.uk/news/article-7487661/Broadcaster-John-Humphrys-lifts-lid-institutional-liberal-bias-BBC.html> [accessed 18 October 2020]

202 Roger Mosey, ‘Bowling to Twitter culture is bad news for the BBC’, *The Sunday Times* (19 July 2020): <https://www.thetimes.co.uk/article/bowing-to-twitter-culture-is-bad-news-for-the-bbc-8gw5rdvnf> [accessed 18 October 2020]

203 Q 183

204 ‘June Sarpong: TV presenter appointed BBC director of creative diversity’, *BBC News* (4 October 2019) <https://www.bbc.co.uk/news/entertainment-arts-49935853> [accessed 18 November 2020]

205 Rory Tingle, ‘BBC has failed to connect with white working class audiences and must do more to make them feel represented, says head of diversity June Sarpong’, *Mail Online* (6 October 2020) <https://www.dailymail.co.uk/news/article-8809509/BBC-failed-connect-white-working-class-audiences-says-diversity-tsar.html> [accessed 18 November 2020]

206 Department for Digital, Culture, Media and Sport, ‘Government response to the Cairncross review: a sustainable future for journalism’ (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism#further-work> [accessed 18 November 2020]

207 Q 39 (Nic Newman); Q 79 (Will Harding); written evidence from the BBC (FOJ0077); written evidence from ITN (FOJ0076); Department for Digital, Culture, Media and Sport, ‘Government response to the Cairncross review: a sustainable future for journalism’ (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism#further-work> [accessed 18 November 2020]; Q 29 (Will Gore)

122. Industry-wide statistics suggest some disparities. Although 55 per cent of journalists are male, broadly in line with the 53 per cent male UK workforce, women are more represented in younger than older cohorts: 16 per cent of female journalists are aged under 25 compared with 13 per cent of men, while 40 per cent of male journalists are aged 40 and over compared with 25 per cent of women.²⁰⁸ In January 2015 the Committee raised concerns about the profile of women on TV news in a report on *Women in News and Current Affairs Broadcasting*.²⁰⁹
123. In 2018, the ONS found that 10 per cent of journalists had a disability or health problem, compared with 13 per cent of the workforce, and that 10 per cent were from a Black, Asian and Minority Ethnic (BAME) backgrounds, compared with 12 per cent of the workforce.²¹⁰ We are acutely aware of the importance of language and its evolution. We recognise that the acronym 'BAME' conflates the vastly different life experiences of millions of people from many different cultural, religious and ethnic backgrounds. We only use the term in this report in order to produce headline data in line with existing comparative data sets and in quoting evidence from our witnesses.
124. Analysis by the NCTJ in 2017 showed that journalism graduates with a disability were less likely to be in work as a journalist six months after graduation than those without (by 22 per cent to 26 per cent), and black journalism graduates less likely than white or Asian graduates (by 8 per cent to 26 per cent and 33 per cent respectively).²¹¹
125. Diversity is not limited to the protected characteristics set out in the Equality Act 2010. For example, socio-economic diversity is a key issue. The 2018 ONS Labour Force survey found that 72 per cent of journalists have a parent who worked in one of the three 'higher-level' occupations compared with 41 per cent of the UK workforce. Six per cent of journalists have parents from the lowest two social classes compared with 22 per cent of the UK workforce.²¹² The NCTJ found that journalism graduates who went to a state-funded school were less likely to work in journalism than their independently educated peers by 17 per cent to 25 per cent.²¹³
126. It is also important for news organisations to hire people from a geographical range of backgrounds. For example, David Jordan, Director of Editorial Policy and Standards at the BBC, told us:

“we have a very dispersed set of journalists across the UK, more dispersed than any other organisation in the UK, given our regional newsrooms, our local journalism and our journalism in each of the nations, and we

208 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 23: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

209 Communications Committee, *Women in News and Current Affairs Broadcasting* (2nd Report, Session 2014–15, HL Paper 91)

210 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 23: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

211 National Council for the Training of Journalists, *Diversity in Journalism* (November 2017), p 19: <https://www.nctj.com/downloadlibrary/DIVERSITY%20JOURNALISM%204WEB.pdf> [accessed 18 November 2020]

212 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 25: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

213 National Council for the Training of Journalists, *Diversity in Journalism* (November 2017), p 19: <https://www.nctj.com/downloadlibrary/DIVERSITY%20JOURNALISM%204WEB.pdf> [accessed 18 November 2020]

make use of that. We ensure that the backgrounds of the people who come into our newsroom are varied.”²¹⁴

127. PressPad, a social enterprise which works to improve diversity in the media, and Mr Sadiq explained that data does not show whether people have more than one under-represented characteristic. Both noted that people who have an under-represented characteristic are often also from a less-advantaged socio-economic background.²¹⁵
128. We also heard concerns about retention and progression in news organisations, about which there is also a lack of data. Mr Choudhury noted “in the history of journalism in the newspaper industry in the UK, we have had one BAME national newspaper editor”, a statistic which he described as “horrific”. He told us: “Structural, systemic and institutional racism exist in journalism.”²¹⁶
129. Mr Sadiq suggested “a charter that all media organisations would have to sign up to that would ensure that they have to work towards diversity and inclusion and report yearly on their progress. This would create healthy competition and also transparency, which would support diversity and inclusion efforts.”²¹⁷ Mr Choudhury made a similar suggestion and argued that data on retention and promotion should be included.²¹⁸
130. Under the Communications Act 2003, Ofcom has a responsibility to monitor the diversity of staff of UK broadcasters in terms of gender, racial group and disability. The Act gives the Secretary of State power by order to add any other form of equality of opportunity to this list.²¹⁹
131. Kevin Bakhurst, Group Director, Content and Media Policy at Ofcom, told us in July 2019 during our inquiry into public service broadcasting that Ofcom would like the list of characteristics to be extended:

“We have the powers to get the figures for three protected characteristics [gender, racial group and disability]. We do not have the powers to force broadcasters to give us figures for the other characteristics. We have written to the Secretary of State twice to ask for those powers. Do we need more powers in that area? Yes, we do, and we have asked about it. It would be great if we got an answer.”²²⁰
132. The Government is not minded to grant Ofcom’s request. The Rt Hon. John Whittingdale MP, Minister for Media and Data, told us:

“I would be reluctant to legislate to give Ofcom more powers to require information to be supplied. Particularly given the economic difficulties the industry is already in, imposing greater burdens on it is something that I am reluctant to do. However, the broadcasters already record a lot of this and supply that information, and they could well do more.”²²¹

214 [Q 183](#)

215 Supplementary written evidence from PressPad ([FOJ0096](#)); written evidence from Asif Sadiq MBE ([FOJ0087](#))

216 Written evidence from Barnie Choudhury ([FOJ0110](#))

217 Written evidence from Asif Sadiq ([FOJ0087](#))

218 Written evidence from Barnie Choudhury ([FOJ0110](#))

219 Communications Act 2003, [section 27\(6\)](#)

220 Oral evidence taken on 9 July 2019 (Session 2017–19), [Q 209](#)

221 [Q 176](#)

133. In 2019, for the first time Ofcom asked broadcasters on a voluntary basis for data on socio-economic background. Ofcom received data for only 30 per cent of employees.²²² Data for age, sexual orientation and religion were more complete, covering 88 per cent, 65 per cent and 59 per cent of UK TV employees respectively.²²³
134. We noted in *Public Service Broadcasting: as Vital as Ever* that many programmes—including 48 per cent of public service broadcasters’ output—are made by independent production companies. These companies are under no requirement to provide data to Ofcom. We recommended that Ofcom should be empowered to collect data on the diversity of independent production companies’ crews when they are making programmes for a public service broadcaster.²²⁴
135. Many witnesses suggested that internships are a barrier to people from less-advantaged socio-economic backgrounds entering journalism. The NCTJ found that 87 per cent of journalists had done work experience before going into the profession, for an average of eight weeks. Only six per cent were paid, while 21 per cent received expenses and 74 per cent were unpaid.²²⁵ The Sutton Trust estimates that it costs a young person at least £1,000 to do a month of unpaid work experience in London.²²⁶ The profession is highly London-centric: 52 per cent of journalists are employed in London, compared with 16 per cent of employees across the whole economy.²²⁷
136. Sir Robbie argued that the presence of socio-economic barriers to work experience was “one of the key areas” to address to improve diversity in journalism. He said: “work experience requires not being paid, generally speaking, which means it is for people who live in London and the south-east, who have wealthy parents who can support their kids after university and who can live at home.”²²⁸
137. PressPad said that job applicants are increasingly expected to have completed up to five internships, and noted: “the onus is on interns to report not being paid, not on the organisations to make clear to interns what their rights are, which include the right to per diem travel and food expenses. This money should be made available up front and not compensated in retrospect as this bars those who do not have money in their pocket to pay in the first place”.²²⁹
138. In addition, there are non-financial barriers to aspiring journalists gaining work experience. For example, Mr Sadiq told us that getting work experience can require sending a speculative email—which some do not know, particularly

222 Ofcom, *Diversity and equal opportunities in television: monitoring report on the UK-based broadcasting industry* (September 2019) p 4: https://www.ofcom.org.uk/_data/assets/pdf_file/0028/166807/Diversity-in-TV-2019.pdf [accessed 18 November 2020]

223 *Ibid.*, pp 23–7

224 Communications and Digital Committee, *Public Service Broadcasting: as Vital as Ever* (1st Report, Session 2019, HL Paper 16) p 26

225 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 41: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

226 The Sutton Trust, *Internships—Unpaid, unadvertised, unfair* (January 2018), p 1: <https://www.suttontrust.com/wp-content/uploads/2018/01/Internships-2018-briefing.pdf> [accessed 18 October 2020]

227 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 20: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

228 Q 126

229 Supplementary written evidence from PressPad (FOJ0096)

those from less privileged backgrounds.²³⁰ He also criticised employers who look for a ‘mini-me’, expecting applicants to have skills and experiences which match their own even if those attributes are not essential; this can further disadvantage applicants from under-represented backgrounds, who are less likely to have acquired those skills or experiences.²³¹

139. PressPad described journalism as “a network industry, where you hire people you know.”²³² Fraser Nelson, Editor of *The Spectator*, agreed:

“In many ways, journalism is a favour-trading environment, so people could do a favour for their contacts by taking their son or daughter into a placement. It does not cost the company anything. There is a culture of informal internships, which I think makes the industry far less accessible to those with aptitude and ability, but no contacts, who would like to break in.”²³³

140. Mr Nelson explained that *The Spectator* has a unique approach to hiring interns. Instead of providing a CV, applicants complete a test. Recent tasks have included finding two factual errors in a newspaper op-ed, suggesting topics and guests for a podcast, and condensing one of Dominic Cummings’ blog posts into 500 words.²³⁴
141. Recent *Spectator* interns have included Katherine Forster, a mother of three with no experience in journalism who went on to work at *The Sunday Times*; Ben Gartside, who left school with two Es at A Level and went on to work at *The Daily Telegraph*; and Cindy Yu, a former Lidl store manager who went on to become *The Spectator*’s Broadcast Editor.²³⁵ Interns are paid and offered help finding accommodation. PressPad commended the scheme.²³⁶ ‘No CV’ schemes have also been used in other industries.²³⁷
142. However, socio-economic barriers persist even once aspiring journalists have gained the expected qualifications and work experience. Mr Nelson noted: “As the fortunes of the industry have declined, salaries have gone down. That means that people who are not from a rich background, who want to do good in the world, perhaps cannot afford to live in London on £22,000 a year.”²³⁸
143. **Equality of opportunity to enter journalism is not only a question of fairness: it is also crucial for their output that newsrooms benefit from a diversity of views and perspectives. This should be a natural result of different backgrounds and life experiences being represented in the newsroom, so long as newsrooms create and maintain a pluralistic culture.**

230 Written evidence from Asif Sadiq (FOJ0087)

231 *Ibid.*

232 Supplementary written evidence from PressPad (FOJ0096)

233 Q 199

234 Fraser Nelson, ‘Internships at The Spectator for summer 2018; no CVs, please’, *The Spectator* (11 April 2018) <https://www.spectator.co.uk/article/internships-at-the-spectator-for-summer-2018-no-cvs-please> [accessed 18 November 2020]

235 QQ 119–120

236 Supplementary written evidence from PressPad (FOJ0096)

237 Rebecca Wilson, ‘HR diversity consultancy welcomes ‘no CV’ recruitment initiative’, *Talint International* (17 October 2016) <https://www.recruitment-international.co.uk/blog/2016/10/hr-diversity-consultancy-welcomes-no-cv-recruitment-initiative> [accessed 18 November 2020]

238 Q 121

144. **We have heard that news organisations increasingly expect applicants to have completed several internships, limiting the socio-economic diversity of potential applicants. Although not a complete solution, creative approaches to recruiting interns can help level the playing-field and limit the effects of unconscious bias. It is also crucial that interns are paid. We encourage the industry to draw up a diversity charter, including the following commitments:**
- *To advertise all vacancies openly*
 - *To develop approaches to internship recruitment for applicants which provide a level playing field for those with diverse backgrounds and experiences*
 - *To pay all interns enough to cover all necessary expenses, including accommodation*
 - *To report annually on the diversity of their workforce and the steps they are taking to address inequalities of opportunity. This should include data on retention and progression and cover the protected characteristics set out in the Equality Act 2010 as well as socio-economic background.*
145. **We recommend that the Government should grant Ofcom's request to extend its power to oblige broadcasters to report on the gender, race and disability of their staff to other characteristics. Socio-economic background should be one of the characteristics. We reiterate our recommendation in 'Public Service Broadcasting: as Vital as Ever' that, as 48 per cent of public service broadcasters' programmes—including news and current affairs programmes—are made by independent production companies, Ofcom should have the same powers to report on crews making programmes for public service broadcasters whether they are in-house or independent.**

Educational background of journalists

146. A 2016 survey by Thurman, Cornia, and Kunert found that 86 per cent of UK journalists had at least a Bachelor's degree.²³⁹ This was in line with NCTJ and the ONS Labour Force survey data from 2018, which respectively found that 82 and 87 per cent of journalists were educated to degree level, compared with 43 per cent of all those in employment in the UK across sectors.²⁴⁰
147. In England between 2006 and 2018 the rate of participation in higher education among 17–30 year-olds rose from 41.8 per cent to 50.2 per cent.²⁴¹ Yet Thurman, Cornia, and Kunert found that 98 per cent of journalists in the first three years of their career had a university degree and 38 per cent

239 Neil Thurman, Alessio Cornia, and Jessica Kunert, (2016). 'Journalists in the UK', Oxford: Reuters Institute for the Study of Journalism, p 10: <https://ora.ox.ac.uk/objects/uuid:5986a227-839c-4315-9ccc-732b055a0461> [accessed 18 November 2020]

240 National Council for the Training of Journalists, *Journalists at Work* (October 2018) p 25: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

241 Department for Education, *Participation Rates in Higher Education: Academic Years 2006/2007–2017/2018* (Provisional) p 1: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843542/Publication_HEIPR1718.pdf [accessed 18 October 2020]

also had a postgraduate qualification.²⁴² This is consistent with the NCTJ's finding that 95 per cent of journalists aged 25–29 have a university degree.²⁴³ The NCTJ also found that journalism postgraduate students tend to be younger than other postgraduates.²⁴⁴ This supports anecdotal evidence that a Master's in journalism are increasingly desired by employers.²⁴⁵

148. Thurman, Cornia, and Kunert concluded: "journalism has become fully academised. Given the increasing costs of university education in the UK, especially when that education may include a master's degree, and given the competitiveness of university entry, questions need to be asked about the socio-economic diversity of future generations of UK journalists."²⁴⁶
149. Recruiting 98 per cent of early-career journalists from the 50 per cent of young people who go to university disproportionately disadvantages groups which are under-represented among graduates. For example, in 2018, 26 per cent of pupils eligible for free school meals in England had entered higher education by the age of 19, compared with 45 per cent of those not eligible for free meals.²⁴⁷ There is also significant variation in participation in higher education by gender and ethnicity. These disparities intersect: 13 per cent of white British boys on free school meals progress to higher education, compared with 79 per cent of Chinese girls.²⁴⁸
150. Julie Etchingham, a broadcaster for ITV News, told us:

"in the late 1990s and early 2000s, you really got the sense that this was a graduate profession. By that stage, most people had been drawn in from universities. Inevitably, because of the backdrop of society, that meant that diversity was not as it should have been in its connection to and understanding of the communities that it was serving."

She added that some senior colleagues had entered journalism through non-degree routes and argued: "We have to find our way back to those pathways."²⁴⁹

151. The number of full-time, first-year journalism undergraduates who enrolled at UK universities increased from 415 in 1994–95 to 3,625 in 2015–16.²⁵⁰ In 2018–19, 4,900 students began a degree in journalism: 3,050 as

242 Neil Thurman, Alessio Cornia, and Jessica Kunert, (2016). 'Journalists in the UK', Oxford: Reuters Institute for the Study of Journalism, p 10: <https://ora.ox.ac.uk/objects/uuid:5986a227-839c-4315-9ccc-732b055a0461> [accessed 18 November 2020]

243 National Council for the Training of Journalists, *Journalists at Work* (October 2018) p 25: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 18 November 2020]

244 National Council for the Training of Journalists, *Diversity in Journalism* (November 2017) p 11: <https://www.nctj.com/downloadlibrary/DIVERSITY%20JOURNALISM%204WEB.pdf> [accessed 18 November 2020]

245 Supplementary written evidence from PressPad (FOJ0096); Q 110 (Michelle Stanistreet)

246 Neil Thurman, Alessio Cornia, and Jessica Kunert (2016). 'Journalists in the UK', Oxford: Reuters Institute for the Study of Journalism. p 10: <https://ora.ox.ac.uk/objects/uuid:5986a227-839c-4315-9ccc-732b055a0461> [accessed 18 November 2020]

247 Department for Education, *Widening Participation in Higher Education, England, 2017/18 age cohort—Official Statistics*, p 4: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/852633/WP2019-MainText.pdf [accessed 18 November 2020]

248 Department for Education, 'Widening participation in higher education: Academic year 2018/19', 30 July 2020: <https://explore-education-statistics.service.gov.uk/find-statistics/widening-participation-in-higher-education> [accessed 18 November 2020]

249 Q 126

250 Daniel Jackson, Einar Thorsen and Sally Reardon, 'Fantasy, Pragmatism and Journalistic Socialisation: UK Journalism Students' Aspirations and Motivations', *Journalism Practice* (2020) p 107: <https://doi.org/10.1080/17512786.2019.1591929> [accessed 18 November 2020]

an undergraduate and 1,850 as a postgraduate.²⁵¹ The NCTJ found that although 83 per cent of journalism students were in work six months after graduation only 26 per cent worked as a journalist.²⁵² This was despite 75 per cent of first-year students considering themselves sure or likely to try to pursue a career in journalism.²⁵³

152. Some witnesses thought that journalism is, as David Dinsmore, Chief Operating Officer of News UK put it, “one of those jobs that you learn on the job”. He argued: “you do not need a piece of paper to be a successful journalist. I would encourage people to try to get in by direct entry.”²⁵⁴

153. Peter Wright, Editor Emeritus of DMG Media, explained one of the reasons for the growth in university training and its effect:

“We discovered about 20 years ago that local papers were all shutting down their training schemes and we were no longer getting young journalists coming through that route. Young journalists, particularly those who went on to apprentice schemes straight out of school, were by definition generally from poorer backgrounds; they were not metropolitan, sophisticated people. Universities then began to open journalism departments. In order to go through university journalism training and get experience to be in a position where you can apply for a job at a national newspaper, you must have quite a lot of funding behind you.”²⁵⁵

154. Anna Codrea-Rado, a freelance journalist, argued: “When we rely on university degrees to plug that training gap ... we just have much of the same types of people from the same background ... That is a huge problem on the diversity front.”²⁵⁶ Rossalyn Warren, a freelance journalist, and Jimmy Buckland, Director of Strategy at Wireless Group, believed that a university degree should not be a prerequisite and that the reliance on universities to train journalists had a negative effect on diversity and representation.²⁵⁷

155. Similarly, Ms Stanistreet told us: “It should not be a normalised requirement that new entrants have to fund costly degrees, postgraduate courses in most cases, and then maybe still have to rely on the bank of mum and dad to prop them up in the early stages of their career”.²⁵⁸

156. Many witnesses told us that apprenticeships could provide a viable alternative route into journalism.²⁵⁹ This is typified by the argument made by Anna Codrea-Rado, a freelance journalist: “Apprenticeships seem like the way forward, because you get the on-the job training. It is an actual job; it is not

251 Higher Education Statistics Agency, ‘What do HE students study?’: <https://www.hesa.ac.uk/data-and-analysis/students/what-study> [accessed 18 November 2020]

252 National Council for the Training of Journalists, *Diversity in Journalism* (November 2017) p 18: <https://www.nctj.com/downloadlibrary/DIVERSITY%20JOURNALISM%204WEB.pdf> [accessed 18 November 2020]

253 Daniel Jackson, Einar Thorsen and Sally Reardon, ‘Fantasy, Pragmatism and Journalistic Socialisation: UK Journalism Students’ Aspirations and Motivations’, *Journalism Practice* (2020) p 114: <https://doi.org/10.1080/17512786.2019.1591929> [accessed 18 November 2020]

254 Q 141

255 Q 140

256 Q 94

257 Q 39; Q 82

258 Q 110

259 Q 27 (Will Gore); written evidence from DMG Media (FOJ0033); supplementary written evidence from PressPad (FOJ0096); Q 79 (Will Harding); Q 81 (Jimmy Buckland); Q 182 (Anna Mallett); Q 110 (Michelle Stanistreet)

an internship and you are being paid. It just opens up that access to so many more people from so many more backgrounds.”²⁶⁰

157. Although some enter journalism through an apprenticeship, this route is limited. In 2019, 170 people began studying for the NCTJ Diploma in Journalism as part of an apprenticeship.²⁶¹ This figure may include university graduates.²⁶² Government data show that the number of people starting a journalism apprenticeship using the Apprenticeship Levy scheme was 88 in 2017–18 and 73 in 2018–19.²⁶³ *The Independent* and *Evening Standard*, the BBC, ITN and Sky are among the news organisations which offer apprenticeships.²⁶⁴ Jamie Angus, Director of the BBC World Service, noted that 31 per cent of the BBC’s apprentices were from Black, Asian and Minority Ethnic backgrounds and hoped that the scheme would continue to be able to recruit substantial numbers of people to the organisation.²⁶⁵
158. The Apprenticeship Levy was introduced in April 2017 and applies to businesses with an annual pay bill over £3 million at a rate of 0.5 per cent. It is used to fund training for apprentices both from these and smaller businesses. Smaller businesses can draw on levy funds if they pay 5 per cent of their apprentice’s training costs, as well as their wages. Levy payers are able to transfer up to 25 per cent of their funds to other employers.²⁶⁶
159. In the two years following the Levy’s introduction the average number of people starting an apprenticeship across all sectors was 31 per cent lower than in the two years prior to the Levy’s introduction.²⁶⁷ The Confederation of British Industry (CBI) concluded: “Without urgent action, the Apprenticeship Levy risks becoming a roadblock to the Government’s wider and welcome efforts to modernise the skills system.”²⁶⁸
160. We first noted concerns about the Apprenticeship Levy in our report on the theatre industry in 2017.²⁶⁹ In *UK Advertising in a Digital Age* in 2018 we concluded: “the Government’s apprenticeship scheme is not appropriate for the advertising industry or the wider creative sector.”²⁷⁰

260 Q 95

261 Written evidence from the National Council for the Training of Journalists (FOJ0020)

262 Q 27 (Will Gore)

263 HM Government, ‘Apprenticeships and traineeships: June 2020’: <https://www.gov.uk/government/statistics/apprenticeships-and-traineeships-june-2020> [accessed 18 November 2020]

264 WikiJob, ‘Journalism Apprenticeships’ (31 May 2020): <https://www.wikijob.co.uk/content/industry/marketing-pr/journalism-apprenticeships> [accessed 18 November 2020]

265 Q 182

266 House of Lords Library, ‘Apprenticeship Levy and Workplace Opportunities for Young People Debate on 4 July 2019’, Library Note, [LLN-2019-0085](#), 27 June 2019

267 CBI, *Learning on the job: improving the apprenticeship levy*, September 2019 p 15: <https://www.cbi.org.uk/media/3419/learning-on-the-job-improving-the-apprenticeship-levy.pdf> [accessed 18 November 2020]

268 CBI, ‘Further reform urgently needed for effective apprenticeship levy’ (17 September 2019): <https://www.cbi.org.uk/media-centre/articles/further-reform-urgently-needed-for-effective-apprenticeship-levy/> [accessed 18 November 2020]

269 Communications Committee, *Skills for Theatre: Developing the Pipeline of Talent* (3rd Report, Session 2016–17, HL Paper 170), p 19

270 Communications Committee, *UK Advertising in a Digital Age* (1st Report, Session 2017–19, HL Paper 116), p 42

161. Most recently, in our report on public service broadcasting in November 2019, we concluded:

“The Apprenticeship Levy has failed the creative industries. Its inflexibility leaves significant amounts of money unspent which could otherwise help to address skills shortages in the production sector ... The Government should introduce greater flexibility such as allowing businesses to use the levy to fund training programmes at work and apprentices’ wages, and to pool vouchers through training agencies.”²⁷¹

162. Other committees have also criticised the scheme. The Intergenerational Fairness Committee concluded: “The apprenticeship system is confused. It is not adequately serving young people or apprentices retraining later in life.”²⁷² The Artificial Intelligence Committee found that some technology companies had considerable difficulty using the levy.²⁷³

163. We encountered similar dissatisfaction with the levy in this inquiry. David Dinsmore, Chief Operating Officer of News UK, told us: “We have an apprentice scheme that runs on *The Sun*. Interestingly, we cannot use the apprenticeship levy; it is more worth our while to pay it and run the apprenticeship scheme on top, so it is not really fit for purpose for us.”²⁷⁴

164. ITN argued: “the apprenticeship system is flawed and needs urgent policy review to make it work for all parts of the economy. For many in the creative industries, as in journalism, we are not able to make optimal use of the apprentice system to deliver apprenticeships in the volume we would like.”²⁷⁵

165. Ms Mallett of ITN explained: “One of the barriers that we have found to bringing in people of different backgrounds from across the UK is the cost of accommodation. If we could use some of the levy to help with that, it would have a huge impact. While we support the ambition of the levy, we need a bit more flexibility, given that we know the dynamics of our newsrooms and our organisation and how we can progress people by using it in slightly different ways.”²⁷⁶

166. Will Gore, Head of Partnerships and Projects at the National Council for the Training of Journalists, made a similar point:

“The difficulty that employers have had with apprenticeships is funding. At the moment, they can use their apprenticeship levy to pay for the training element, but they cannot use it to pay for salaries. In fact, there is a significant cost to employers to take on apprentices if they are paying their apprentices as they should be. That has been off-putting for some.”²⁷⁷

271 Communications and Digital Committee, *Public service broadcasting: as vital as ever* (1st Report, Session 2019, HL Paper 16), p 35

272 Intergenerational Fairness and Provision Committee, *Tackling Intergenerational Fairness* (Report of Session 2017–19, HL Paper 321), p 43

273 Artificial Intelligence Committee, *AI in the UK: ready, willing and able?* (Report of Session 2017–19, HL Paper 100), p 58

274 [Q 140](#)

275 Written evidence from ITN ([FOJ0076](#))

276 [Q 182](#)

277 [Q 27](#)

167. Jamie Angus said that the BBC was concerned that the Apprenticeship Levy can be used to fund graduates.²⁷⁸ This concern was also raised by the House of Lords Economic Affairs Committee in 2018.²⁷⁹
168. In June 2020 the Prime Minister said he believed that every young person should be guaranteed an apprenticeship.²⁸⁰ In a letter to us in October 2020, he added: “We are now working to bring together a range of employers and stakeholders from the creative industries to explore how the sector can make greater use of apprenticeships, including how we could do more to recognise the flexible models of employment prevalent in the industry.” The Prime Minister explained that one such measure is that the Government plans to make it easier for apprentices to move between businesses.²⁸¹
169. Mr Whittingdale told us: “The Apprenticeship Levy is a good idea in principle, but of course there may be ways in which it could be improved.” He added:
- “I would like to see more apprenticeships. There are some very distinguished journalists who have not been to university, and there is nothing like on-the-job training in that respect. I am happy to talk to my colleagues at the [Department for Education] about ways in which we could improve the scheme”.²⁸²
170. Will Harding, Chief Strategy Officer at Global Media and Entertainment, noted: “there are only so many apprenticeships small organisations can provide, so I would like to see a much more joined-up strategy, across government, education, the industry—and not just in radio, I mean in the whole of media—to develop these skills.”²⁸³
171. Similarly, News UK and Mr Jermey of ITV raised the possibility of a more collaborative approach to apprenticeships. Mr Jermey suggested: “Training should not be a competitive area; it should be an area where we add to the industry ... If there is a better way of organising some of those things, we would be very open to those sorts of discussions.”²⁸⁴
172. **Going to university can be a valuable route into journalism. However, it has become almost the only route. As many local news organisations’ training schemes have been cancelled, the industry has increasingly relied on universities to train journalists. The requirement for a Bachelor’s degree and increasing desirability of a Master’s degree limits the diversity of backgrounds and experiences of members of the profession.**
173. **As in our reports on the theatre industry, the advertising industry and public service broadcasting, we have again found that the**

278 [Q 182](#)

279 Economic Affairs Committee, *Treating Students Fairly: The Economics of Post-School Education* (2nd Report, Session 2017–19, HL Paper 139), pp 76–7

280 George Parker and Jonathan Moules, ‘Boris Johnson pledges apprenticeship to every young person’, *Financial Times* (3 June 2020): <https://www.ft.com/content/38afd505-c816-43cf-9fb8-a839cc7da949> [accessed 18 November 2020]

281 Letter to the Chair from the Rt Hon Boris Johnson MP, Prime Minister, 6 November 2020: <https://committees.parliament.uk/publications/3541/documents/33829/default/>

282 [Q 175](#)

283 [Q 83](#)

284 [Q 191](#); supplementary written evidence from News UK ([FOJ0106](#))

Apprenticeship Levy is failing young people who would like to work in the media or creative industries.

174. *We reiterate our call for urgent reform to allow the pooling of funds to create training agencies and to allow a portion of Levy funds to be spent on apprentices' wages or other expenses associated with employing them. The Government's failure to act has cost young people and the industry. If, despite its professed commitment to apprenticeships, the Government still will not reform the Levy, it should provide—in parallel—arm's-length funding for news organisations to take on apprentices, which they could pool to set up a training agency. Local news organisations should receive priority for any such funding.*

Freelance journalists

175. As outlined above, according to the ONS, in 2019 81,000 people in the UK worked as a journalist or newspaper or periodical editor. Of these 33,700 (42 per cent) were self-employed.²⁸⁵
176. A 2016 survey by the NCTJ found that 17 per cent had been pushed into self-employment solely because available employment opportunities were not attractive, with 44 per cent saying that they had been 'pulled' into self-employment because of its attractiveness. Thirty-nine per cent believed it was a mixture of both. However, 82 per cent were not seeking to leave freelancing.²⁸⁶
177. As mentioned in Chapter 1, the COVID-19 pandemic generated many redundancies. The extent to which there will be new jobs in the industry as the economy recovers remains to be seen. In the meantime, many are likely to have been pushed into freelancing. The Society of Freelance Journalists stated: "The print industry itself is in sharp decline and many titles are suspending publication due to the impact of COVID-19. Freelancing as a result is an increasingly competitive market. Many former staff journalists have turned to it after being furloughed or made redundant in recent months."²⁸⁷
178. Freelancing can bring what Rossalyn Warren called "incredible" benefits. She told us:

"I work with *Tortoise* at the moment, with *The Guardian* and outlets that allow me to work on longer-form investigations and various reporting that I do not think would exist if I was a normal reporter in some of the newsrooms. ... I may have a chaotic income schedule. However, I also get to work on the stories that are important and that I want to report on. I know that the majority of freelancers enjoy freelancing, but there are obvious persistent challenges that still exist."²⁸⁸

285 Office for National Statistics, 'Annual Population Survey 2019: Occupation by sex, employment status and full/part-time' (2020): <https://www.nomisweb.co.uk/datasets/aps210/reports/employment-by-status-and-occupation?compare=K02000001> [accessed 19 November 2020]

286 National Council for the Training of Journalists, *Exploring Freelance Journalism* (December 2016) p 4: <https://www.nctj.com/downloadlibrary/EXPLORING%20FREELANCE%20JOURNALISM%20FINAL.pdf> [accessed 19 November 2020]

287 Written evidence from the Society of Freelance Journalists (FOJ0100)

288 Q 38

179. A survey by the NCTJ found that 61 per cent of freelancers believed that they needed new or additional skills to be more efficient.²⁸⁹ Of these 87 per cent believed that they had faced barriers in obtaining relevant training, citing: excessive fees (59 per cent), loss of earnings while training (36 per cent), difficulty assessing the relevance or quality of courses (29 per cent) and a general lack of information about training (18 per cent).²⁹⁰
180. William Cook, a freelance journalist who has worked in the industry for 30 years, told us:
- “there is more and more pressure on freelance journalists in particular to turn things around quickly and economically. There is more and more work out there and less and less money changing hands, and reporting is expensive.”²⁹¹
181. We heard that there is often an imbalance of power between freelancers and publishers. Anna Codrea-Rado, a freelance journalist, argued:
- “it really is a David and Goliath situation. There needs to be some cultural change, through which freelancers are treated with the respect that they deserve. They are the backbone of the UK press. They make up such a significant portion of the industry and yet they are treated like second-class workers.”²⁹²
182. Ms Codrea-Rado criticised the practice of paying freelancers when their work is published, rather than when it is completed, creating “a big cash-flow problem”:
- “The way the news cycle works is you will write a fairly evergreen story and then a huge news event will come and it will push the story out by days, weeks or months, which is very commonplace. You cannot plan for your cash flow and you do not know when you are going to get paid. Depending on whether you are paid by the word or by the piece, you also in some cases do not even know the amount that you are going to get paid.”²⁹³
183. Ms Codrea-Rado argued that many publications do not abide by the Late Payment of Commercial Debts (Interest) Act 1998, which gives freelancers the right to charge interest on late payments. She told us: “I issue late payment fees the day that a payment becomes late. I have never in my time been paid a late payment fee. I know that some people have, but it is quite rare for it to happen.”²⁹⁴
184. She explained that few freelancers want to go through the small claims court to seek what they are owed:

289 National Council for the Training of Journalists, *Exploring Freelance Journalism* (December 2016) p 5: <https://www.nctj.com/downloadlibrary/EXPLORING%20FREELANCE%20JOURNALISM%20FINAL.pdf> [accessed 19 November 2020]

290 *Ibid.*, p 6

291 [Q 94](#)

292 [Q 98](#)

293 [Q 97](#)

294 *Ibid.*

“it is quite bureaucratic and, to be honest, a lot of them do not even know how to do it. Also, for the amount of money it is going to cost you to go through the small claims court, it is not worth the time”.²⁹⁵

185. We heard concern about ‘kill fees’, the payment a publication makes to a freelancer for an article he or she has written but the publication has decided not to run. The *Press Gazette* reported that these fees could be as low as 30 per cent of the original fee.²⁹⁶ William Cook and the Society of Freelance Journalists felt that this was too low.²⁹⁷
186. Ms Codrea-Rado suggested: “extended powers need to be given to the Small Business Commissioner, because that is the office that regulates the late payment fees and the bad actors in this space who are paying late.”²⁹⁸ Francesca Marchese and Phil Sutcliffe, both freelance journalists, also argued for stronger powers, including increasing penalties for late payment and giving the Small Business Commissioner the power to check companies’ payment systems at any time.²⁹⁹
187. The Conservative Party manifesto for the December 2019 general election pledged to clamp down on late payment and strengthen the powers of the Small Business Commissioner.³⁰⁰ The Small Business Commissioner told us:

“The Government is completely focussed on fulfilling its manifesto commitment to clamp down on late payment and strengthen the powers of the Small Business Commissioner to support small businesses who are least able to cover financial shortfalls and find temporary finance more difficult and more expensive to obtain.”³⁰¹
188. The Commissioner added that the Department for Business, Energy and Industrial Strategy planned to consult on strengthening his powers and reforming the Prompt Payment Code, the responsibility for which was transferred to the Commissioner in March 2020. However, this consultation was delayed by the COVID-19 pandemic.³⁰² It was launched in October 2020.³⁰³
189. Francesca Marchese and Phil Sutcliffe highlighted copyright and contract terms as additional areas in which public policy could redress the imbalance of power between freelancers and news organisations. They called for a change to copyright law to make freelancers’ copyright of their work inalienable, telling us that news organisations can pressure freelancers to assign their copyright to the organisation in perpetuity with no fee for future use. If

295 *Ibid.*

296 Eugene Costello, ‘How payment on publication is making life a misery for freelancers’, *Press Gazette* (29 March 2018): <https://www.pressgazette.co.uk/how-payment-on-publication-is-making-life-a-misery-for-many-freelance-journalists/> [accessed 19 November 2020]

297 Q 98; written evidence from the Society of Freelance Journalists (FOJ0100)

298 Q 98

299 Written evidence from Francesca Marchese and Phil Sutcliffe (FOJ0099)

300 Conservative and Unionist Party, *Manifesto 2019* (November 2019), p 32: https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf [accessed 19 November 2020]

301 Written evidence from the Small Business Commissioner (FOJ0094)

302 *Ibid.*

303 HM Government, ‘Government to protect small businesses with action on late payments’ (1 October 2020) <https://www.gov.uk/government/news/government-to-protect-small-businesses-with-action-on-late-payments> [accessed 2 November 2020]

copyright were inalienable, freelancers would be able to sell licences for reuse of their work.³⁰⁴

190. Ms Marchese and Mr Sutcliffe warned that the law allows news organisations to force freelancers to accept sole legal responsibility for their work and any costs which may arise from legal action following its publication. They explained:

“This is potentially ruinous to a sole-operator freelance journalist. Even limited individual insurance costs too much for the “normal” earner. And this practice breaks with long-standing tradition in the media industry that companies took responsibility in every sense for what they publish/broadcast—and profit from. That is, they covered freelance work in their company insurance. ... A wearisome burden on independent journalism in the UK, warranty/indemnity clauses facilitate an ‘I’ll publish and you be damned’ approach from freelancers’ client companies.”³⁰⁵

191. Freelancers also face non-financial challenges. The NCTJ found that 63 per cent of freelancers would like more opportunities to network with other journalists.³⁰⁶

192. Anna Codrea-Rado told us that networking and training groups for freelancers were hard to find but stressed their importance:

“You are essentially forming the equivalent of what in an office would be your group of work friends. They are not just your colleagues but your work friends—the people to whom you turn to ask for advice when you are having a difficult situation with a boss. In a newsroom context, it is the person who you can turn to and say, ‘What is the word for that thing? I cannot think of the word’, and you are bouncing ideas off that person. It is that kind of level of collaboration and collegiate atmosphere.”³⁰⁷

193. She argued: “It is really important that we support the grassroots peer-to-peer organisations that are springing up off their own backs, through grants or some kind of support in that way.”³⁰⁸

194. William Cook agreed and added that more collaboration and information-sharing among freelancers could help to redress the imbalance of power between freelancers and news organisations. He suggested: “The big challenge here is one of restoring that sense of Fleet Street in our fragmented world. It would be great if there were more places where journalists could come together”.³⁰⁹

195. **We are concerned by the challenges freelance journalists face in dealing with news organisations, in which there is usually a significant imbalance of power. We welcome the Government’s proposals to strengthen the powers of the Small Business Commissioner and encourage the Government and the Commissioner to work with**

304 Written evidence from Francesca Marchese and Phil Sutcliffe (FOJ0099)

305 *Ibid.*

306 National Council for the Training of Journalists, *Exploring Freelance Journalism* (December 2016) p 6: <https://www.nctj.com/downloadlibrary/EXPLORING%20FREELANCE%20JOURNALISM%20FINAL.pdf> [accessed 19 November 2020]

307 Q 96

308 *Ibid.*

309 Q 98

freelance journalists to ensure that these new powers address the difficulties they face relating to unfair payment practices, including late payment, payment on publication and 'kill fees'. The Government should consult on whether further legislation is needed to strengthen the rights of freelancers, including whether contract law should be amended to ensure that freelancers are not solely liable for legal costs arising from their work and whether copyright law should be reformed to make freelance–author copyright ownership inalienable.

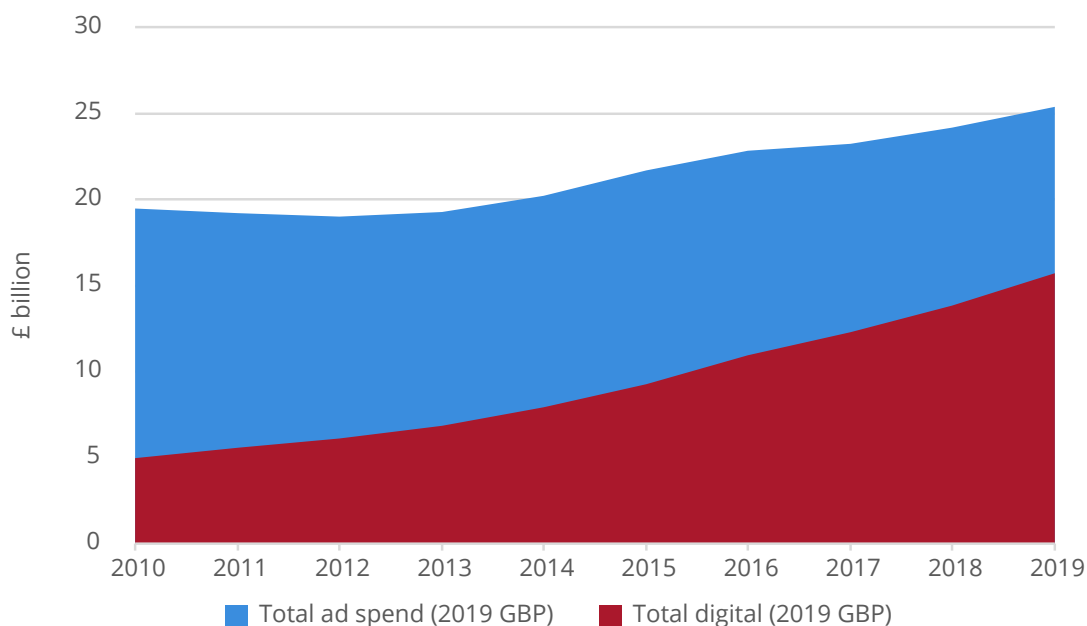
CHAPTER 4: A SUSTAINABLE FUTURE FOR JOURNALISM

Online platforms

Advertising

196. As discussed in Chapter 2, the decline of print journalism has seen news organisations increasingly rely on online revenue. The internet provides significant opportunities, but many have so far struggled to replace print revenues. As only 7 per cent of people pay for online news, the online advertising market is crucial to news publishers' success. Figure 10 shows how online advertising has grown.

Figure 10: Digital ad spend in the UK as a share of total advertising revenue (in 2019 prices)



Source: AA/WARC Expenditure Report in Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 58: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

197. In *UK Advertising in a Digital Age* in April 2018, we identified concerns with the fairness of the online advertising market and asked the CMA to conduct a market study.³¹⁰ Which?, Dame Frances Cairncross and the Furman review made the same recommendation in June 2018, February 2019 and March 2019 respectively.³¹¹ The then Secretary of State for Digital, Culture, Media and Sport Jeremy Wright MP asked the CMA to conduct the market study, which ran from July 2019 to July 2020.³¹²

310 Communications Committee, *UK Advertising in a Digital Age* (1st Report, Session 2017–19, HL Paper 116), p 23

311 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 36: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

312 HC Deb, 12 February 2009, [cols 772–775](#)

198. Approximately £14 billion was spent on digital advertising in the UK in 2019, of which around 80 per cent was spent on Google and Facebook.³¹³ The CMA found: “Google and Facebook’s collective share of digital advertising revenues is significantly greater than the share of time spent by users on these platforms, suggesting that their ability to monetise through advertising is not simply a function of scale.”³¹⁴ The report explained that Google and Facebook “are now protected by such strong incumbency advantages—including network effects, economies of scale and unmatched access to user data—that potential rivals can no longer compete on equal terms.”³¹⁵
199. Revenue from search advertising (paid-for listing in search results), a market in which Google has a 90 per cent share, was £7.3 billion in 2019.³¹⁶ CMA analysis shows that Google’s revenue per search in the UK has more than doubled since 2011 and Google’s prices are 30–40 per cent higher than rival search-engine Bing’s.³¹⁷ The CMA concluded: “This is consistent with Google exploiting market power in its search auctions. It is also consistent with Google benefiting from data or scale advantages arising from its market power on the user side.”³¹⁸
200. Revenue from the display market (adverts shown to users alongside other content) was £5.5 billion. Facebook and its subsidiary Instagram have a 45–55 per cent share of this market, with YouTube, which is owned by Google, taking 5–10 per cent, other platforms taking 5–10 per cent, and 30–35 per cent being spent in the open display advertising market in which publishers, including newspapers, compete in real time to sell inventory to advertisers.³¹⁹
201. The open display advertising market (see Box 4) is a source of significant concern. Publishers receive only around 65p from every £1 advertisers spend. The rest is taken by intermediaries which operate across the value chain between publishers and advertisers. The CMA commented: “Although intermediaries are undoubtedly performing valuable functions, including targeting advertising and evaluating bids from multiple demand sources in real time, it is striking that collectively they are able to take more than a third of the total amount paid by advertisers.”³²⁰

313 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 9: https://assets.publishing.service.gov.uk/media/5cfc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

314 *Ibid.*, p 212

315 *Ibid.*, p 5

316 *Ibid.*, p 10

317 *Ibid.*, p 313, 235

318 *Ibid.*, p 235

319 *Ibid.*, p 246

320 *Ibid.*, p 65

Box 4: The open display advertising market

The open display advertising market is worth around £1.8 billion a year in the UK. Publishers, such as news websites, compete to sell their advertising space. Publishers and advertisers rely on a series of intermediaries to manage the process of ‘real time bidding’. When a consumer clicks on a webpage, there is an auction—which takes place in milliseconds—for the advertising they will see.

Publishers and advertisers cannot observe directly what the intermediaries are doing or, in some cases, how much they are being charged. A study by PwC and the Incorporated Society of British Advertisers was unable to account for 15p of every £1 spent.³²¹ The CMA found that intermediaries take 35p of every £1 advertisers spend, while Plum Consulting put this figure at 38p.³²² The principal intermediaries are:

- Advertiser ad servers—used by advertisers and media agencies to store the ads, deliver them to publishers, keep track of this activity and assess the impact of their campaigns.
- Demand Side Platforms (DSPs)—provide a platform that allows advertisers and media agencies to buy advertising inventory from many sources. DSPs bid on impressions based on the buyer’s objectives and on data about the final user.
- Supply Side Platforms (SSPs)—provide the technology to automate the sale of digital inventory. They allow real-time auctions by connecting to multiple DSPs, collecting bids from them and performing the function of exchanges. They can also facilitate more direct deals between publishers and advertisers. Header bidding solutions allow publishers to send ad requests to, and receive bids from, multiple SSPs simultaneously, making SSPs compete against each other for each impression.
- Publisher ad servers—manage publishers’ inventory and are responsible for the decision logic underlying the final choice of which ad to serve, based on the bids received from different SSPs (possibly through header bidding solutions) and the direct deals agreed between the publisher and advertisers.

Source: Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) pp 263–4: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

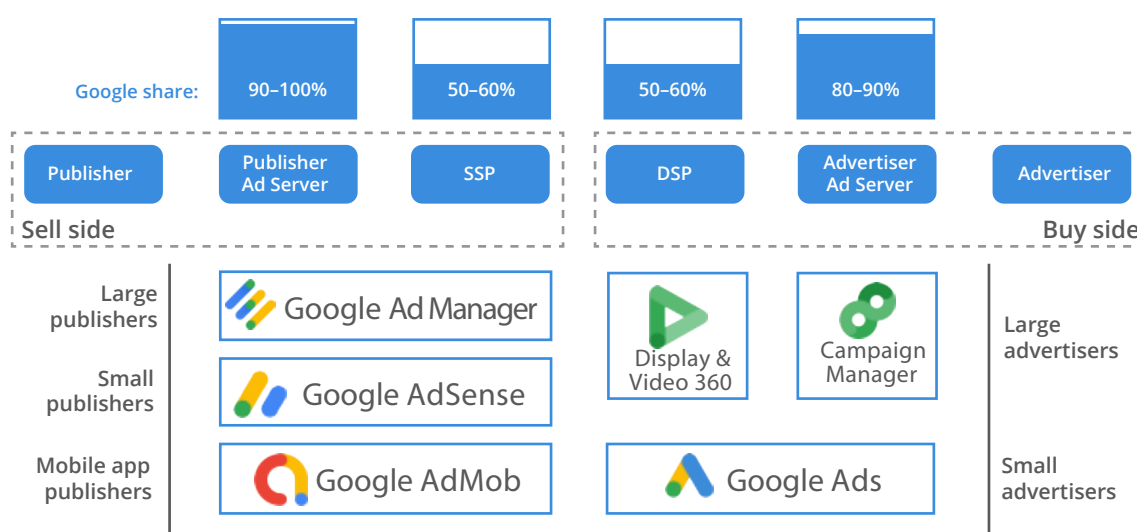
202. Figure 11 shows Google’s dominance throughout the intermediation chain, on both the demand and supply side.³²³

321 David Pidgeon, ‘ISBA/PwC: 15% of programmatic supply chain costs unattributable’, *Mediatel News* (6 May 2020): <https://mediatel.co.uk/news/2020/05/06/isba-pwc-third-of-programmatic-supply-chain-costs-unattributable/> [accessed 19 November 2020]

322 Plum Consulting, *Online Advertising in the UK: a report commissioned by DCMS* (January 2019) p 12: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/777996/Plum_DCMS_Online_Advertising_in_the_UK.pdf [accessed 19 November 2020]

323 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 271: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

Figure 11: Google's roles in advertising intermediation



Source: Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 271: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

203. The CMA concluded:

“the fact that Google has a very strong position as: a publisher ad server, with influence over which ads are served and at which price; an SSP [supply-side platform], which sells inventory on behalf of publishers; and a DSP [demand-side platform], which buys inventory on behalf of advertisers, raises clear conflicts of interest. Google has been able to exploit these conflicts in the past and retains the ability and incentive to continue to do so.”³²⁴

204. Professor Damien Geradin, Professor of Competition Law and Economics at Tilburg University, agreed:

“The presence of Google on all sides of the market is a source of major conflicts of interest. There is significant evidence of selfpreferencing and other anti-competitive behaviour to the detriment of rivals and, in the end, advertisers and publishers. Clearly, this is not a wellfunctioning market.”³²⁵

205. Acknowledging that Google has relationships with both publishers and advertisers, Tom Morrison-Bell, UK Government Affairs and Public Policy Manager at Google, told us: “We have to balance those relationships very carefully and give adequate controls to both parties without unduly influencing one side or the other in giving them a preference.”³²⁶ Mr Morrison-Bell was unable to name any other market in which one company would be allowed to play these multiple roles.³²⁷

206. An example of the consequences of this position is Google's decision to remove publishers' ability to set per-buyer price floors. Many publishers had used this function to set the floor (reserve price) for bids advertisers made

324 *Ibid.*, p 20

325 [Q 160](#)

326 [Q 148](#)

327 Further supplementary written evidence from Google ([FOJ0108](#))

through Google at a higher level, because these bids are generally higher. The willingness of Google Ads advertisers to pay more than non-Google Ads advertisers may be explained by the fact that Google Ads offers advertisers unique targeting capabilities, making each view of an advertisement more valuable to the advertiser. As there is a risk that setting a higher floor for everyone might result in missing out on bids from those willing to pay less (for example, non-Google Ads advertisers), publishers have little choice but to lower their floor for everyone: including advertisers using Google Ads.³²⁸

207. The CMA confirmed that internal Google documents show that removing publishers' ability to set per-buyer floors was "motivated by the fact that publishers tended to set higher floor prices for AdX [Google] compared to other SSPs. Introducing a uniform reserve price would therefore improve AdX competitiveness by giving it an 'equal footing' with third-party SSPs."³²⁹

208. Google told us that it:

"enables publishers to impose price floors on ad buyers participating in its Ad Manager auction; it just does not enable publishers to discriminate against a particular ad buyer by imposing a higher price floor on that ad buyer than on other ad buyers in the auction."

It said that restricting the options available to publishers in this way was "an important balance for advertisers".³³⁰

209. Vertical integration can give rise to technical efficiencies in the market.³³¹ However, it has allowed Google to make use of practices which exclude rivals. For example, AdX (Google's SSP) can be easily accessed for real-time bidding only through Google Ad Manager (Google's publisher ad server) as AdX does not participate in header bidding (see Box 4). As AdX has a 50–60 per cent share of the SSP market, this creates a strong incentive for publishers to use Ad Manager (which, as shown in Figure 11, now has a 90 per cent share of the publisher ad server market). The CMA was not convinced by Google's justifications for why AdX does not participate in header bidding.³³²

210. The CMA found that Google may also be able to leverage its 90 per cent market share in the search market to give its DSP power in the open display market. Smaller advertisers often choose to use a single DSP to minimise costs. These advertisers have a strong incentive to use Google Ads as it gives them exclusive access to Google search advertising and YouTube inventory. The CMA concluded: "these advertisers would find it costly or difficult to switch to different providers."³³³

328 Professor Damien Geradin and Dimitrios Katsifis, *Observations on the CMA's interim report* (8 April 2020) pp 6–8: https://assets.publishing.service.gov.uk/media/5e8c8a4b86650c18c6afeab5/200212_Prof._Damien_Geradin_and_Dimitrios_Katsifis_Response_to_Interim_Report.pdf [accessed 19 November 2020]

329 Competition and Markets Authority, *Online platforms and digital advertising: Market study interim report* (18 December 2019), Appendix H, p 10: https://assets.publishing.service.gov.uk/media/5dfa172240f0b6217b108351/Appendix_H2.pdf [accessed 19 November 2020]

330 Supplementary written evidence from Google (FOJ0097)

331 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 272: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

332 *Ibid.*, p 284

333 *Ibid.*, p 283

211. When the CMA completes a market study it has a statutory duty to consider whether to launch a ‘market investigation’. Completing a market investigation allows the CMA to intervene in the market.³³⁴ Nine news organisations asked the CMA to conduct a market investigation into the open display advertising market, including the News Media Association, News UK, DMG Media and the Guardian Media Group.³³⁵
212. The CMA concluded that the test for a market investigation had been met but decided not to launch one.³³⁶ Instead, the report supported the recommendation of the Furman review that the Government legislate for a new ex-ante competition regime. Such a regime would be able to prevent harm before it has occurred and would be enforced by a new Digital Markets Unit (DMU). The DMU would have power to enforce codes of conduct for platforms with ‘strategic market status’ and make transformational ‘pro-competitive interventions’.³³⁷ These interventions could include separation remedies in the open display advertising market, requiring Google to provide data to rival search engines, and requiring social media companies to increase the interoperability of their platforms such as by giving users the ability to view posts from friends on other social platforms.³³⁸ The Digital Markets Taskforce, a working group led by the CMA with representatives from the Information Commissioner’s Office and Ofcom, is due to provide advice to the Government by the end of the year on the establishment of a DMU.³³⁹ The CMA said that it may revisit its decision not to begin a market investigation if the Government fails to address relevant issues.³⁴⁰
213. Daniel Gordon, Senior Director, Markets at the CMA, told us:
- “You need a regime that is agile, monitors the market on an ongoing basis, takes steps to address it and sets the rules up front. Otherwise, you are permanently in a position of dealing with yesterday’s problem. That is the central reason why we have not chosen to go for a market investigation reference at this point. A market investigation reference is a one-off exercise.”³⁴¹
214. Mr Gordon acknowledged that pressures on the CMA’s resources were a factor in the decision. However, he told us that the main reason was that a market investigation could delay the creation of the Digital Markets Unit:
- “If we run a market investigation alongside development of policy and legislation, there is always a risk that that is played off against and delays the policy development process further. Parties will, perhaps not totally unreasonably, take the opportunity to ask, ‘Why are we doing this now? Why are we not waiting until the CMA concludes its market investigation?’”³⁴²

334 *Ibid.*, p 30

335 *Ibid.*, Appendix B, p 48

336 *Ibid.*, p 31

337 *Ibid.*, p 5

338 *Ibid.*, p 24

339 Competition and Markets Authority, *Call for information: Digital Markets Taskforce* (1 July 2020) https://assets.publishing.service.gov.uk/media/5efc5e433a6f4023c77a135c/Call_for_information_July2020.pdf [accessed 19 November 2020]

340 Written evidence from the CMA (FOJ0107)

341 [Q 152](#)

342 [Q 156](#)

215. News UK found the CMA's decision not to launch a market investigation "perplexing", arguing: "a focussed market investigation into this issue would be complementary to, and mutually reinforcing of, recommendations to government for regulatory reform."³⁴³
216. The CMA stated that a further reason for not launching a market investigation was "the pressures that so many companies are under during these challenging times", suggesting that some may not have the capacity to engage with an investigation.³⁴⁴ However, the CMA noted: "Several publishers indicated they consider their existence to be under threat, and as such argued in favour of a market investigation because it could take effect more quickly than a code of conduct." The News Media Association warned that the delay could be "lethal" for some publishers.³⁴⁵
217. Mr Gordon told us that, if legislation were introduced early in 2021, the Digital Markets Unit could be in place in 2022.³⁴⁶ When asked whether the CMA's proposals would implement changes in a timely manner, Dr Lovdahl Gormsen said: "The timely manner would have been 2012, when most of the regulators around the world woke up." Estimating that 2023 was the earliest the DMU could be operational, she warned: "In the meantime, the platforms will have a free pass. Publishers and content providers will suffer immensely. ... I see a very bleak immediate future."³⁴⁷
218. Peter Wright, Editor Emeritus of DMG Media, criticised "the apparent lack of any urgency regarding the setting up of a DMU". He reported that briefings by the Department for Business, Energy and Industrial Strategy (BEIS) contradicted the CMA's timescale:
- "we were told by BEIS that the Digital Markets Taskforce would be followed by another consultation, starting in 2021, and legislation would not be prepared until after publication of its findings. BEIS appear to believe there will be no legislation until 2022 and the DMU will not be functioning until 2023."³⁴⁸
219. Mr Wright concluded that whereas Facebook's motto was "move fast and break things", the Government's seemed to be "move slowly and allow the platforms to break everything".³⁴⁹

343 Supplementary written evidence from News UK (FOJ0106); News UK, *Online platforms and digital advertising market study: News UK's comments on the Interim Report* (February 2020) https://assets.publishing.service.gov.uk/media/5e8c898d86650c18c6afeab4/News_UK_Response_1.pdf [accessed 19 November 2020]

344 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 426: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020.pdf [accessed 10 November 2020]

345 *Ibid.*, Appendix B, p 49

346 Q 151

347 Q 162

348 Supplementary written evidence from DMG Media (FOJ0103)

349 *Ibid.*

Box 5: Regulating in a Digital World

The inadequate pace of digital regulation has become a theme in our reports. In March 2019, in *Regulating in a Digital World*, we found: “Policy-makers across different sectors have not responded adequately to changes in the digital world.”³⁵⁰ There are over a dozen regulators with a remit covering the digital world and this fragmentation has led to both gaps and overlaps in regulation. We recommended a new, more agile way of regulating, underpinned by a co-ordinating body called the ‘Digital Authority’. This centre of expertise would have a horizon-scanning role and be able to direct regulators or make recommendations to Government where problems are not being addressed adequately. Its work would be scrutinised by a new joint Committee of Parliament.³⁵¹

220. The News Media Association warned: “with every month that passes the prospect of a substantial news publishing company going out of business increases. Furthermore, it is regional and local publishers which are hardest hit, and although reform of the digital advertising market will help everyone in the long term, smaller local publishers will inevitably take longer to use the reforms to turn traffic into revenue.”³⁵²
221. The CMA did not quantify the impact on publishers of waiting for the DMU rather than launching a market investigation immediately. Mr Gordon said that the market study found a “significant detriment” to publishers but the delay was not “amenable to a quantified impact assessment.”³⁵³ He added: “the difference in implementation timescales [between a market investigation and setting up the DMU] is unlikely to be as large as some observers have speculated.”³⁵⁴
222. Mr Gordon said that a market investigation would take between two and two and a half years, or longer if there were an appeal to the Competition Appeal Tribunal.³⁵⁵ However, Dr Lovdahl Gormsen and Professor Geradin told us that an investigation could be conducted much more quickly as it would be able to draw on work the CMA has already done.³⁵⁶
223. Professor Geradin believed that the CMA could, alternatively, use the evidence already gathered to move straight to enforcement action: “At the end of the day, the CMA has enforcement powers. I do not see why enforcing the law would be incompatible with building the tools of the future. The two can be done in parallel.”³⁵⁷ He explained: “A finding of infringement would in turn allow the victims of Google’s behaviour to obtain redress in court for the damages they have suffered.”³⁵⁸
224. Professor Geradin and Dr Lovdahl Gormsen suggested that the CMA was cautious about taking enforcement action because it was worried about losing an appeal to the Competition Appeal Tribunal.³⁵⁹ Professor Geradin added that the CMA “is a bit of a think tank ... It is good at doing very

350 Communications Committee, *Regulating in a Digital World* (2nd Report, Session 2017–19, HL Paper 299) p 62

351 *Ibid.*, pp 60–3

352 Written evidence from the News Media Association ([FOJ0116](#))

353 Written evidence from the CMA ([FOJ0107](#))

354 *Ibid.*

355 [Q 157](#)

356 [Q 160](#) (Professor Geradin), [Q 161](#) (Dr Lovdahl Gormsen)

357 [Q 164](#), [Q 167](#)

358 Written evidence from Professor Geradin ([FOJ0112](#))

359 [Q 167](#)

polished reports and studies. ... There should be more enforcement. It is nice to do reports and studies, but very often the end of a study suggests another study.”³⁶⁰

225. Dr Lovdahl Gormsen warned:

“The UK could take a leading position on this but, right now, we are being overtaken right, left and centre by other countries around the globe, which are doing more than we are doing. Particularly in Europe, Germany and France are at the forefront of these things. Even the European Commission is.”³⁶¹

226. **We welcome the completion of the Competition and Markets Authority’s market study on online platforms and digital advertising. This Committee called for the market study in April 2018. It was launched in July 2019, after the Furman review, the Cairncross Review and Which? supported our recommendation.**

227. *The Government should set up the proposed Digital Markets Unit as a matter of urgency and ensure that it has the powers and resources it needs. The possibility that the establishment of the Digital Markets Unit could be delayed until 2022 or later is unacceptable. The news industry cannot afford to wait that long. There are strong arguments in favour of undertaking a market investigation into the online advertising market in parallel to this work. However, the CMA is justified in leaving the issue for the Digital Markets Unit provided that the Government acts swiftly.*

Platforms’ use of news

228. Google has a greater than 90 per cent share of the search engine market in the UK. Facebook’s platforms (including Instagram and WhatsApp) have a 73 per cent share of the social media market.³⁶² Publishers rely on both for traffic.

229. Table 3 shows that 38 per cent of all visits to major news publishers’ websites in 2019 came from links on Facebook or Google. The CMA concluded:

“Although publishers are entering into a commercial relationship with the platforms and benefit from the user traffic that is generated through sharing their content on Google and Facebook’s platform, we nevertheless agree with the publishers that they have very little choice but to accept the terms offered by these platforms, given their market power.”³⁶³

360 *Ibid.*

361 [Q 166](#)

362 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 10, 121: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

363 *Ibid.*, p 306

Table 3: Sources of website traffic for online publishers

	All traffic			Desktop/Laptop			Mobile		
Year	G	F	D	G	F	D	G	F	D
2019	25%	13%	43%	26%	4%	55%	25%	17%	38%
2018	26%	10%	44%	29%	4%	52%	25%	14%	40%

Key: G=Google, F= Facebook, D=Direct

Source: CMA analysis of publisher data (*The Independent*, *The Sun*, *The Times*, *The Daily Mail*, *The Telegraph*, *Reach PLC websites*, *Sky websites* and *Vice websites*).

230. Google interpreted the data differently, telling the CMA that receiving less than a third of traffic from Google does not constitute dependence. The CMA disagreed.³⁶⁴
231. Similarly, Edward Bowles, Director of Public Policy for Northern, Central and Eastern Europe at Facebook, denied that publishers were at an unfair disadvantage when dealing with Facebook: “we have no sense in which there is an imbalance of power.”³⁶⁵
232. Facebook told the Australian Competition and Consumer Commission that “news does not drive significant long-term commercial value for our business” and Google told us that it makes “very, very small amounts of money [from] news-related queries”.³⁶⁶ It is not clear how the platforms’ claims that publishers’ content is not significant for their business model are consistent with the platforms’ contention that there is no imbalance of power between them and publishers. Rather, this would suggest that publishers, which rely on Facebook and Google for more than a third of traffic, need the platforms more than the platforms need them. There is also reason to question the idea that the platforms do not derive substantial value from news. The Reuters Institute’s Digital News Report 2020 found that 37 per cent of Facebook users visit the site specifically—though not necessarily exclusively—for news.³⁶⁷ This suggests that news plays a significant role in Facebook’s traffic and therefore its revenue.
233. Professor Geradin argued that news encouraged people to use Facebook more because it started conversations. He added that news is fundamental for Google too: “People go to search for news so, if they could not respond to user queries for news, their platform would lose a lot of value.”³⁶⁸ Professor Geradin noted that a study which was sponsored by Google and submitted to the Australian Consumer and Competition Commission found: “the viability of the platforms depends on the viability of the suppliers of content, including both news content and user-generated content”.³⁶⁹

364 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020), Appendix S, p 7: https://assets.publishing.service.gov.uk/media/5efb22fbd3bf7f768fdcdfae/Appendix_S_-_the_relationship_between_large_digital_platforms_and_publishers.pdf [accessed 19 November 2020]

365 Q 145

366 Matthew Doran, ‘Facebook says it could survive without news, rejects calls to pay media companies’, *ABC News* (15 June 2020) <https://www.abc.net.au/news/2020-06-15/facebook-responds-to-calls-for-it-to-pay-for-news-content/12355612> [accessed 19 November 2020]; Q 145 (Tom Morrison-Bell)

367 Reuters Institute for the Study of Journalism, ‘United Kingdom’, *Digital News Report 2020* (June 2020) <http://www.digitalnewsreport.org/survey/2020/united-kingdom-2020/> [accessed 19 November 2020]

368 Q 163

369 Written evidence from Professor Damien Geradin (FOJ0112)

234. A European Commission report in 2016 found that 47 per cent of UK individuals surveyed said that when they access the news via news aggregators, social media or search engines, they most often browse the main news of the day without clicking on links to access whole articles.³⁷⁰ Platforms often re-publish short ‘snippet’ extracts which can be read without clicking through to the news organisation’s website. That said, News UK told us that when it made use of a new right in France to prevent Google from republishing snippets of its articles without compensation its search traffic from France to *The Sun* decreased by 43 per cent, in a period in which traffic rose by 5 per cent in the UK.³⁷¹
235. There is evidence that users are less likely to remember which news brand had published an article if they accessed it through social media or a search engine (remembered by 37 per cent and 47 per cent of users respectively). This compares with an attribution rate of 81 per cent for users who arrived directly from another page on a destination website. By contrast, between half and two-thirds could remember the path through which they found the news story (67 per cent for social media, 57 per cent for search engines).³⁷²
236. Dr Seth Lewis of the University of Oregon School of Journalism and Communication explained:
- “a link from the *Telegraph*, *The New York Times* or another news outlet functionally looks roughly the same as a link from almost any news site. So there is a flattening effect that then not only disintermediates the news media in their relationship as publishers reaching audiences but creates all kinds of interesting questions with regard to trust in authority and credibility.”³⁷³
237. Google and Facebook profit from various uses of news, including by curating it for users and by providing consumers with the facility to ‘like’ and share news content. They monetise the advertising space they run alongside news organisations’ content and the data they collect on users’ interests.³⁷⁴ Furthermore, as Professor Geradin explained, “when Internet users rely on a platform as a source of news, they are encouraged to use the platform as its default gateway for other uses, unrelated to news consumption”.³⁷⁵
238. Neither platform pays news publishers for the right to carry their content, although both have announced plans to do so for new services they are launching.³⁷⁶ Negotiations will reflect the balance of power between

370 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020), Appendix S, p 12: https://assets.publishing.service.gov.uk/media/5efb22fbd3bf7f768fdcdfae/Appendix_S_-_the_relationship_between_large_digital_platforms_and_publishers.pdf [accessed 19 November 2020]

371 Supplementary written evidence from News UK (FOJ0106)

372 Antonis Kalogeropoulos and Nic Newman, ‘I Saw the News on Facebook’: *Attribution When Accessing News from Distributed Environments* (July 2017) p 7: <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2017-07/Brand%20attributions%20report.pdf> [accessed 19 November 2020]

373 Q 13

374 Q 137 (David Dinsmore)

375 Written evidence from Professor Damien Geradin (FOJ0112)

376 Supplementary written evidence from Google (FOJ0097); Facebook, ‘Bringing Facebook News to More Countries’ (25 August 2020) <https://about.fb.com/news/2020/08/bringing-facebook-news-to-more-countries/> [accessed 19 November 2020]

publishers and platforms. Publishers may, as they and the CMA have argued, have little choice but to accept the terms they are offered.³⁷⁷

239. The Australian Competition and Consumer Commission was instructed by the federal government of Australia in April 2020 to develop a code of conduct that would require online platforms to pay for publishers' news content. Under the draft code, publishers will be able to negotiate collectively with platforms. If publishers and platforms cannot reach an agreement through a formal three-month negotiation and mediation process, an independent arbitrator will choose which of the two parties' final offer is the most reasonable.³⁷⁸
240. Peter Wright told us that the proposals could be "transformational" for publishers. David Dinsmore, Chief Operating Officer of News UK, agreed.³⁷⁹ Professor Geradin argued that it is important that the code is mandatory because otherwise Google and Facebook would refused to participate.
241. Facebook has announced that if the draft code is implemented it will ban Australian publishers and users from sharing news on Facebook and Instagram. Despite the fact that an independent arbitrator would make the final decision, it said: "we are left with a choice of either removing news entirely or accepting a system that lets publishers charge us for as much content as they want at a price with no clear limits. Unfortunately, no business can operate that way."³⁸⁰
242. Google has criticised the code as unworkable and described it as "extremely one-sided and unfair". The company warned: "It simply isn't viable for us, or any digital platform, to pay unreasonable and exorbitant amounts to one group in one country".³⁸¹
243. After Spain passed a law requiring news aggregators such as Google (under its 'News' tab) to pay publishers for the right to use their content, Google responded by shutting down its Google News service in Spain at the end of 2014 and suggesting that users to go to the Mexican service instead.³⁸² It said that it was "incredibly sad" to do so.³⁸³ Google has acknowledged that it would not be able to do the same in Australia because of the scope of the proposed law.³⁸⁴

377 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 306: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020.pdf [accessed 19 November 2020]

378 Australian Competition and Consumer Commission, 'Australian news media to negotiate payment with major digital platforms' (31 July 2020) <https://www.accc.gov.au/media-release/australian-news-media-to-negotiate-payment-with-major-digital-platforms> [accessed 19 November 2020]

379 Q 137

380 Will Easton, 'An Update About Changes to Facebook's Services in Australia', (31 August 2020) <https://about.fb.com/news/2020/08/changes-to-facebooks-services-in-australia/> [accessed 19 November 2020]

381 '13 things you need to know about the news media bargaining code', *Google Australia Blog* (24 August 2020): <https://australia.googleblog.com/2020/08/13-things-you-need-to-know-about-news.html> [accessed 19 November 2020]

382 Google, 'Google News in Spain': <https://support.google.com/news/publisher-center/answer/9609687?hl=en> [accessed 19 November 2020]

383 Ashifa Kassam, 'Google News says adiós to Spain in row over publishing fees', *The Guardian* (16 December 2014) <https://www.theguardian.com/world/2014/dec/16/google-news-spain-publishing-fees-internet> [accessed 19 November 2020]

384 '13 things you need to know about the news media bargaining code', *Google Australia Blog* (24 August 2020): <https://australia.googleblog.com/2020/08/13-things-you-need-to-know-about-news.html> [accessed 19 November 2020]

244. The News Media Association asked that the Government emulate the Australian approach as soon as possible, suggesting that this could provide some relief to publishers while they wait for reform of the online advertising market. It said: “there is a perfect logic in adding payment for content to the online harms bill, so it would not just eradicate harmful information from the internet, but actively support and sustain the dissemination of reliable, trusted information from responsible news publishers.”³⁸⁵
245. Publishers have argued that platforms hinder their efforts to monetise content in other ways, in addition to not paying for content themselves. One concern relates to accelerated mobile page (AMP) articles on Google. AMP is a fast-loading publication format for mobile webpages, hosted on Google servers. Publishers told the CMA that their ability to monetise AMP content is significantly reduced compared with their standard mobile webpages due to technical issues regarding advertising. However, publishers feel compelled to make their articles available in the AMP format because it gives them greater prominence in mobile search results; only AMP pages will appear in the ‘Top Stories’ carousel shown in the results of searches with ‘news intent’ on mobile devices. As readers of AMP articles remain within the Google ecosystem, Google collects data on consumers’ use of them. Publishers argue that this hampers their ability to build unique datasets for targeting purposes and thus to compete with Google.³⁸⁶
246. Further concerns relate to platforms’ use of algorithms. The CMA found: “Publishers broadly are of the view that they do not get sufficient warning of algorithm changes or sufficient explanation of their impact or of what they might do to mitigate any loss of traffic.”³⁸⁷
247. Some publishers questioned how algorithms arrived at search rankings. DMG Media noted:
- “Google consistently cut MailOnline’s search visibility, so that it now stands at one tenth of the *Guardian*’s. This is despite the fact that research by the Reuters Institute showed that during the 2019 election campaign the public spent three times as much time on the MailOnline website (21 per cent of total) as on the *Guardian*’s (7 per cent).”³⁸⁸
248. News UK was also concerned about why its news brands were consistently less prominent on Google than the BBC and *The Guardian*. It explained:
- “the platforms are responsible for curating through algorithms which they have designed, which are entirely within their control, and through which they operate a set of terms which determine what content is surfaced and in what order. In this regard they have editorial control. These algorithms operate without any consultation or external oversight.”³⁸⁹

385 Written evidence from the News Media Association (FOJ0116)

386 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020), Appendix S, p 10–12: https://assets.publishing.service.gov.uk/media/5efb22fbd3bf7f768fdcdfae/Appendix_S_-_the_relationship_between_large_digital_platforms_and_publishers.pdf [accessed 19 November 2020]

387 *Ibid.*, Appendix S, p 9

388 Written evidence from DMG Media (FOJ0033)

389 Supplementary written evidence from News UK (FOJ0106)

249. The Guardian Media Group also said that platforms' use of algorithms should be considered by competition regulators. However, it believed that there were good reasons for *The Guardian's* high visibility. It stated: "we believe objective analysis shows that ranking in search engine results pages is overwhelmingly determined by specific, technical factors relating to websites—their speed, quality of links and other related factors".³⁹⁰
250. Tom Morrison-Bell, UK Government Affairs and Public Policy Manager at Google, told us: "we do not make any editorial decisions".³⁹¹ He added: "a study by the *Economist* evaluated claims of bias in Google News results and took into account issues such as the credibility of the outlets and frequency with which publications wrote about certain topics. It found no evidence of ideological bias."³⁹² He explained that the algorithm is designed to rank pages on relevance, prominence, authoritativeness, freshness, location and usability, adding that Google works with external search quality raters.³⁹³
251. These factors on which the algorithm ranks pages are ultimately a product of human design. In a letter, we asked Google: "How do you ensure that there is diversity of thought among those designing the algorithm?"³⁹⁴ We did not receive a response on this point.³⁹⁵ Google faces limited market pressure to ensure that its rankings are fair to all news organisations because of its dominant position. As Mr Gordon of the CMA explained: "That prospect of competitive entry, of looking to your heels for another alternative coming round the corner, is no longer there."³⁹⁶
252. The CMA envisages that platforms' use of algorithms and other concerns addressed by publishers will be considered by the DMU when it draws up codes of conduct.³⁹⁷
253. More broadly, social media platforms increasingly resemble publishers in the way in which they control news content on their websites. In October 2020, Facebook limited the visibility of a *New York Post* story on users' news feeds and Twitter prevented users from tweeting it.³⁹⁸ Twitter locked the newspaper out of its account for two weeks after it refused to delete tweets linking to the story.³⁹⁹ Irrespective of whether this action should be considered justified, it is highly significant for one of America's most read newspapers to have been censored in this way. In *Regulating in a Digital World*, we concluded that the changing role of platforms may require their degree of legal liability for content to be reconsidered.⁴⁰⁰

390 Written evidence from the Guardian Media Group (FOJ0114)

391 Q 148

392 Further supplementary written evidence from Google (FOJ0108)

393 Supplementary written evidence from Google (FOJ0097)

394 Letter from Lord Gilbert of Panteg to Google (21 July 2020): <https://committees.parliament.uk/publications/2838/documents/27694/default/>

395 Further supplementary written evidence from Google (FOJ0108)

396 Q 152

397 Competition and Markets Authority, *Online platforms and digital advertising: Market study final report* (1 July 2020) p 347: https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf [accessed 19 November 2020]

398 Kari Paul, 'Facebook and Twitter restrict controversial New York Post story on Joe Biden', *The Guardian* (15 October 2020) <https://www.theguardian.com/technology/2020/oct/14/facebooktwitter-new-york-post-hunter-biden> [accessed 19 November 2020]

399 Bruce Golding, 'How tweet it is: Twitter backs down, unlocks Post's account', *New York Post* (30 October 2020) <https://nypost.com/2020/10/30/twitter-backs-down-agrees-to-unlock-posts-account/> [accessed 19 November 2020]

400 Communications Committee, *Regulating in a Digital World* (2nd Report, Session 2017–19, HL Paper 299) p 52

254. **There is a fundamental imbalance of power between news publishers and platforms. Due to their dominant market position, Facebook and Google can stipulate the terms on which they use publishers' content. This includes whether and how much they pay for news appearing on their platform, which news sources their algorithms rank most highly and how much notice they give publishers of changes to these algorithms. Algorithms are a product of the human value judgments of their designers, but there is a lack of transparency about them and designers' possible biases. We will examine this issue further in our next inquiry, on freedom of expression online.**
255. *The Government should use the Online Harms Bill to legislate for a mandatory news bargaining code modelled on the Australian Competition and Consumer Commission's proposal. Once it is set up, the Digital Markets Unit should take on responsibility for this and keep under review publishers' concerns about the ways in which platforms use their content. The Government and regulators should work closely with international partners on this issue.*

Encouraging pluralism

Innovation funding

256. Nic Newman, Senior Research Associate at the Reuters Institute, told us that it has never been easier for individuals to get together and start a news organisation, but this happens relatively little in the UK compared with some other countries.⁴⁰¹
257. The Future News Pilot Fund, administered by Nesta, was created in response to the *Cairncross Review*. It has distributed £2 million from the Department for Digital, Culture, Media and Sport to help build financially sustainable business models and engage communities in the news process. The fund received 178 applications, of which 20 were successful. They include charitable organisations as well as businesses. The period of funding ran from February to June 2020.⁴⁰²
258. Similarly, the European Journalism Centre (EJC) ran an 'Engaged Journalism Accelerator' which focused on journalism which creates positive relationships with different communities. Twelve grantees across two cohorts received funding and were awarded between €45,800 and €50,800 each, including three grantees in the UK. The programme was funded by philanthropic donations from the News Integrity Initiative and Civil Foundation in the US.⁴⁰³
259. Anna Hamilos of Nesta explained: "a lot of start-ups, particularly in the UK, struggle with funding initially, and that is equally true for commercial start-ups and socially oriented start-ups." David Dinsmore added that even established local newspapers may be unable to invest in digital innovation because of revenue pressures.⁴⁰⁴

401 [Q 38](#)

402 Nesta, *Future News Pilot Fund: End of programme report* (2020): https://media.nesta.org.uk/documents/Nesta_Future_News_Pilot_Fund_End_Of_Prog.pdf [accessed 19 November 2020]

403 Engaged Journalism Accelerator, 'About us' (2020): <https://engagedjournalism.com/about> [accessed 19 November 2020]

404 [Q 139](#)

260. Nesta's decision not to award grants to established local newspapers was criticised by the News Media Association.⁴⁰⁵ Ms Hamilos responded:

“We would love to have funded more. We were desperate to have a longer-term project, but it was a pilot set up and administered via DCMS and we had parameters. We functioned within that and we had a really high-quality selection. If we had had more money, we would have funded more organisations.”⁴⁰⁶

261. Nesta grantees included *The Manchester Meteor*, a co-operative providing local public interest news; Our Economy, a charity helping local media organisations to develop ways of reporting economic issues which reflect the concerns of members of the public; *Tortoise Media*, a membership news organisation providing ‘slow news’; and Axate, an organisation developing a casual payment system for online articles as an alternative to subscriptions.⁴⁰⁷

262. Ms Hamilos told us: “For 40 years, the sector has been very reliant on advertising revenue, and as an ecosystem it needs to be supported so that it can look to the future and address the issues, and the innovation we have seen in the pilot showed the potential for sustainable models.”⁴⁰⁸ Mr Whittingdale agreed that it was important to find new models as digital subscriptions were not replacing revenue lost from declining print sales.⁴⁰⁹

263. Peter Wright was sceptical that Nesta's strategy of awarding grants of between £25,000 and £70,000 could bring about transformation. He suggested:

“if a Nesta-style project really wanted to do some good, it would be in helping the smaller publishers find ways of developing their websites, content management systems and search engine optimisation and getting more equal access to the platforms. It would have been much better if it had been focused in that way.”⁴¹⁰

264. The question of how funding for journalism should be allocated has been further discussed in relation to the Government's response to the COVID-19 pandemic. ‘All in, all together’, a £35 million advertising campaign to communicate important public health information, had the secondary effect of supporting 600 newspapers. Mr Whittingdale said that he would have liked more newspapers to benefit and understood why some smaller publications felt left-out. However, he noted that OmniGov—the Government's media buying agency—had to set up the scheme quickly and that it was easier to deal with larger companies.⁴¹¹

265. Facebook and Google have also made several interventions to support the news industry. These include Facebook's Community News project, a £4.5 million fund to support local journalism across the UK run in partnership with the NCTJ, and the Google News Initiative, which has provided £10.5

405 News Media Association, ‘NMA Very Disappointed Future News Fund Bypasses Local Media Industry’ (20 February 2020): <http://www.newsmediauk.org/Latest/nma-very-disappointed-future-news-fund-bypasses-local-media-industry> [accessed 19 November 2020]

406 Q 70

407 Nesta, ‘The Future News Pilot Fund: Meet the grantees’ (2020): <https://www.nesta.org.uk/feature/future-news-pilot-fund/> [accessed 19 November 2020]

408 Q 67

409 Q 173

410 Q 139

411 Q 178

million in funding for 66 British publisher projects and almost £3 million worth of free training to 20,000 journalists.⁴¹²

266. However, Mr Whittingdale noted: “while it is all very well trying to encourage newspapers to provide their content online or to help them to recruit new journalists, if those newspapers themselves do not survive, those initiatives will not be worth much.”⁴¹³ Similarly, Ms Warren told us that the platforms’ initiatives are “not really enough to resolve the serious damage that they have caused.”⁴¹⁴

Box 6: Journalism funding schemes

BBC Local Democracy Reporting Service—a public service news agency funded by the BBC at a cost of £8 million a year, provided by the local news sector and used by qualifying partners. Its primary function is to fund 150 reporters.

European Journalism Centre (EJC)—the EJC runs various schemes, including for development, health and investigative journalism. Its Engaged Journalism Accelerator, funded by philanthropy, is a €2 million fund to support grantees across Europe.

Facebook Journalism Project—a global initiative to work with journalists and news organisations, such as by providing funding and coaching. This includes a £4.5 million scheme in the UK to fund trainee community journalists.

Google News Initiative—a €300 million global scheme to support journalism, including through grants for news organisations and training for journalists.

Nesta Future News Pilot Fund—a £2 million scheme, funded by the Government, which awarded grants of between £25,000 and £70,000 to 20 news organisations to help them to innovate.

Public Interest News Foundation—a charity launched in November 2019 to support UK news organisations. Its COVID-19 emergency fund awarded £3,000 grants to 20 publishers.

267. Universities can play a role in supporting innovation in journalism. Professor Beckett advocated:

“more public support for things such as universities or institutes when they are trying to provide the infrastructure for journalism to exploit those technologies. It should not be seen just as a subsidy for a particular news organisation. It should be seen as a subsidy for public information”.⁴¹⁵

268. Mr Cantwell-Corn of *The Bristol Cable* argued that universities could:

“provide incubator-style hubs and accelerator programmes for organisations that push the boundaries of innovation in the sector, whether it is the production of journalism, distribution, new models, use of tech, skill development or industry-wide sharing.”⁴¹⁶

412 Written evidence from Facebook ([FOI0089](#)); written evidence from Google ([FOI0080](#))

413 [Q 173](#)

414 [Q 36](#)

415 [Q 86](#)

416 [Q 100](#)

269. Mr Cantwell-Corn acknowledged that there would be a “debate on what counts as the public interest, who benefits and who is eligible for that. That is a really difficult debate.”⁴¹⁷
270. In an article in 2017, Mr Dickinson of Manchester Metropolitan University suggested that universities could set up local news organisations, or buy existing news organisations, and staff them with their students. This would give the students real-world experience and provide high-quality journalism for local communities.⁴¹⁸

Local Democracy Reporting Service

271. The Local Democracy Reporting Service (LDRS) is a public service news agency funded by the BBC at a cost of £8 million a year, provided by the local news sector and used by qualifying partners. The purpose of the LDRS is to provide impartial coverage of the regular business and workings of local authorities in the UK, and other relevant democratic institutions such as mayoralities, combined authority areas, police and crime commissioners, and quangos. Reporters may provide other stories which are focused on local democracy and which are in the public interest, including on the work of MPs, so long as that does not detract from the core purpose of the service.
272. There are 150 local democracy reporters on the scheme and more than 900 local news outlets involved across the four nations of the UK. Reporters have filed more than 100,000 stories, including a record of 3,500 in one week. There is a data unit where reporters are given training by the BBC to help produce data-led stories. The unit has generated nearly 800 stories for partner newsrooms.⁴¹⁹
273. In November 2019 the BBC announced that it hoped to expand the scheme if additional sources of funding could be secured. The scheme would be run by a new non-profit body, funded by the BBC and partners.⁴²⁰
274. Mr Whittingdale acknowledged that financial pressures would make it difficult for the BBC to contribute more than the £8 million it has pledged to provide each year until 2027. He said: “we will be looking in every possible quarter to see if we can find people who might be willing to contribute to it.”⁴²¹ Jamie Angus, Director of the BBC World Service, suggested the platforms as a funding source: “in many cases the tech platforms are taking enormous amounts of advertising revenue out of the local journalism system, so at this stage they should be the ones looking at putting in an additional contribution.”⁴²²
275. Some have been critical of the scheme. Mr Cantwell-Corn told us:

417 [Q 100](#)

418 Andy Dickinson, ‘Grounding Journalism Education’, (9 December 2017) <https://medium.com/@digidickinson/grounding-journalism-education-e1ddac64d794> [accessed 19 November 2020]

419 BBC, *A Review of the BBC Local News Partnership* (June 2020) p 11: <https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf> [accessed 19 November 2020]; James Walker, ‘BBC-funded local democracy scheme given 75 per cent satisfaction rate from publishers’, *Press Gazette* (10 September 2019): <https://www.pressgazette.co.uk/bbc-funded-local-democracy-scheme-given-75-per-cent-satisfaction-rate-from-publishers/> [accessed 19 November 2020]

420 BBC Media Centre, ‘BBC lays out bold plans to expand its pioneering news partnerships’ (4 November 2019): <https://www.bbc.co.uk/mediacentre/latestnews/2019/lnp-expansion> [accessed 19 November 2020]

421 [Q 173](#)

422 [Q 186](#)

“it is ultimately a bung in a ship with a hole, or it is a prop, and it is a subsidy. ... I would like to see BBC money drive towards innovation in journalism. The underlying principle of any public financial support, direct or indirect, is taking the long-term view”.⁴²³

276. Professor Steven Barnett from the University of Westminster agreed that the scheme was not functioning optimally:

“While, in theory, competition for these contracts was open to all publishers, the actual distribution tells a very different story: according to the latest BBC figures, a staggering 140 of 150 contracts awarded went to the three regional conglomerates (and core News Media Association members) Reach PLC, JPI Media and Newsquest—the very publishers which have been consolidating operations and closing papers while protecting their profit base over the last 20 years.”⁴²⁴

277. The largest of these, Reach Plc, which owns 127 print and 97 digital newsbrands, reported revenue of more than £700 million in 2019.⁴²⁵ It received 64 LDRS reporters.⁴²⁶ Analysis by the *Press Gazette* in July 2020 found that Reach had made more than 1,000 staff redundant over the last 10 years.⁴²⁷

278. Newsquest and JPI Media, which received 38 and 36 reporters respectively, are also large companies. Newsquest owns more than 165 news brands and is a subsidiary of Gannett, the largest news publisher in the US.⁴²⁸ JPI Media owns 172 news brands.⁴²⁹

279. In its review of the scheme, the BBC acknowledged concerns about the dominance of these three companies. It set out several reasons why smaller organisations may have been less inclined to bid, including:

“the regulated EU Open Procedure procurement process applied (OJEU), which may have been unfamiliar and complex. While this would likely have been a daunting task for almost all organisations, the bureaucracy may have been off-putting for smaller organisations with lower capacity in particular.”⁴³⁰

280. Nevertheless, only 8 per cent of bids for reporters were awarded to small organisations, despite those organisations submitting 18 per cent of all bids. The success rate was even lower for medium-sized organisations, which were awarded 7 per cent of bids despite submitting 32 per cent of bids.⁴³¹

423 Q 107

424 Written evidence from Professor Steve Barnett (FOJ0064)

425 Reach, *Annual Report 2019* p 2: <https://www.reachplc.com/static-files/4af444f5-7bd1-4bd8-a533-0fb65867b208> [accessed 19 November 2020]; Freddy Mayhew, ‘Reach insiders speak out on latest redundancy plan as Mirror publisher surpasses 1000 job cuts in a decade’, *Press Gazette* (10 July 2010): <https://pressgazette.co.uk/reach-insiders-speak-out-on-latest-redundancy-plan-as-mirror-publisher-surpasses-1000-job-cuts-in-a-decade/> [accessed 19 November 2020]

426 BBC, *A Review of the BBC Local News Partnership* (June 2020) p 11: <https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf> [accessed 19 November 2020]

427 Freddy Mayhew, ‘Reach insiders speak out on latest redundancy plan as Mirror publisher surpasses 1000 job cuts in a decade’, *Press Gazette* (10 July 2010): <https://pressgazette.co.uk/reach-insiders-speak-out-on-latest-redundancy-plan-as-mirror-publisher-surpasses-1000-job-cuts-in-a-decade/> [accessed 19 November 2020]

428 Newsquest, ‘About us’: <https://www.newsquest.co.uk/about-us> [accessed 19 November 2020]

429 JPI Media, ‘Newsbrands’: <https://www.jpimedia.co.uk/newsbrands/> [accessed 19 November 2020]

430 BBC, *A Review of the BBC Local News Partnership* (June 2020) p 49: <https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf> [accessed 19 November 2020]

431 *Ibid.*, p 48

281. In its review, the BBC set out possible reforms to the scheme, including offering more training on the EU procurement process, providing examples of high-quality submissions from the previous bidding round, requiring decision-makers to take unconscious bias training and reducing the number of reporters awarded in a single ‘lot’, which had been as high as six.⁴³²
282. The BBC noted that local democracy reporters’ work is not exclusively available to their host news organisation. Jamie Angus, Director of the BBC World Service, explained:
- “everything that Local Democracy reporters produce is effectively free to air, if you like; it is not paywall-restricted to one organisation. Other small independent publishers and the BBC itself are able to access the content that is produced in that way. While some smaller publishers may not want to take on the responsibility of having a dedicated LDR within their organisation, they are able to access the content that they produce.”⁴³³
283. A third of stories produced by local democracy reporters were republished on the BBC website.⁴³⁴ This access was the subject of further criticism. Peter Wright warned: “the BBC is now competing with local newspapers’ websites using the same content but it will never charge for it, which will make it very difficult for local newspapers ever to introduce a successful paywall.”⁴³⁵
284. **There are a range of initiatives to support news organisations, including the Nesta Future News Pilot Fund, the BBC Local Democracy Reporting Service, the Facebook Journalism Project and the Google News Initiative. The independence of these schemes is crucial. However, we call on the Government to take the lead on developing a more strategic approach to funding journalism. The Government should use its convening power to provide a forum for organisations to co-ordinate their schemes and share successes. Encouraging greater coherence will help funds more effectively support established news media organisations to adapt to rapid digital change. The Government should encourage those with the deepest pockets to come together, step-up and support journalism—both now and as new challenges emerge in future.**

The BBC’s effect on pluralism

285. The BBC is the most watched, most listened to and most read news source in the UK. Table 4 shows the percentage of people who use different news sources.

Table 4: Use of news sources, 2020

Source	Use more than 3 days a week (%)	Use at least once a week (%)
BBC News (TV & radio)	46	56
BBC News (online)	35	45

432 *Ibid.*, p 28

433 [Q 186](#)

434 BBC, *A Review of the BBC Local News Partnership* (June 2020) p 17: <https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf> accessed 20 November 2020]

435 [Q 139](#)

ITV (TV)	16	27
<i>The Guardian</i> (online)	10	18
MailOnline (online)	10	15
Sky News (TV)	9	16
<i>Daily Mail/Mail on Sunday</i> (print)	6	11
Sky News (online)	6	10

Source: Reuters Institute for the Study of Journalism, *Digital News Report 2020* (June 2020), p 61: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2020-06/DNR_2020_FINAL.pdf [accessed 19 November 2020]

286. Chris Waiting, Chief Executive of *The Conversation*, told us that the BBC's presence in the market has benefits and costs for others: "Its clear public mission sets the bar for all journalism in the UK, and inhibits the quality degeneration seen in other markets. However, the BBC's stable presence (despite current financial pressure) means there can sometimes be limited space for others to innovate."⁴³⁶
287. Jason Cowley, Editor of the *New Statesman*, explained that the size and power of the BBC puts pressure on other news websites.⁴³⁷ Fraser Nelson, Editor of *The Spectator*, added: "The digital world has allowed the BBC, the hegemon of the industry, to occupy space it never occupied before. That makes it tougher for local newspapers."⁴³⁸
288. Although she was asked not to discuss the BBC in her review of local and investigative journalism, Dame Frances Cairncross recommended that Ofcom should review the market impact of BBC News online after hearing that the BBC did too little to link to external websites and that its 'soft' magazine-style content was undermining commercial rivals.⁴³⁹
289. In October 2019, Ofcom found that 85 per cent of links in articles on the BBC News website were to other BBC articles. Only 3.5 per cent of links—or 23 per cent of links to external websites—were to external news websites. The rest were to social media, academic journals and organisations' websites. By contrast, 80 per cent of external links on the Daily Mirror website and the MailOnline were to other news organisations. Ofcom reported: "our work indicates that the BBC could provide more links to external, third-party content" and noted that including third-party links benefits audiences as well as news organisations.⁴⁴⁰ Ofcom stated: "the BBC needs to be much more open to engagement with third parties to deliver its duty to have regard to the impact of its activities on competition."⁴⁴¹

436 Supplementary written evidence from The Conversation (FOJ0090)

437 Q 116

438 Q 117

439 Dame Frances Cairncross, *The Cairncross Review: a sustainable future for journalism* (12 February 2018) pp 96–7: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 19 November 2020]

440 Ofcom, *Review of BBC news and current affairs* (October 2019) p 20: https://www.ofcom.org.uk/_data/assets/pdf_file/0025/173734/bbc-news-review.pdf [accessed 19 November 2020]

441 Ofcom, *Annual report on the BBC* (October 2019) p 43: https://www.ofcom.org.uk/_data/assets/pdf_file/0026/173735/second-bbc-annual-report.pdf [accessed 19 November 2020]

290. David Dinsmore suggested that the BBC could be “a phenomenal marketing portal” with “a huge impact” on the local news industry if it published a headline and linked to a story on a local newspaper’s website rather than writing up its own version.⁴⁴²
291. The proposal that the BBC News website should promote journalism from local news organisations was supported by Mr Iliffe and Mr Cantwell-Corn. Mr Cantwell-Corn told us that when large news organisation link to *The Bristol Cable*’s articles it has “a big impact”.⁴⁴³
292. **We have heard concerns from across the industry that smaller news organisations can be a victim of the BBC’s online success.**
293. ***To support pluralism in the industry, we recommend that the BBC should include an aggregator section on the BBC News website and app linking to stories on smaller and local news organisations’ websites.***

Charitable status

294. In 2012, in *The Future of Investigative Journalism*, the Committee called on the Charity Commission “to provide greater clarity and guidelines on which activities related to the media, and in particular investigative journalism, are charitable in the current state of the law”. The report urged the Government to reform charity law to make it easier for investigative journalism organisations to achieve charitable status.⁴⁴⁴ While further guidance has been produced, the Charities Act 2011 has not been amended explicitly to allow for investigative or public interest journalism.⁴⁴⁵
295. Registration as a charity brings a range of benefits. Charities are eligible for various forms of tax relief, including on legacies and on business rates for their premises, as well as through Gift Aid. They do not pay corporation tax on profits and they are able to compete for grants from funding organisations that support only registered charities.⁴⁴⁶ Many witnesses in our current inquiry suggested that the Charity Commission should take a more expansive approach to charitable status for public interest news organisations, which they argued is achievable under existing charity law.⁴⁴⁷
296. The *Cairncross Review* (see Box 1) noted that few news organisations in the UK have succeeded in registering as charities, while many think tanks enjoy charitable status by qualifying as educational institutions.⁴⁴⁸ Guidance issued by the Charity Commission to think tank trustees in December 2018 argued that “Education does not have to be entirely neutral; it can start from a generally accepted position that something is beneficial. A charity

442 [Q 139](#)

443 [Q 105](#)

444 Communications Committee, *The Future of Investigative Journalism* (3rd Report, Session 2010–12, HL Paper 256), p 52

445 Charity Commission, ‘Read all about it: when can journalism be charitable?’ (27 January 2020): <https://charitycommission.blog.gov.uk/2020/01/27/read-all-about-it-when-can-journalism-be-charitable/> [accessed 19 November 2020]

446 Written evidence from Lawrence Simanowitz ([FOJ0050](#))

447 Written evidence from Jeremy Spooner ([FOJ0004](#)); written evidence from Lawrence Simanowitz ([FOJ0050](#))

448 Dame Frances Cairncross, *The Cairncross Review: A Sustainable Future for Journalism* (12 February 2019), p 86: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 19 November 2020]

can therefore promote uncontroversial views and perspectives.”⁴⁴⁹ The *Cairncross Review* pointed out that this guidance means that charitable organisations are allowed to advocate any policy in line with their charitable objectives, although they cannot endorse a political party.⁴⁵⁰ The *Cairncross Review* recommended that “the government gives priority to exploring the development of a form of tax relief, ideally under the Charities Act but if necessary along the lines of the Creative Sector reliefs, to support public interest journalism.”⁴⁵¹ In evidence to the Committee Dame Frances told us “it might be useful (and helpful to the Commission) for Parliament to give some indication of whether it welcomes such an extension of the principle of citizenship as a charitable object.”⁴⁵²

297. The Government, in its response to the *Cairncross Review*, argued that the “current Charities Act system accommodates appropriate options for public interest news,” but acknowledged that “further work was required to help organisations understand their options regarding charitable status”.⁴⁵³ As a result, the Charity Commission published advice on what qualifies as charitable work in connection with enterprises that undertake or fund public interest journalism.⁴⁵⁴ In this advice, the Charity Commission stated that as the advancement of journalism is not listed in the Charities Act as a charitable purpose, news organisations would need to show that their journalism is a means to achieving a charitable purpose; examples include the advancement of education, citizenship or community development, the arts, culture, heritage or science, or human rights. “What matters is that you can draw a clear link between the journalism your organisation funds or carries out and the charitable purposes it is set up to advance”, the Charity Commission advised.⁴⁵⁵

449 Charity Commission, ‘Regulatory alert issue to charitable think tanks’ (7 December 2018): <https://www.gov.uk/government/news/regulatory-alert-issued-to-charitable-think-tanks> [accessed 19 November 2020]

450 Dame Frances Cairncross, *The Cairncross Review: A Sustainable Future for Journalism* (12 February 2019), p 86: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 19 November 2020].

451 *Ibid.*, p 99

452 Written evidence from Dame Frances Cairncross (FOJ0115)

453 Department for Digital, Culture, Media and Sport, ‘Government response to the Cairncross Review’ (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism> [accessed 19 November 2020]

454 *Ibid.*

455 Charity Commission, ‘Read all about it: when can journalism be charitable?’ (27 January 2020): <https://charitycommission.blog.gov.uk/2020/01/27/read-all-about-it-when-can-journalism-be-charitable/> [accessed 13 August 2020]; written evidence from the Charity Commission (FOJ0086)

Box 7: Charitable status criteria

To meet the legal test for registration, applicants for charitable status must show that their organisation is set up for charitable purposes only. A charitable purpose is one that:

- Falls within one or more of 13 ‘descriptions of purposes’ listed in the Charities Act 2011⁴⁵⁶
- Is for the public benefit.⁴⁵⁷

The advancement of journalism is not listed as a charitable purpose. A charitable organisation would therefore have to advance one or more of the ‘descriptions of purposes’ through its journalism, which may be difficult to prove. The Charity Commission can recognise new charitable purposes providing the new purpose is “analogous to, or within the spirit of, any other charitable purpose” or recognised as a charitable purpose under the old law, among other reasons.⁴⁵⁸

Registration as a charity comes with restrictions. For instance, charities cannot:

- Be established or operated for private profit⁴⁵⁹
- Support or oppose political parties or carry out certain kinds of political activity⁴⁶⁰
- Use their resources to commission, publish or fund journalism that does not further a recognised charitable purpose⁴⁶¹
- Pay their trustees anything other than out-of-pocket expenses, unless they have express power to do so.⁴⁶²

298. We heard that the difficulty of applying for charitable status means the UK lacks the culture of philanthropic support for journalism that nations such as the US enjoy. In the US, journalistic organisations are able to register under the Internal Revenue Service’s tax code in order to gain charitable status.⁴⁶³ But “the American success story has not been replicated in the UK,”⁴⁶⁴ as the Public Interest News Foundation (PINF) put it. Debates over the best

456 Charity Commission, ‘Charitable purposes’ (16 September 2013): <https://www.gov.uk/government/publications/charitable-purposes/charitable-purposes> [accessed 19 November 2020]

457 Charity Commission, *Public benefit: an overview* (September 2013): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/587370/Public_benefit_an_overview.pdf [accessed 1 September 2020]

458 Charity Commission, *Recognising New Charitable Purposes* (October 2001) p 5: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/358849/rr1atext.pdf [accessed 19 November 2020]; *Explanatory Notes to the Charities Act*; Charities Act 2011, [section 1\(m\)](#)

459 Charity Commission, ‘Read all about it: when can journalism be charitable?’ (27 January 2020): <https://charitycommission.blog.gov.uk/2020/01/27/read-all-about-it-when-can-journalism-be-charitable/> [accessed 19 November 2020]

460 Charity Commission, ‘Campaigning and political activity guidance for charities (CC9)’ (1 March 2008): <https://www.gov.uk/government/publications/speaking-out-guidance-on-campaigning-and-political-activity-by-charities-cc9> [accessed 19 November 2020]

461 Charity Commission, ‘Grant funding an organisation that isn’t a charity’ (17 February 2016): <https://www.gov.uk/guidance/draft-guidance-grant-funding-an-organisation-that-isnt-a-charity> [accessed 19 November 2020]

462 Charity Commission, ‘Trustee expenses and payments (CC11)’ (1 March 2012): <https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11> [accessed 19 November 2020]

463 Written evidence from Lawrence Simanowitz (FOJ0050). Registration is under section 501(c)(3) of the code.

464 Written evidence from PINF (FOJ0082)

criteria for establishing charitable status for journalistic organisations are ongoing in France, Germany and Canada.⁴⁶⁵

299. Ms Hamilos of Nesta echoed these concerns. She described the lack of charitable status for journalism in the UK as a barrier to attracting philanthropic investment, which “has been an ongoing conversation and needs rapidly to be addressed.”⁴⁶⁶ The Transparency Project similarly wrote that a change in approach by the Charity Commission would benefit the media ‘ecosystem’.⁴⁶⁷
300. We heard that a more flexible approach to granting charity status by the Charity Commission would be particularly advantageous to local and community news outlets, which tend to have lower profit margins than national news organisations as well as to be non-partisan. “Too many small community start-ups struggle to achieve charitable status which would potentially help them become sustainable”, wrote Professor Sambrook.⁴⁶⁸ We heard from Dame Frances that “Aside from its obvious benefits to local citizens, as recipients of public interest news, charitable status would help the finances of some news organisations that are struggling to survive.”⁴⁶⁹
301. Baylis Media Ltd,⁴⁷⁰ which is owned by a charitable trust but is not itself a charity, has struggled to remain profitable because of the economic climate, despite innovations such as a strong digital presence and use of Axate micro-payments,⁴⁷¹ said company CEO Jeremy Spooner.⁴⁷² He argued that organisations such as Baylis Media, which provide a service to their local community, should be treated more flexibly by the Charity Commission: “Such a move would provide a lifeline for local news publishers”.⁴⁷³ Professor Barnett agreed that the Charity Commission should recognise the democratic value of local journalism. He highlighted a need to support the “growing culture of entrepreneurial journalism using digital media outlets, which are clearly capable of fulfilling some of the key informational, watchdog and investigative functions that local communities require”.⁴⁷⁴
302. Despite wide agreement on the benefits that charitable status would provide among news organisations, there is a debate around whether the Charity Commission is fair in the way it grants charity status and applies the criteria in the Charities Act 2011.
303. George Brock, Chairman of the Public Benefit Journalism Research Centre, wrote that “the path to becoming a charity was time consuming, expensive and unnecessarily restrictive.”⁴⁷⁵ For instance, Full Fact was rejected twice; it was subsequently accepted only after revising its objectives from the advancement of citizenship and civic responsibility and the advancement of education to just the advancement of education for the public benefit. Likewise, the Bureau of Investigative Journalism (TBIJ) was rejected twice;

465 Written evidence from George Brock (FOJ0047)

466 Q 67

467 Written evidence from the Transparency Project (FOJ0040)

468 Written evidence from Professor Richard Sambrook (FOJ0049)

469 Written evidence from Dame Frances Cairncross (FOJ0115)

470 Baylis Media Ltd publish the *Maidenhead Advertiser*, *Burnham Advertiser*, *Twyford Advertiser*, *Slough Express* and *Windsor Express*

471 Axate offers a pay-per-view subscription model for online media.

472 Written evidence from Jeremy Spooner (FOJ0004)

473 *Ibid.*

474 Written evidence from Professor Steven Barnett (FOJ0064)

475 Written evidence from George Brock (FOJ0047)

in its successful third application, it established a charitable trust, separate from the TBIJ's objective of delivering high-quality investigative journalism, although this does not provide the full benefits of charitable status. Mr Brock argued that the Charity Commission should consider "the obvious educational, community, citizenship and other benefits" of public interest journalism and use its power to recognise such journalism as a charitable purpose.⁴⁷⁶ He drew analogies with charities such as the Consumers' Association and Wikipedia, which both disseminate reliable and useful information comparable to public interest journalism.⁴⁷⁷

304. According to Stone King LLP and Lawrence Simanowitz, Partner in Bates Wells, a change in law is not required as the Charity Commission has the power to make any necessary modifications in a way which is compatible with the Charities Act 2011.⁴⁷⁸ In a policy document on recognising new charitable purposes, the Charity Commission stated it:

"will take a constructive approach to adapting the concept of charity to meet constantly evolving social needs and new ideas through which those needs can be met. Acting within the legal framework which governs the recognition of new charitable purposes, we would aim to act constructively and imaginatively."⁴⁷⁹

305. In September 2020 the Charity Commission accepted that PINF is established for exclusively charitable purposes and therefore granted PINF charitable status.⁴⁸⁰ This represents a development in the interpretation of charity law, signalling a change to the more flexible approach recommended in evidence we received and towards the recognition of public interest journalism as a charitable purpose.⁴⁸¹ The Commission judged that PINF meets the charitable purpose of advancement of citizenship and accepted that PINF's objective of promoting high standards of journalism was within charitable purposes under the old law (see Box 5). In their decision the Commission "noted that public benefit of public interest journalism is evidenced by the House of Lords Select Committee on Communications and Digital (in its inquiry into the future of journalism) and the Cairncross Review".⁴⁸²
306. We heard from Dame Frances that as PINF is not itself a publisher, "the question whether a *publisher* could be held to provide public benefit journalism and thus qualify for charitable status has yet to be successfully

476 *Ibid.*

477 *Ibid.*

478 Written evidence from Jeremy Spooner (FOJ0004); written evidence from Lawrence Simanowitz (FOJ0050)

479 Charity Commission, *Recognising New Charitable Purposes* (October 2001) p 5: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/358849/rrlatext.pdf [accessed 19 November 2020]

480 Charity Commission, 'Charity registration decision: Public Interest News Foundation' (22 September 2020): <https://www.gov.uk/government/publications/charity-registration-decision-public-interest-news-foundation/charity-registration-decision-public-interest-news-foundation> [accessed 19 November 2020]; Public Interest News Foundation, 'PINF Awarded Charitable Status': <https://www.publicinterestnews.org.uk/post/pinf-awarded-charitable-status> [accessed 19 November 2020]

481 Public Benefit Journalism Research Centre, 'Charity Commission recognises 'charitable journalism': <https://publicbenefit.news/2020/09/22/charity-commission-recognises-charitable-journalism/> [accessed 19 November 2020]

482 Charity Commission, 'Charity registration decision: Public Interest News Foundation' (22 September 2020): <https://www.gov.uk/government/publications/charity-registration-decision-public-interest-news-foundation/charity-registration-decision-public-interest-news-foundation> [accessed 19 November 2020]

tested.”⁴⁸³ According to Dame Frances, organisations most likely to meet the test are those which deliver impartial news and record the activities “of the main pillars of local democracy: such as local councils, magistrates’ courts, inquests. Being able to receive such news via local and regional media is, one might reasonably argue, essential to good citizenship.”⁴⁸⁴ However, Dame Frances noted that the Charity Commission are likely to be cautious about this development as charitable status would not be appropriate for all local publishers: “the Commission will wish to establish practical and clear parameters for what could—and could not—be charitable.” Dame Frances suggested test cases would be required.⁴⁸⁵

307. Advocates of a more flexible approach by the Charity Commission recognised that charity status would come with new responsibilities and editorial requirements (see Box 5). Mr Spooner of Baylis Media acknowledged that journalistic charitable organisations would have to practice a “defined and restricted” form of journalism, “which demonstrably serve their local communities by providing high-quality, objective and fact-checked local news”.⁴⁸⁶ Mr Brock made it clear that “many forms of journalism (sensationalist or politically coloured journalism, for example) would not—and should not—be covered”.⁴⁸⁷
308. **Charitable status can be beneficial for some news organisations; however, this model is relatively uncommon in the UK. Charitable news organisations must comply with charity law restrictions on campaigning and may not use their resources for non-charitable purposes. This means that while charitable status may not be advantageous for more traditional business models, it could provide a new not-for-profit model for the future. It could be beneficial for some community news outlets, as well as other innovative start-ups and niche publications that provide a valuable civic function but can struggle to achieve commercial success.**
309. *We welcome the Charity Commission’s recognition that our inquiry has evidenced the public benefit of public interest journalism and encourage the Charity Commission to continue to recognise public interest journalism as a charitable purpose.*

483 Written evidence from Dame Frances Cairncross ([FOJ0115](#))

484 *Ibid.*

485 *Ibid.*

486 Written evidence from Jeremy Spooner ([FOJ0004](#))

487 Written evidence from George Brock ([FOJ0047](#))

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Below is a list of all of the Committee's conclusions and recommendations (recommendations appear in italics).

The changing production and consumption of journalism

1. Although the forms journalism takes and the technologies by which it is produced have changed, its fundamental purposes and importance in a democratic society remain the same. (Paragraph 49)
2. We welcome journalism organisations which are innovating to adapt to changes in the market, while continuing to hone traditional journalistic skills, producing high quality content and holding an understanding of their audiences at the heart of this innovation. (Paragraph 50)
3. With an increasingly wide range of news sources available online, it is more important than ever that consumers have easy access to information about the credibility of their news publishers so they can critically assess news stories. We welcome credibility ratings and nutrition labels in browsers initiatives which seek to provide transparency, in particular those which note: whether publishers have disclosed how they are funded and who is in charge, including any possible conflicts of interests; whether they clearly label advertising; whether they provide the names, biographical or contact information of content creators; and by what process they respond to complaints and correct errors. We encourage the news industry and platforms to work together to build on these initiatives and make them widely available. (Paragraph 58)
4. Although broadcasters have a duty to be accurate and duly impartial, Ofcom's broadcast code does not apply to broadcasters' online content. Public service broadcasters have a special role in the provision of impartial and accurate news; it is important that trust in their brands is preserved. We welcome initiatives taken by individual broadcasters, including the recent guidelines announced by the BBC. (Paragraph 69)
5. *The Government should empower Ofcom to regulate online news content produced by UK public service broadcasters in the same way it regulates broadcast content.* (Paragraph 70)
6. There is no real distinction between broadcasters' social media accounts and those of their journalists. (Paragraph 71)
7. *Ofcom should be empowered to ensure that public service broadcasters monitor the accuracy and impartiality of their journalists' public social media posts and take appropriate action where necessary.* (Paragraph 71)
8. In a complex news landscape, media literacy is crucial. It means more than identifying 'fake news'; it is about understanding journalistic processes and their value, how news is presented online and how it is funded. We commend the work of Ofcom and media literacy organisations in improving media literacy for young people. However, we are also concerned by evidence that people from lower socio-economic groups and older people have lower levels of media literacy. (Paragraph 87)
9. Work on media literacy suffers from a lack of co-ordination. (Paragraph 88)

10. *We recommend that a regulatory body, which could be Ofcom, the Digital Authority we proposed in our report 'Regulating in a Digital World', or another body, should co-ordinate work on media literacy across Government, media organisations, platforms, academia and charities. Given the crowded regulatory landscape this should not be a new body. This body should look to France's CLEMI for effective ways to coordinate media literacy. (Paragraph 88)*
11. *The Government's upcoming media literacy strategy should include coordination between the Department for Education, Ofsted and Ofcom on how to better integrate critical thinking and media literacy into the school curriculum. (Paragraph 89)*
12. While regional consolidation may result in economic savings, we encourage continued engagement with communities as part of news, TV and radio production through use of new technologies. Increased programme making in and for the regions can also help bring about an expansion of journalism, creating jobs in local areas and providing opportunities for aspiring journalists, particularly for those from a socioeconomically disadvantaged background; this could help promote the Government's "levelling-up" agenda. (Paragraph 96)
13. News organisations which have launched 'engaged journalism' schemes to build relationships with the communities they serve should be commended, as should those which have increased transparency by explaining their journalistic processes in innovative ways. We believe that an important way to serve communities better is by ensuring that newsrooms are representative of their audiences. We consider this issue in Chapter 3. (Paragraph 97)
14. A central role of journalism is to publicise the work of public bodies, including courts. However, we have heard concerns about the limited availability of online data about court proceedings. We welcome the Government's commitment "to identify what more can be done to facilitate journalists' access to and reporting of court proceedings". (Paragraph 107)
15. We welcome the introduction of the Crown Court (Recording and Broadcasting) Order 2020. However, restrictions on use of audio, photography and video in court remain and are arguably outdated in today's multimedia news environment (Paragraph 108)
16. *We recommend that the Government review legislation banning the use of recording devices in court and consider permanently implementing the relaxation of live streaming of certain court hearings. (Paragraph 109)*

Journalism as a career

17. Equality of opportunity to enter journalism is not only a question of fairness: it is also crucial for their output that newsrooms benefit from a diversity of views and perspectives. This should be a natural result of different backgrounds and life experiences being represented in the newsroom, so long as newsrooms create and maintain a pluralistic culture. (Paragraph 143)
18. We have heard that news organisations increasingly expect applicants to have completed several internships, limiting the socio-economic diversity of potential applicants. Although not a complete solution, creative approaches to recruiting interns can help level the playing-field and limit the effects of unconscious bias. It is also crucial that interns are paid. (Para 144)

19. *We encourage the industry to draw up a diversity charter, including the following commitments:*
 - *To advertise all vacancies openly*
 - *To develop approaches to internship recruitment for applicants which provide a level playing field for those with diverse backgrounds and experiences*
 - *To pay all interns enough to cover all necessary expenses, including accommodation*
 - *To report annually on the diversity of their workforce and the steps they are taking to address inequalities of opportunity. This should include data on retention and progression and cover the protected characteristics set out in the Equality Act 2010 as well as socio-economic background. (Paragraph 144)*
20. *We recommend that the Government should grant Ofcom's request to extend its power to oblige broadcasters to report on the gender, race and disability of their staff to other characteristics. Socio-economic background should be one of the characteristics. We reiterate our recommendation in 'Public Service Broadcasting: as Vital as Ever' that, as 48 per cent of public service broadcasters' programmes—including news and current affairs programmes—are made by independent production companies, Ofcom should have the same powers to report on crews making programmes for public service broadcasters whether they are in-house or independent. (Paragraph 145)*
21. *Going to university can be a valuable route into journalism. However, it has become almost the only route. As many local news organisations' training schemes have been cancelled, the industry has increasingly relied on universities to train journalists. The requirement for a Bachelor's degree and increasing desirability of a Master's degree limits the diversity of backgrounds and experiences of members of the profession. (Paragraph 172)*
22. *As in our reports on the theatre industry, the advertising industry and public service broadcasting, we have again found that the Apprenticeship Levy is failing young people who would like to work in the media or creative industries. (Paragraph 173)*
23. *We reiterate our call for urgent reform to allow the pooling of funds to create training agencies and to allow a portion of Levy funds to be spent on apprentices' wages or other expenses associated with employing them. The Government's failure to act has cost young people and the industry. If, despite its professed commitment to apprenticeships, the Government still will not reform the Levy, it should provide—in parallel—arm's-length funding for news organisations to take on apprentices, which they could pool to set up a training agency. Local news organisations should receive priority for any such funding. (Paragraph 174)*
24. *We are concerned by the challenges freelance journalists face in dealing with news organisations, in which there is usually a significant imbalance of power. (Paragraph 195)*
25. *We welcome the Government's proposals to strengthen the powers of the Small Business Commissioner and encourage the Government and the Commissioner to work with freelance journalists to ensure that these new powers address the difficulties they face relating to unfair payment practices, including late payment, payment on publication and 'kill fees'. The Government should consult on whether further legislation is needed to strengthen the rights of freelancers, including whether contract law should be amended to ensure that freelancers are not solely liable for*

legal costs arising from their work and whether copyright law should be reformed to make freelance–author copyright ownership inalienable. (Paragraph 195)

A sustainable future for journalism

26. We welcome the completion of the Competition and Markets Authority’s market study on online platforms and digital advertising. This Committee called for the market study in April 2018. It was launched in July 2019, after the Furman review, the *Cairncross Review* and Which? supported our recommendation. (Paragraph 226)
27. *The Government should set up the proposed Digital Markets Unit as a matter of urgency and ensure that it has the powers and resources it needs. The possibility that the establishment of the Digital Markets Unit could be delayed until 2022 or later is unacceptable. The news industry cannot afford to wait that long. There are strong arguments in favour of undertaking a market investigation into the online advertising market in parallel to this work. However, the CMA is justified in leaving the issue for the Digital Markets Unit provided that the Government acts swiftly. (Paragraph 227)*
28. There is a fundamental imbalance of power between news publishers and platforms. Due to their dominant market position, Facebook and Google can stipulate the terms on which they use publishers’ content. This includes whether and how much they pay for news appearing on their platform, which news sources their algorithms rank most highly and how much notice they give publishers of changes to these algorithms. Algorithms are a product of the human value judgments of their designers, but there is a lack of transparency about them and designers’ possible biases. We will examine this issue further in our next inquiry, on freedom of expression online. (Paragraph 254)
29. *The Government should use the Online Harms Bill to legislate for a mandatory news bargaining code modelled on the Australian Competition and Consumer Commission’s proposal. Once it is set up, the Digital Markets Unit should take on responsibility for this and keep under review publishers’ concerns about the ways in which platforms use their content. The Government and regulators should work closely with international partners on this issue. (Paragraph 255)*
30. There are a range of initiatives to support news organisations, including the Nesta Future News Pilot Fund, the BBC Local Democracy Reporting Service, the Facebook Journalism Project and the Google News Initiative. The independence of these schemes is crucial. (Paragraph 284)
31. *However, we call on the Government to take the lead on developing a more strategic approach to funding journalism. The Government should use its convening power to provide a forum for organisations to co-ordinate their schemes and share successes. Encouraging greater coherence will help funds more effectively support established news media organisations to adapt to rapid digital change. The Government should encourage those with the deepest pockets to come together, step-up and support journalism—both now and as new challenges emerge in future. (Paragraph 284)*
32. We have heard concerns from across the industry that smaller news organisations can be a victim of the BBC’s online success. (Paragraph 292)
33. *To support pluralism in the industry, we recommend that the BBC should include an aggregator section on the BBC News website and app linking to stories on smaller and local news organisations’ websites. (Paragraph 293)*

34. Charitable status can be beneficial for some news organisations; however, this model is relatively uncommon in the UK. Charitable news organisations must comply with charity law restrictions on campaigning and may not use their resources for non-charitable purposes. This means that while charitable status may not be advantageous for more traditional business models, it could provide a new not-for-profit model for the future. It could be beneficial for some community news outlets, as well as other innovative start-ups and niche publications that provide a valuable civic function but can struggle to achieve commercial success. (Paragraph 308)
35. *We welcome the Charity Commission's recognition that our inquiry has evidenced the public benefit of public interest journalism and encourage the Charity Commission to continue to recognise public interest journalism as a charitable purpose.* (Paragraph 309)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Allen of Kensington
 Baroness Bull
 Baroness Buscombe (from March 2020)
 Viscount Colville of Culross
 Lord Gilbert of Panteg (Chair)
 Lord Gordon of Strathblane (to March 2020)
 Baroness Grender
 Lord McInnes of Kilwinning
 Baroness McIntosh of Hudnall
 Baroness Meyer (to October 2020)
 Baroness Quin
 Baroness Rebuck (from September 2020)
 Baroness Scott of Bybrook (to February 2020)
 Lord Storey
 Lord Vaizey of Didcot (from October 2020)
 The Lord Bishop of Worcester

Declarations of interest

Lord Allen of Kensington
Chair, Global Media & Entertainment (commercial radio)
Advisory Chair, Moelis & Company (an independent advisory bank which advises media companies)
Declarable shareholding, ITV plc
 Baroness Bull
Sole Director, No Bull Productions Ltd, a limited company that exists to provide services of Deborah Bull for media activity
 Baroness Buscombe
No relevant interests declared
 Viscount Colville of Culross
Series Producer, Raw TV making content for CNN (April 2019–)
BBC Producer (1990–2015), Newsnight, specialist factual
Series Producer, ITN Productions (2016–2017)
 Lord Gilbert of Panteg (Chairman)
No relevant interests declared
 Lord Gordon of Strathblane
No relevant interests declared
 Baroness Grender
No relevant interests declared
 Lord McInnes of Kilwinning
No relevant interests declared
 Baroness McIntosh of Hudnall
No relevant interests declared
 Baroness Meyer
Member's husband, Sir Christopher Meyer, was the Chairman of the Press Complaints Commission from 2003–2009
 Baroness Quin
No relevant interests declared

Baroness Rebuck

Member, General Management Committee, Bertelsmann

Non-executive Director, Guardian Media Group

Baroness Scott of Bybrook

No relevant interests declared

Lord Storey

No relevant interests declared

Lord Vaizey of Didcot

Adviser, Common Sense Media (not for profit education charity); member supports charitable aims of providing digital curriculum for children and content ratings for parents educating children

Member, Advisory Board, Newsguard Technologies Inc (company which rates websites)

The Lord Bishop of Worcester

No relevant interests declared

A full list of Members' interests can be found in the Register of Lords' Interests: <https://members.parliament.uk/members/lords/interests/register-of-lords-interests>

Specialist adviser

Professor Jane Singer

No relevant interests declared

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <https://committees.parliament.uk/work/28/the-future-of-journalism/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral evidence and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

**	Dr Alison Preston, Head of Media Literacy and Research and Vikki Cook, Director of Content and Media, Ofcom	QQ 1–11
**	Dr Rasmus Kleis Nielsen, Director, Reuters Institute for the Study of Journalism	
*	Dr Seth Lewis, Associate Professor, Shirley Papé Chair in Emerging Media, University of Oregon School of Journalism and Communication	QQ 12–24
**	Professor Karin Wahl-Jorgensen, Director of Research Development and Environment, Cardiff University School of Journalism Media and Cultural Studies	
**	Will Gore, Head of Partnerships and Projects, National Council for the Training of Journalists	QQ 25–33
*	Rossalyn Warren, freelance journalist	QQ 34–43
**	Nic Newman, Senior Research Associate, Reuters Institute for the Study of Journalism	
*	Anaïs Adriaens-Allemand, International Project Manager, CLEMI	QQ 44–49
*	Matteo Bergamini, CEO and Founder, Shout Out UK	QQ 50–55
*	Megan Lucero, Director, the Bureau Local	QQ 56–64
**	Anna Hamilos, Senior Programme Manager, Nesta	QQ 65–75
*	Adam Thomas, Director, European Journalism Centre	
**	Jimmy Buckland, Director of Strategy, Wireless Group and Managing Director, Wireless Studios	QQ 76–83
*	Will Harding, Chief Strategy Officer, Global Media & Entertainment	
*	Professor Charlie Beckett, Director of Polis, Department of Media and Communications, London School of Economics and Political Science	QQ 84–92
**	Andrew Dickinson, Senior Lecturer in Multimedia Journalism, Manchester Metropolitan University	

*	Anna Codrea-Rado, freelance journalist and campaigner	<u>QQ 93–98</u>
*	William Cook, freelance journalist and art and travel writer	
**	Edward Iliffe, Chief Executive Officer, Iliffe Media	<u>QQ 99–107</u>
**	Adam Cantwell-Corn, Co-Founder, the Bristol Cable	
**	Ian Murray, Executive Director, The Society of Editors	<u>QQ 108–114</u>
**	Michelle Stanistreet, General Secretary, National Union of Journalists	
*	Fraser Nelson, Editor, The Spectator	<u>QQ 115–122</u>
*	Jason Cowley, Editor, New Statesman	
*	Sir Robbie Gibb	<u>QQ 123–134</u>
*	Julie Etchingham	
**	David Dinsmore, Chief Operating Officer, News UK	<u>QQ 135–141</u>
**	Peter Wright, Editor Emeritus, DMG Media	
**	Edward Bowles, Director of Public Policy for Northern, Central and Eastern Europe, Facebook	<u>QQ 142–148</u>
**	Tom Morrison-Bell, Public Affairs and Public Policy Manager, Google	
**	Will Hayter, Senior Director, Policy and International, Competition and Markets Authority; Daniel Gordon, Senior Director, Markets, Competition and Markets Authority; Simeon Thornton, Project Director, Competition and Markets Authority	<u>QQ 149–158</u>
*	Dr Liza Lovdahl Gormsen, Director of the Competition Law Forum & Senior Research Fellow in Competition Law, British Institute of International and Comparative Law	<u>QQ 159–168</u>
**	Professor Damien Geradin, Professor of Competition Law and Economics, Tilburg University	
**	Rt Hon John Whittingdale OBE MP, Minister of State for Media and Data, Department for Digital, Culture, Media and Sport	<u>QQ 169–179</u>
**	Jamie Angus, Director, World Service Group, BBC; and David Jordan, Director, Editorial Policy and Standards, BBC	<u>QQ 180–186</u>
**	Anna Mallett, Chief Executive Officer, ITN	
**	Michael Jerney, Director of News and Current Affairs, ITV	<u>QQ 187–197</u>

Alphabetical list of all witnesses

	Professor Chris Anderson (joint submission)	<u>FOJ0055</u>
	Professor Alison Anderson	<u>FOJ0074</u>
	Dr Jane Armstrong	<u>FOJ0111</u>
	Dr Carol Arnold	<u>FOJ0051</u>
	Association of British Science Writers	<u>FOJ0062</u>
	Professor Steven Barnett	<u>FOJ0064</u>
	Lawrence Simanowitz, Partner, Bates Wells	<u>FOJ0050</u>
	Baylis Media	<u>FOJ0004</u>
**	BBC (QQ 180–186)	<u>FOJ0077</u>
*	Professor Charlie Beckett (QQ 84–92)	
	Professor Robert Beveridge	<u>FOJ0014</u>
	Dr Ana Cecília Bisso Nunes (joint submission)	<u>FOJ0057</u>
	Ismene Brown	<u>FOJ0016</u>
	Ian Bucknell (joint submission)	<u>FOJ0055</u>
*	Bureau Local (QQ 56–64)	
	Dame Frances Cairncross	<u>FOJ0115</u>
**	Adam Cantwell-Corn (QQ 99–107)	<u>FOJ0045</u>
	Professor Brian Cathcart	<u>FOJ0060</u>
	Centre for Media Monitoring	<u>FOJ0075</u>
	Charity Commission	<u>FOJ0086</u>
	Chartered Institute of Journalists	<u>FOJ0071</u> <u>FOJ0113</u>
	Barnie Choudhury	<u>FOJ0110</u>
*	CLEMI (QQ 44–49)	
*	Andrea Codrea-Rado (QQ 93–98)	
**	Competition and Markets Authority (QQ 149–158)	<u>FOJ0107</u>
	Professor Martin Conboy [joint submission]	<u>FOJ0032</u>
	Clare Cook	<u>FOJ0008</u>
*	William Cook (QQ 93–98)	
**	Andrew Dickinson (QQ 84–92)	<u>FOJ0056</u>
**	DMG Media (QQ 135–141)	<u>FOJ0033</u> <u>FOJ0103</u>
	Libby Drew, On Our Radar	<u>FOJ0095</u>
	Dr Marc Edge	<u>FOJ0039</u>
	Editors' Code of Practice Committee	<u>FOJ0012</u>
	Solomon Elliott, Founder, The Student View	<u>FOJ0027</u>

	Dr Charlotte Elliott-Harvey (joint submission)	<u>FOJ0032</u>
*	Julie Etchingham (QQ 123–134)	
*	European Journalism Centre (QQ 65–75)	
**	Facebook (QQ 142–148)	<u>FOJ0089</u> <u>FOJ0093</u> <u>FOJ0109</u>
	Dr Julie Firmstone (joint submission)	<u>FOJ0032</u>
	Dr Julie Firmstone (joint submission)	<u>FOJ0055</u>
	Paul Foster	<u>FOJ0018</u>
	Dr Carl Fox (joint submission)	<u>FOJ0032</u>
	Full Fact	<u>FOJ0079</u>
**	Professor Damien Geradin (QQ 159–168)	<u>FOJ0112</u>
*	Sir Robbie Gibb (QQ 123–134)	
*	Global Media & Entertainment (QQ 76–83)	
	Good Things Foundation	<u>FOJ0019</u>
	Emma Goodman (joint submission)	<u>FOJ0066</u>
**	Google (QQ 142–148)	<u>FOJ0080</u> <u>FOJ0097</u> <u>FOJ0108</u>
	The Guardian Foundation	<u>FOJ0073</u>
	Guardian Media Group	<u>FOJ0114</u>
	Hacked Off Campaign	<u>FOJ0044</u> <u>FOJ0091</u>
**	HM Government—Department for Digital, Culture, Media and Sport (QQ 169–179)	<u>FOJ0070</u> <u>FOJ0105</u>
	Peter Holland	<u>FOJ0078</u>
**	Edward Iliffe, Chief Executive Officer, Iliffe Media (QQ 99–107)	<u>FOJ0024</u> <u>FOJ0104</u>
	IMPRESS	<u>FOJ0081</u>
	The Independent Community News Network	<u>FOJ0053</u> <u>FOJ0101</u>
	Independent Press Standards Organisation (IPSO)	<u>FOJ0036</u>
**	ITN (QQ 180–186)	<u>FOJ0076</u>
**	ITV (QQ 187–197)	<u>FOJ0072</u>
	Richard Jones	<u>FOJ0017</u>
	JPIMedia	<u>FOJ0025</u>
	Professor Stephen Jukes	<u>FOJ0023</u>
**	Dr Rasmus Kleis Nielsen (QQ 1–11)	<u>FOJ0001</u>
*	Dr Seth Lewis (QQ 12–24)	

	Professor Sonia Livingstone (joint submission)	<u>FOJ0066</u>
	Dr Rachel Matthews, Chair, Local and Community Media Network of MeCCSA	<u>FOJ0026</u>
★	Dr Liza Lovdahl Gormsen (QQ 159–168)	
	Professor Kevin McConway (joint submission)	<u>FOJ0052</u>
	Dr Graham Majin	<u>FOJ0021</u>
	Francesca Marchese (joint submission)	<u>FOJ0099</u>
	Professor Natalie Fenton, Chair, Media Reform Coalition	<u>FOJ0022</u>
	John Mills (joint submission)	<u>FOJ0057</u>
	Kate Morris (joint submission)	<u>FOJ0068</u>
	Dr Jane Mulderrig (joint submission)	<u>FOJ0032</u>
★★	National Council for the Training of Journalists (QQ 25–33)	<u>FOL0020</u>
★★	National Union of Journalists (QQ 108–114)	<u>FOJ0038</u> <u>FOJ0088</u>
★★	Nesta—Future News Pilot Fund Team (QQ 65–75)	<u>FOJ0031</u>
★	New Statesman (QQ 115–122)	
	Hadley Newman	<u>FOJ0061</u>
★★	Nic Newman (QQ 34–43)	<u>FOJ0003</u>
	News Media Association	<u>FOJ0035</u> <u>FOJ0102</u> <u>FOJ0116</u>
★★	News UK (QQ 135–141)	<u>FOJ0083</u> <u>FOJ0106</u>
	NewsGuard	<u>FOJ0084</u>
★★	Ofcom (QQ 1–11)	<u>FOJ0067</u>
	Office of the Small Business Commissioner	<u>FOJ0094</u>
	Dr John Oliver	<u>FOJ0009</u>
	OpenNews	<u>FOJ0058</u>
	Sameer Padania	<u>FOJ0065</u>
	Katrine Petersen (joint submission)	<u>FOJ0069</u>
	Nigel Pivaro	<u>FOJ0013</u>
	PressPad	<u>FOJ0059</u> <u>FOJ0096</u>
	Press Recognition Panel	<u>FOJ0037</u>
	Professional Publishers Association	<u>FOJ0046</u>
	George Brock, Chair, PBJRC Trust, Public Benefit Journalism Research Centre	<u>FOJ0047</u>

	Public Interest News Foundation	<u>FOJ0082</u> <u>FOJ0101</u>
	Radiocentre	<u>FOJ0085</u>
	Asif Sadiq MBE	<u>FOJ0087</u>
	Professor Richard Sambrook	<u>FOJ0049</u>
	Dr Joe Saunders (joint submission)	<u>FOJ0032</u>
*	Shout Out UK (QQ 50–55)	
	Felix M. Simon	<u>FOJ0005</u>
**	The Society of Editors (QQ 108–114)	<u>FOJ0030</u>
	Society of Freelance Journalists	<u>FOJ0100</u>
*	The Spectator (QQ 115–122)	
	Professor Sir David Spiegelhalter (joint submission)	<u>FOJ0052</u>
	Dr John Steel, University of Sheffield (joint submission)	<u>FOJ0032</u>
	Tristan Stewart-Robertson	<u>FOJ0034</u>
	Chris Summers	<u>FOJ0002</u>
	Phil Sutcliffe (joint submission)	<u>FOJ0099</u>
	Selina Swift	<u>FOJ0098</u>
	Gareth Thomas	<u>FOJ0028</u>
	The Transparency Project	<u>FOJ0040</u>
	Lord Strathcarron, Chairman, Unicorn Publishing Group	<u>FOJ0010</u>
**	Professor Karin Wahl-Jorgensen (QQ 12–24)	<u>FOJ0054</u>
	Chris Waiting	<u>FOJ0090</u>
	Bob Ward (joint submission)	<u>FOJ0069</u>
*	Rossalyn Warren (QQ 34–43)	
	Susie Watkins, Editor, Nub News	<u>FOJ0011</u>
	Dr Rob Watson, Decentered Media	<u>FOJ0007</u>
**	Wireless Group (QQ 76–83)	<u>FOJ0092</u>
	Woman's Place UK	<u>FOJ0015</u>
	Dr Paul Wragg (joint submission)	<u>FOJ0032</u>
	Frances Yeoman (joint submission)	<u>FOJ0068</u>
	Dr Yuan Zeng (joint submission)	<u>FOJ0055</u>

APPENDIX 3: CALL FOR EVIDENCE

The House of Lords Communications and Digital Committee, under the chairmanship of Lord Gilbert of Panteg, is to hold an inquiry into the future of journalism. The committee invites written contributions by Tuesday 21 April 2020 (revised).

The committee expects to hear from invited contributors in public sessions from March to June 2020 inclusive and to publish a report in the summer. The Government has undertaken to respond in writing to select committee reports.

Background

Journalism has long been essential to the UK's democracy and culture. However, the ways in which it is produced and consumed are changing significantly. Digital technologies have called into question what journalism is, in a society in which journalistic content takes an ever-wider range of forms and in which it is easier than ever for citizens to act as journalists. While over 70,000 people are employed as journalists in the UK, many others engage in journalistic activities—including in related professions.⁴⁸⁸ Social media give individuals greater freedom to publish news and analysis themselves and make it easier for politicians to speak directly to voters. However, this freedom can come at the expense of the external accountability and fact-checking which mediation through journalism can provide, and citizen journalists may not have received the same professional and legal training.

Established news brands face considerable competition from alternative sources of news and analysis online. The average national newspaper circulation has more than halved since 2010 and, as news is increasingly broken online, newspapers can rely more comment and analysis. Publishers are seeking new ways to engage readers: including through journalists' use of social media and the creation of innovative digital content.⁴⁸⁹ Broadcast journalism faces similar challenges as audiences decline: only half of 16–24 year-olds watch TV news compared with 94 per cent of over-65s.⁴⁹⁰ Journalists must learn new skills and present their work in new ways as more people get their news in a digital form.

In a survey by the National Council for the Training of Journalists, 70 per cent of journalists reported that the intensity of their work had increased.⁴⁹¹ Eighty-five per cent of journalists reported a need for an increased range of skills in the profession while around two-thirds felt that they personally needed more training. The areas in which training was most desired were the use of analytics, video editing, photoshop, updated media law and data journalism.⁴⁹² Some consumers may also need help to adapt to the changing news media. In response to a recommendation

488 National Council for the Training of Journalists, *Journalists at Work: Their views on training, recruitment and conditions* (October 2018), p 14: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 3 February 2020]

489 Ofcom, *News Consumption in the UK: 2019* (July 2019), p 34: https://www.ofcom.org.uk/_data/assets/pdf_file/0027/157914/uk-news-consumption-2019-report.pdf [accessed 3 February 2020]

490 *Ibid.*, p 60

491 National Council for the Training of Journalists, *Journalists at Work: Their views on training, recruitment and conditions* (October 2018), p 68: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 3 February 2020]

492 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p 14: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 3 February 2020]

by Dame Frances Cairncross, the Government has undertaken to publish a media literacy strategy by the summer.⁴⁹³

Journalists must hold the trust of the audiences they serve in the face of scrutiny and competition on social media and other platforms as well as increased polarisation. Trust in the news fell by 11 percentage points between 2015 and 2019.⁴⁹⁴ A YouGov poll found that only 18 per cent of people trusted journalists to tell the truth.⁴⁹⁵

Journalism as a profession is not representative of the UK population it serves. Only 11 per cent of journalists are from working-class backgrounds and only six per cent are not white.⁴⁹⁶ White university graduates from middle-class backgrounds dominate national news desks, which are based in major cities. Sixty-five per cent of journalists are employed in London and the south east, compared with 29 per cent of employees across the whole economy.⁴⁹⁷

Aspiring journalists without independent means face particular financial barriers. The National Council for the Training of Journalists found that 87 per cent of journalists had done work experience before going into the profession, for an average of eight weeks. Only six per cent were paid, while 21 per cent received expenses and 74 per cent were unpaid.⁴⁹⁸ The Sutton Trust estimates that it costs a young person at least £1,000 to do a month of unpaid work experience in London.⁴⁹⁹ These barriers can persist throughout a journalist's career due to precarity of work, particularly among freelancers.

As Dame Frances Cairncross noted in her 2019 report, news organisations themselves face significant financial challenges.⁵⁰⁰ Dame Frances focussed on local and regional journalism, which has historically played a key role in local communities and in the training of journalists. However, these pressures have affected national and international providers too. As print circulations and print advertising revenue have declined, publications have had to seek alternative revenue streams. Some have focused on digital subscriptions, which increasingly include a range of content such as videos, podcasts, emails and events. Others rely

493 HM Government, 'Government response to the Cairncross review: a sustainable future for journalism' (27 January 2020): <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism/government-response-to-the-cairncross-review-a-sustainable-future-for-journalism#response-to-recommendations> [accessed 3 February 2020]

494 Reuters Institute for the Study of Journalism, 'Digital News Report 2019': <http://www.digitalnewsreport.org/survey/2019/united-kingdom-2019/> [accessed 3 February 2020]

495 YouGov, *Conspiracy and Democracy survey*: [https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/5j57dtwlc0/YGC%20Conspiracy%20Theories%20\(GB\).pdf](https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/5j57dtwlc0/YGC%20Conspiracy%20Theories%20(GB).pdf) [accessed 3 February 2020]

496 Social Mobility Commission, *State of the Nation 2016: Social Mobility in Great Britain* (November 2016), p. 127: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/569410/Social_Mobility_Commission_2016_REPORT_WEB_1_.pdf [accessed 3 February 2020]; National Council for the Training of Journalists, *Diversity in Journalism* (November 2017), p. 7: <https://www.nctj.com/downloadlibrary/DIVERSITY%20JOURNALISM%204WEB.pdf> [accessed 3 February 2020]

497 National Council for the Training of Journalists, *Journalists at Work* (October 2018), p. 6: <https://www.nctj.com/downloadlibrary/JaW%20Report%202018.pdf> [accessed 3 February 2020]

498 *Ibid.*, p. 41

499 The Sutton Trust, *Internships – Unpaid, unadvertised, unfair* (January 2018), p. 1: <https://www.suttontrust.com/wp-content/uploads/2018/01/Internships-2018-briefing.pdf> [accessed 3 February 2020]

500 Dame Frances Cairncross, *The Cairncross Review: a sustainable future for journalism* (12 February 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 3 February 2020]

more on the online advertising market, in which Dame Frances argued that online platforms have disproportionate power over publishers.⁵⁰¹

Aim of the inquiry

The Communications and Digital Committee wishes to investigate how the production and consumption of journalism is changing, how journalists can be supported to adapt to those changes and how the profession can become more trusted by—and representative of—the general population.

Questions

The committee seeks responses to the following questions to form the written evidence for its report. Contributors need not address every question and experts are encouraged to focus on their specialism. Other issues may be discussed provided that their relevance is explained.

Submissions which have been previously published will not be accepted as evidence. However, published material may be referenced where relevant.

- (1) How should journalism be defined and what is its value to society? What is the difference between ‘citizen journalism’ and other forms of journalism?
- (2) How have digital technologies changed the consumption of journalism?
- (3) How can public policy improve media literacy, particularly among those who have a low level of digital literacy?
- (4) How have digital technologies changed the production of journalism? Do journalists have access to the training necessary to adapt to the digital world?
- (5) What qualifications do professional journalists need? How could public policy better support non-degree routes into journalism?
- (6) What are the main challenges for freelance journalists? How could public policy better support them?
- (7) Why is the journalism profession not more representative of the population? How could this be addressed?
- (8) Why has trust in journalism declined? How could it be improved? How can journalists better understand and convey the concerns and priorities of people who do not live in London or other metropolitan hubs?
- (9) How can innovation and collaboration help news providers of all types to maintain sustainable business models and adapt what they produce to audience demand? What lessons can be learnt from successful innovations, including in other countries?
- (10) Are there any other ways in which public policy could better support journalists and news organisations, now and in the future? Are there examples from other countries from which the Government could learn?

501 *Ibid.*, p 57