

## **Written Evidence submitted by the Professional Publishers Association (PPA)**

# **Professional Publishers Association (PPA) Written Evidence to the Digital, Culture, Media and Sport Committee Inquiry: Sustainability of Local Journalism**

Date: 31 March 2022

## **About Us**

The Professional Publishers Association (PPA) is the membership network for UK consumer magazine media and business information publishers, representing around 160 of the UK's most renowned publishing houses. The sector is worth £3.74 billion to the UK economy, employing more than 55,000 people. Titles published by our members include Inside Housing, Rail Magazine, Good Housekeeping Country Life, Women's Health, Grazia, The Economist, the BMJ, The London Magazine, Kent Life, Scotland Magazine, The House Magazine, Holyrood Magazine, The Grocer and many more.

The PPA is historically synonymous with magazines but today its membership is made up of multi-platform media businesses. The platform on which audiences are engaged may still be a printed magazine – 93% of members still publish a printed magazine - but may just as commonly be virtually via any connected device – 75% operate across five or more platforms, including events, mobile and video. Across these platforms, in 2019 the sector reached an estimated 44.3 million consumers in the UK, accounting for 83% of the population aged over 15. For the age group 25-64, covering the core of the working age population of 33.7 million people, penetration was 88%.

PPA's Sector Report 2021 shows that whilst specialist consumer and business media sector revenues are still predominantly from print-related sources, engagement is now predominantly through digital channels. In fact, 69% of consumers engage is via phone or tablet, against 26% via desktop and 38% via print. The critical challenge for the sector is monetising these digital engagement channels sustainability in the long term.

PPA is grateful that the Chair of the Committee invited us to provide evidence to this Inquiry; PPA and our members would welcome the opportunity to discuss our evidence in greater detail, and give oral evidence if appropriate.

## **Key Recommendations to Guarantee the Long-Term Sustainability of Specialist Publishers**

It is disappointing that since the publication of the 2019 Cairncross Review, the Government has not implemented policies to support the sustainability, growth, and innovation strategies of specialist publishers. We are therefore calling for the following measures, and we would welcome the opportunity to discuss these recommendations further:

- The BBC's drive for growth has seen it publish more 'magazine-style' content, duplicating and displacing content from commercial publishers. Given the need for the Corporation to limit spending, better value could be derived from the licence fee if the BBC instead supported and collaborated with specialist publishers.

- The Government must make digital competition legislation a priority in the next parliamentary session, giving the Digital Markets Unit (DMU) statutory powers. Given that the DMU regime will not be effective for some years, the Government should amend current legislation to introduce an Australian-style Mandatory Bargaining Code in the interim: such a Code should encompass specialist publishers, recognising the immense value of expert journalism focused on a range of topics.
- The exemption for recognised media outlets in the Online Safety Bill must be amended so the exemption encompasses independently regulated specialist publications. A failure to do so will have serious implications for the system of self-regulation which the Government has committed to supporting, and place specialist publishers at a disadvantage to 'core news' publishers because of their expert focus on particular topics and industries. Given that the Bill seeks to address a wide range of harms, it would be sensible to ensure that trusted content on a range of topics is protected. In addition, Category 1 platforms should have an obligation to surface trusted news and information; this is a logical extension of Section 279 of the Communications Act which provides regulatory conditions to ensure broadcasters provide high quality news and current affairs programming.
- The sharp rise in energy prices have seen print and paper costs rise by as much as 50% in the last year. Although engagement with specialist journalism is now primarily through digital channels, the majority of the industry's revenues are derived from print: these revenues fund digital innovation. To ensure that publishers can continue to innovate and invest, the Government should introduce a Tax Credits system focused on specialist publishers which produce original, UK-focused editorial content, mirroring measures taken internationally.
- Whilst local news plays a critical role in bringing together and informing communities based on location, specialist publishers perform the same role for communities based on interests and industries: in the digital age, this function has never been more important. We call on the Government to give Ofcom a duty to report annually on the health and state of the local news and specialist publisher market that can be presented to parliament, suggesting recommendations for policy changes to ensure the long-term sustainability of these markets. This will be key in ensuring that UK communities, whether based on interest or location, continue to be served with high quality news and information.

## Introduction: The Value of Specialist Publishers

There are significant parallels between the qualities of specialist publications - both consumer magazines and business media – and local journalism, and such titles face many of the same challenges.

In announcing this Inquiry, Chair of the Committee Julian Knight MP stated: 'The need to know what is going on in your area is as great as it ever has been, arguably greater, but there is a very real challenge in how to deliver that.' Equally, the impacts of the pandemic have accentuated the importance of communities of interest, which are served by specialist consumer magazine and business media publications. Further, Knight asked: 'How can we maintain and protect the type of journalism that reports what your council is doing, coverage that is essential to local democracy?': Business media organisations play a critical role in scrutinising their particular sector, uncovering malpractice and holding industries to account.

The proliferation of digital content means specialist publishers are becoming the go-to platforms for news. The future resilience of media lies in focusing on niche audiences and verticals, and its success

lies in publishers that speak to very specific interests and consumer demand for trusted content. Indeed, a key attribute of specialist publications is that their concentrated focus allows editorial teams to become experts, with many consumer and business publisher staff having worked in the area or industry on which they report. This expertise is recognised and valued by the UK public: Ofcom's News Consumption in the UK 2020 Report shows the public consider magazine media to be more trustworthy and accurate than TV, print newspapers, radio, and social media, and are the most highly rated news medium for having 'a range of opinions,' 'helping me make up my mind,' and being 'impartial.' The misinformation and disinformation that is rife on digital platforms makes trusted content produced by journalists who are experts in their field all the more critical.

## **Market Trends**

Most publishers either derive revenues directly from their audience, or from third parties that want to access that audience. The two models are not mutually exclusive; most publishers operate a combination. This dichotomy between audience-driven and third party-driven revenues is longstanding and well recognised.

A potentially less well-explored dichotomy is between a direct, engagement-driven model and an indirect, volume driven model: the sector is seeing a shift towards direct, engagement driven revenues. The emergence of technologies to support direct audience engagement has been mirrored by the general decline in newsstand circulations, which creates a need for publishers to develop more direct engagement channels. As with the revenue source, the two strategies of the engagement model are not mutually exclusive.

In the post internet world, many publishers have found themselves giving away content that would previously have only been available in a paid for, printed product. The 'funnel model' addresses how to triage a high volume of unknown users and identify those who were willing to provide information and ultimately money for the content. The hourglass model proceeds logically on from the point of having identified a paying consumer to expand that relationship and increase monetisation through upselling, for example from a standard subscription to a 'membership' with additional content and benefits.

### **Case Studies**

We will now set out four broad trend groups that have been observed in the industry, using anonymised publisher case studies as examples of best practice:

#### *Content*

Content quality has always been important but the increasing ability to measure quality has elevated the role of content creation.

Traditionally the measure of content quality was circulation. The challenge with this is that circulation is both a 'lag' and an 'aggregated' measure, which is to say it is delayed and only measures all content together, not specific pieces of content. With technological advancements, publishers can now better understand the performance of specific pieces of content. This development is not universal and only applies where there exists enough of a digital presence and enough data analysis capability to derive the right insights.

This broad shift in ability to measure content performance has resulted in changes to what and how content is created, how and where content is surfaced to audiences, how content is monetised and generally how content creation as a function engages with the rest of the business.

**Case Study:** Publisher A have worked towards a point where editorial teams are as creative and productive with digital and video as they are with print. They have redefined success by setting, monitoring, and reporting digital KPIs widely. Digital audience growth talent has been integrated into each brand, joining editorial stand-ups and working side-by-side with editorial planning and optimising content for each medium. Together, this has led to a more holistic, content-led approach.

### *Engagement*

Traditional engagement and relationships between publisher and audience would have been somewhat simple, transactional, and unilateral but now they are complex, bilateral relationships.

The growth of platforms beyond traditional print and even the early years of the internet (high volume, third-party data, and programmatic revenue) has given many more places and opportunities to engage an audience and the technology and opportunity to gather data on that audience. This has fundamentally changed and continues to change how and where audiences engage with content and how publishers can use increased knowledge to increase and improve engagement for the audience.

**Case Study:** Publisher B have capitalised on the success of their free podcast, which has been running as a free podcast for several years, to launch the paid-for podcast in 2020. The free podcast is c. 90 minutes and previews films before release, whereas the paid-for edition forensically dissects a film after release. Bundled with a print sub, exclusive events (6+ per year) and a cinema membership, Publisher B is able to charge significantly more for due to the added value for consumers.

### *Commercial*

Economies of scale have meant that the high-volume print magazine sell (or even medium/low in some circumstances) has been a very enticing commercial proposition for publishers. But the general decline in print volumes have created a need for publishers to be more commercially innovative in order to diversify, if not immediately then in preparation for the future.

However, this is happening at the same time as some broader shifts in how consumers (B2B and B2C) transact, how they expect to pay, what they expect to pay for, what they want to pay for, and the technology available to support the commercial process.

**Case Study:** With a broad audience – from big brands to corner shops – and with the same customers playing multiple roles – as audience buying a subscription and advertising – Publisher C has introduced tiered memberships as a way to ‘premiumise’ content and engagement based on deeper data insights and digital access, and bespoke corporate memberships for those multi-channel partners.

### *System*

Many businesses have found themselves in the ‘data rich, knowledge poor’ bracket in recent times due to an inability to keep up with almost exponential rates of data proliferation. This is particularly acute in sectors such as this, which might not have a legacy of data management.

As audiences engage more and more via different platforms on different devices and hand over more of their data, the ability to collect, analyse, derive insight from and act upon that data is critical. That ability depends on having the technology systems, the resource capability, and the organisational and cultural processes in place to do so.

**Case Study:** Publisher D have an integrated CRM system, payment processing system and single customer services team. So, whether a user is subscribing to a print product, registered through the app or simply using the website, that user can log in with the same credentials with the right level of access and subscription fulfilment is insourced, so customer service is one team for all products.

# The BBC and Commercial Publishers

## Expansion of BBC scope into content areas that duplicates the work of commercial publishers

The Cairncross Review recommended that 'Ofcom should assess whether BBC News Online is striking the right balance between aiming for the widest reach for its own content on the one hand and driving traffic from its online site to commercial publishers (particularly local ones) on the other'<sup>1</sup>. Further, the Review stated that 'Ofcom should ask whether, in its pursuit of younger audiences, BBC News Online goes beyond the BBC's core public purposes, and inappropriately steps into areas better served by commercial partners. In the light of its conclusions, it should clarify and confirm appropriate boundaries for the future direction of BBC online content'<sup>2</sup>. These recommendations have had no tangible outcomes for specialist publishers.

The BBC Charter states that the BBC must 'avoid adverse impacts on competition which are not necessary for the effective fulfilment of the Mission and the promotion of the Public Purposes'<sup>3</sup>. The Charter also states that the Corporation should 'provide impartial news and information to help people understand and engage with the world around them' but this provision should not include 'content not widely available from other United Kingdom news providers'<sup>4</sup>. However, in its drive for growth, the BBC is showing an instinct to explore more 'magazine-style' content, in the process encroaching on - and arguably duplicating and even displacing, given its strength in search and on social platforms - the efforts of commercial publishers that have spent years and invested millions in growing loyal audiences.

The BBC News Online has a Stories (formerly 'Magazine') section, Long Reads, Viral Videos, Gossip, Comment Pieces, and Entertainment News. These verticals are at best of the fringes, and at worst firmly outside, of the BBC's public interest remit. Commercial publishers are reliant upon advertising and subscriptions to fund public interest content: this task is made extremely difficult as the BBC duplicates this content for no charge.

The BBC is under extreme pressure to make further efficiencies<sup>5</sup>, with the license fee to be frozen until 2024. Content that duplicates that of commercial publishers is an obvious area where the BBC could make savings without negative impacts for the public: the high level of competition between commercial publishers will ensure that audience needs are met. The proliferation of soft BBC content not only reduces audiences for commercial publishers, but also reduces commercial opportunities, with consumers attracted to the BBC's ad/paywall-free offering. The BBC could continue to fulfil its Charter obligation to provide 'duly accurate and impartial news, current affairs and factual programming'<sup>6</sup> whilst making significant savings by ceasing to duplicate commercial publishers' content.

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<sup>1</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

<sup>2</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

<sup>3</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/2016/charter.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/charter.pdf)

<sup>4</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/2016/charter.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/charter.pdf)

<sup>5</sup> [https://www.theguardian.com/media/2022/jan/18/bbc-licence-fee-freeze-funding-gap-programmes-services-tim-](https://www.theguardian.com/media/2022/jan/18/bbc-licence-fee-freeze-funding-gap-programmes-services-tim-davie#:~:text=The%20culture%20secretary%2C%20Nadine%20Dorries,Sunday%20newspaper%20and%20on%20Twitter.)

[davie#:~:text=The%20culture%20secretary%2C%20Nadine%20Dorries,Sunday%20newspaper%20and%20on%20Twitter.](https://www.theguardian.com/media/2022/jan/18/bbc-licence-fee-freeze-funding-gap-programmes-services-tim-davie#:~:text=The%20culture%20secretary%2C%20Nadine%20Dorries,Sunday%20newspaper%20and%20on%20Twitter.)

<sup>6</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/2016/charter.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/charter.pdf)

## **The BBC Could Support Commercial Publishers, Boosting Media Plurality**

The Cairncross Review recommended: ‘The BBC should do more to share its technical and digital expertise for the benefit of local publishers’<sup>7</sup>. Despite the clear problems discussed above, UK specialist publishers are equally eager to collaborate with the BBC. By transforming its relationship with specialist media, the BBC could achieve even greater business value from public investment into the organisation, becoming a catalyst for the growth and digital transformation of commercial publishers.

### *Improve user experience through a ‘network of trust’*

UK publishers believe that there is room for the BBC to collaborate in serving audiences. UK specialist publishers have brands with vertical knowledge that is regarded with the same high respect in their focused markets as the BBC is in news. There’s a compelling argument that the two parties explore efficiencies, whilst creating a richer, more useful resource for the public. The BBC already links to relevant local news sources in its coverage to provide users with further insights into stories. This practice could sensibly be extended to encompass ‘magazine-style’ content. In many instances, specialist publishers have the depth and focus of reporting would be entirely complementary to the BBC’s output, and also that of local news outlets. Exploring content collaboration with specialist commercial publishers would prevent duplication of effort (at a cost to the BBC and therefore license fee payers), whilst providing a practical means of collaboration between trusted content creators.

### *Provide audience Insights*

The BBC’s budgets for audience development and behavioural insight far exceed that of independent commercial publishers. The breadth and depth of the BBC’s audience behavioural data would be an incredible asset if made available to British commercial publishers, helping specialist media companies improve their output for audiences in the UK and beyond. The BBC has an enormous amount of data about media consumption habits of everyone in the country. The BBC could provide that kind of information to publishers, perhaps by providing an anonymised API.

### *Share product development*

The BBC has long been regarded as a gold standard for digital product development in the UK and beyond, a by-product of the rich potential in its core markets, its funding model (freeing it of the more short-term commercial realities faced by independent publishers). UK publishers argue that the BBC should do more to emulate the approach shown by Government Digital Services, the digital arm of government that makes much of its research and data freely available for industry to exploit. Indeed, the national public service could be extended to providing platforms and tools and services for everyone - including other publishers - to use. An opportunity like this almost came to fruition when the BBC agreed in 2019 to place radio services on BBC Sounds, but the Corporation withdrew the plan. The industry recognises that the BBC already runs an Open Source Project<sup>8</sup>, which today offers more than 40 examples of Corporation-created software for industry and public use. However, this suggestion sees the BBC as a media platform creator, so takes that principle to another level.

### *Collaborate on talent development*

The scale and funding of the BBC’s digital operations creates a globally renowned centre of excellence, one with funding and structure that’s the envy of independent media companies. Many UK publishers argue that there is space to collaborate with the BBC in the development of that talent,

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<sup>7</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

<sup>8</sup> <https://www.bbc.co.uk/opensource/>

especially at a time when the media industry faces such strong headwinds - from ensuring that the journalistic community has the diversity to reflect the communities it serves, through to collaborating in training and development at a time when the skills required to thrive in media are changing fast. That collaboration may be especially effective in the regions, where many publishers recognise the less direct benefits of the BBC's operations.

#### *Local Democracy Reporting Scheme (LRDS)*

The Local Democracy Reporting Service (LDRS) is a public service news agency funded by the BBC and provided by the local news sector. News providers have to bid to be part of the scheme which the provides funding for journalists. PPA applauds this initiative, which serves local communities and helps give a voice to those who may otherwise be left unrepresented. Specialist publishers serve communities based on interest, with business-to-business publications scrutinising key sectors such as housing and health, whilst consumer brands focus on current affairs and wider topics. It would be interesting to explore how the BBC could increase its support for journalism, which plays a critical role in holding major industries to account, and extend this scheme further with support from the wider news ecosystem including financial support from businesses like Meta and Alphabet.

## **The relationship between platforms and specialist publishers**

### **Digital Competition Legislation**

The Cairncross Review demonstrated that publishers have no choice but to trade with the largest digital platforms, but the platforms' entrenched market power and anti-competitive conduct prevents a fair trading. The Government must legislate to ensure that there is a fair value exchange between platforms and publishers.

Codes of conduct to rebalance the relationship between online platforms and publishers, and an investigation of the workings of the online advertising market, were recommended by the Cairncross Review<sup>9</sup>. The Government's 2021 consultation impact assessment for the new pro-competition regime for digital markets identified increased advertising revenues to the press sector as a positive externality of the new pro-competition regime<sup>10</sup>. However, it has now been a full half year since the consultation closed, and the industry is still awaiting the Government's response. We also note that in April 2021 the Digital Secretary asked the CMA to work with Ofcom to look specifically at how a code would govern the relationships between platforms and content providers such as news publishers, including to ensure they are as fair and reasonable as possible<sup>11</sup>. This advice was delivered to the Secretary of State last year, but there have been no announcements regarding the advice.

The 2021 consultation suggested a 'strategic market status' (SMS) designation process lasting nine to 12 months following the passing of legislation. Assuming that legislation is passed in 2023, a 12-month designation process followed by potential appeals could see the regime become effective as late as 2025 or 2026. Publishers are currently reliant on private litigation to combat anticompetitive behaviour by digital platforms, but this is a course of action that is simply not viable for most publishers.

Relevant to this, the European Union Digital Markets Act (DMA) is set to be ratified in the summer and put into effect in 2023. The DMA is, in comparison to the DMU, inflexible and less likely to be

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<sup>9</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

<sup>10</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1003915/DMU\\_Impact\\_Assessment.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003915/DMU_Impact_Assessment.pdf)

<sup>11</sup> <https://www.gov.uk/government/news/new-watchdog-to-boost-online-competition-launches--3>

effective in targeting the causes of large digital platforms' market power, as it lacks the tailored codes of conduct that are proposed under the DMU regime. There is a danger that, when the DMA is established, digital platforms will argue that it is unreasonable to expect them to comply with the DMA and the DMU. The delay in bringing forward legislation has also allowed Meta to hire more lobbyists and lawyers to frustrate new digital regulations<sup>12</sup>. As the CMA acknowledged in its response to the Government's consultation: 'While the UK has been a leader in setting this agenda up to this point, we will need to maintain the pace to avoid falling behind'<sup>13</sup>.

The Bill giving the DMU statutory powers should be introduced early in the next parliamentary session. A failure to do so will leave specialist publishers at the mercy of the prevailing anti-competitive conditions in which they operate, which prevent investment in expert journalism and act as a barrier to innovation.

We further urge the Government to give the DMU powers to apply the detailed evidence which has already been accrued by the CMA/DMU to a designation process conducted before legislation comes into force. The legislation also could clarify that any finding by the CMA/DMU of substantial and entrenched market power can be used as sufficient evidence for an SMS designation. This will be critical in making the new regime effective expeditiously.

## **Ensuring a fair value exchange between platforms and publishers**

The Cairncross Review recommended that new Codes of Conduct be introduced to rebalance the relationship between online platforms and publishers<sup>14</sup>. Recent media reports<sup>15</sup> and ministerial statements<sup>16</sup> indicate that the Government is planning to introduce a mechanism to facilitate a fair value exchange between platforms and publishers as part of the DMU's Codes of Conduct.

Given that the recent agreements between platforms and UK publishers have predominantly been with larger, core-news-focused publishers, it is particularly necessary that additional measures aim to guarantee the sustainability of specialist publishers. Levelling the playing field should work for all publishers – not just the largest – to ensure the UK maintains a competitive and diverse media ecosystem. We will now set out the rationale for specialist publishers being encompassed by such a Code:

### *The most trusted news medium*

Ofcom's News Consumption in the UK 2020 Report<sup>17</sup> shows the public consider magazine media to be more trustworthy and accurate than TV, print newspapers, radio, and social media, and are the most highly rated news medium for having 'a range of opinions,' 'helping me make up my mind,' and being 'impartial.'

### *The go-to platform for news*

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<sup>12</sup> <https://www.ft.com/content/8c7527bc-7ab4-41cd-ba94-3145208da9c3>

<sup>13</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1022636/CMA\\_response\\_to\\_Digital\\_Markets\\_consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1022636/CMA_response_to_Digital_Markets_consultation.pdf)

<sup>14</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

<sup>15</sup> <https://www.dailymail.co.uk/news/article-10455671/Now-tech-giants-Google-Facebook-forced-pay-newspapers-stories.html>

<sup>16</sup> <https://hansard.parliament.uk/Commons/2022-02-22/debates/806180A5-CB16-4A13-AF6A-96A62FA4AF67/AutomotiveSector?highlight=publishers#contribution-0C38AB15-3269-4E38-BCD6-83BEA6050DC7>

<sup>17</sup> [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0013/201316/news-consumption-2020-report.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0013/201316/news-consumption-2020-report.pdf)

Given that the recent agreements between platforms and UK publishers have predominantly been with larger, news-focused publishers, it is particularly necessary that new measures aim to guarantee the sustainability of specialist publishers. Allowing specialist publishers to benefit from a mandatory bargaining Code will futureproof the Code's impact on publisher sustainability, as the proliferation of digital content means specialist publishers will be the go-to platforms for news.

### *Expertise*

A key attribute of specialist publications is that their concentrated focus allows editorial teams to become experts, with many consumer and business publisher staff having worked in the area or industry on which they report.

### *A broad definition of news is consistent with the reality of the UK news media business*

Drawing the scope of news content broadly reflects the reality of news media businesses in the UK. Such businesses cover a broad range of content, in an intermingled fashion, ranging from 'serious' journalism to 'softer' reporting of lifestyle, celebrity and human-interest stories. That is, all UK news media organisations exist at the intersection of traditional journalism and entertainment. This is particularly true for those organisations' digital operations because (ignoring pay wall arrangements) revenue is almost entirely driven by advertising and, hence, audience size.

Indeed, the amount of 'soft' news content produced by the UK's major news media organisations arguably far outweighs the 'serious' news content they produce. Accordingly, there is a real danger that, if the scope of news content is drawn narrowly, a UK Code will be a white elephant that operates in respect of a relatively small volume of digital content.

### *A narrow definition of 'news' risks creating an uneven playing field*

All media organisations compete against each other for audience and advertising revenue. There is a danger that applying a narrow definition of 'news' creates winners and losers from the Code and, therefore, an uneven playing field. This may threaten media plurality, and penalise specialist publishers based on their expert focus on specific interests and industries.

### *A broad definition of 'news' is consistent with the approach of the digital platforms*

The digital platforms themselves take a very broad view of what constitutes 'news'. For example, Google News Showcase is open to all publishers as long as they meet the Google News Content Policies: verticals include sports, entertainment, technology, health, and science<sup>18</sup>. Indeed, the presence of specialist publishers is of immense value to digital platforms, as it allows them to serve expert content based on readers' specific interests.

## **A UK Code that supports specialist, and smaller publishers**

Given the above, a UK Code should account for the importance of the Copyright, Design and Patents Act clearly covering and accommodating the rights under the Press Publishers' Right now being distinctly defined and applied under national laws within the EU. PPA views the definition of 'Press Publisher' used in the EU Copyright Directive<sup>19</sup> as an appropriate model definition for those news and specialist publishers that should benefit from such a Code.

This is vital, as a key weakness of the Australian News Media Bargaining Code (ANMBC) is that in order to be eligible, a publisher must predominantly produce 'core news'. Yet once eligible to participate in the Code, a publisher is able to negotiate with platforms over all news produced (this is

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<sup>18</sup> <https://news.google.com/showcase>

<sup>19</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0790&from=EN>

called ‘covered news content’) including sport, entertainment, lifestyle etc. If applied in the UK, this would lead to the clearly unfair situation whereby ‘core news’ publisher would be able to negotiate for the value of its lifestyle content, but a special interest lifestyle magazine would not be eligible to negotiate for its lifestyle content, or even its journalism focused on current affairs issues.

### **Case Studies: The Value of Specialist Journalism**

#### *Rail Magazine and the Stonehaven Rail Accident*

From March 2020 to April 2021, 58% of the complaints received by IPSO related to the Stonehaven train derailment. An opinion piece in Rail magazine, by its editor Nigel Harris, criticised the *Scottish Sun* and other sections of the press for their poor journalism, particularly their grasp of the technicalities of railway operations. BBC Radio 4's *Today* programme, BBC Scotland and Channel 4 were also criticised in the aftermath of the tragedy. Rail magazine led the way in explaining the technicalities behind the derailment, focusing on the cause of the accident and potential remedies which could save lives going forward.

#### *Inside Housing and Grenfell*

In 2017, *Inside Housing* published an article highlighting the threat that flammable external cladding presented to tower block residents – it was a piece of investigative journalism work undertaken by Pete Apps following a blaze in Shepherd’s Bush twelve months earlier. Just weeks after Apps’ piece was published, a fire tore through Grenfell Tower, claiming 72 lives and prompting the title to conduct a forensic examination of the situation surrounding the disaster. In addition, two years after calls were made for remedial action to be taken on buildings with similar dangerous cladding, and with safety work completed on just 89 of 434 high-rise buildings and ten of the 178 residential buildings identified as being at risk, *Inside Housing* magazine raised the profile of this injustice with the launch of the End Our Cladding Scandal campaign. The Government has since moved to compel property developers to remove and replace cladding for all leaseholders on high-rise buildings.

#### *Grazia and women’s rights*

Grace Millane was a British backpacker strangled to death on the eve of her 22nd birthday. Her killer attempted to persuade a jury that her death was the result of a sex game gone wrong – the so-called ‘rough sex’ defence. *Grazia* added its voice to their calls for a law change in December 2019, helping attract over 67,000 petition signatories, encouraging readers to lobby their MPs, and eliciting a promise from Prime Minister Boris Johnson that he would tackle the problem. In June 2020, the Government published a new clause to the Domestic Abuse Bill which means attackers and murderers can no longer claim their victim consented to violence during sex that then resulted in harm. This follows earlier campaigning triumphs for *Grazia*, which include Mind The Pay Gap: this campaign eventually resulted in then-Prime Minister David Cameron introducing Section 78 of the Equality Act, which required large companies in the UK to publish their staff salaries, highlighting any gender pay gap and securing a significant step forward in the fight for equal pay.

Another essential element of any Code is a mechanism that compels platforms to negotiate in good faith and enter Final Offer Arbitration (FOA) if negotiations are unsuccessful. The necessity of such a mechanism is exemplified by the application of the Publishers’ Right in the EU. France was the first EU nation to implement the Right. At first, Google refused to pay French publishers and stopped showing snippets of French news on Google. In response, a consortium of French publishers complained to the French Competition Authority (FCA), which eventually compelled Google to negotiate. In 2021, Google agreed to pay \$76 million USD to 121 publishers<sup>20</sup>.

This raises two key points: first, that it was only competition intervention that compelled Google to negotiate. Second, given that without a tailor-made mechanism to compel platforms to negotiate, the sums paid to French publishers were significantly less than those paid to Australian publishers. The key distinction is the possibility of FOA which brings platforms to the table, and helps ensure that the sums offered by platforms will constitute a fair value exchange.

However, the ANMBC can be improved upon in a UK context: a key weakness of the ANMBC is that the Australian Government has the agency to designate platforms; this gives scope for online platforms to strike deals with the largest news organisations whilst having no obligation to negotiate with smaller publishers. A significant number of independent media outlets in Australia recently instigated a 24 hour 'news freeze; to highlight this disparity<sup>21</sup>.

This problem has been recognised by the Canadian Government, which is using the ANMBC as a basis for its Online News Act: Pablo Rodriguez, the minister of Canadian Heritage, has stated that the Online News Act will have 'more transparency'<sup>22</sup> and be overseen by a regulator that will have objective criteria to decide which platforms should be affected by the Online News Act rules. This means the Government will not play a role in designating platforms. Further, the Government has stated that Google and Meta will be judged by their deals with Canadian news companies both large and small: they must 'contribute to the sustainability, the existence, of a free, independent press'<sup>23</sup>. These improvements should be replicated in any UK Code.

The Government should anticipate the need to develop additional measures that support smaller, but eligible, media businesses in parallel with a Code in the event they are forced to bargain in its shadow. The CMA/DMU could also authorise smaller media businesses to engage in collective bargaining under existing competition law before introducing any Code legislation.

The CMA/DMU should also be prepared to release guidance about determining the value exchange between media businesses and digital platforms as soon as legislation adopting a Code is enacted, especially if activation of the Code is dependent on SMS determination.

### **Implementation of a Code before the DMU is given statutory powers**

As described, and even if the Digital Competition Bill is prioritised in the next parliamentary session, it is likely to be several years before the DMU is given statutory powers. Publishers can ill afford to wait for the regime to become operational. The Government should therefore introduce a mechanism to ensure a fair value exchange between platforms and publishers as soon as possible through legislation. This mechanism could be used as an interim measure overseen by the CMA until the DMU is given statutory powers, and subsequently be folded into the DMU's remit.

We will now set up the key provisions of such a mechanism, with further relevant comparisons to the ANMBC:

A - Bargaining between digital platforms and publishers in good faith in relation to publisher content made available by digital platforms, whether collectively or individually.

*The requirement of compulsory mediation before final offer arbitration may begin under the ANMBC – introduced as a result of negotiations between the Treasurer and Facebook (as it was then) – provides designated digital platforms with opportunities to delay negotiations, which are more likely to adversely affect smaller news businesses, especially those with limited cash flow.*

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<sup>20</sup> <https://www.reuters.com/article/us-google-france-copyright-exclusive-idUSKBN2AC27N>

<sup>21</sup> <https://pressgazette.co.uk/australian-publishers-freeze-news-to-protest-big-techs-failure-to-pay-up/>

<sup>22</sup> <https://pressgazette.co.uk/canada-online-news-act-google-meta-facebook/>

<sup>23</sup> <https://pressgazette.co.uk/canada-online-news-act-google-meta-facebook/>

B - Compulsory final offer arbitration where parties cannot come to a negotiated agreement about remuneration relating to the surfacing of publisher content on digital platforms within three months after bargaining starts.

*In the ANMBC, the determination of the arbitral panel must be consistent with the rights under contracts in force between the responsible digital platform corporations and registered news business corporations, even if those agreements pre-date the adoption of the Code and were negotiated without its protections. This should not be replicated in a UK Code.*

C - A requirement that digital platforms provide publishers with a list and explanation of the data that their platform collects (whether or not it shares the data with the publisher) about a publishers' users through their engagement with publisher material made available by the platform, this list and explanation to be updated and supplied annually.

*In the Draft ANMBC, responsible digital platforms were required to give readily comprehensible information to registered news businesses explaining all types of data collected in relation to their users' interactions with their covered news content. Under the amended legislation, the requirement has become more convoluted, and weaker. For instance, a responsible digital platform corporation must share data relating to a specific designated service, but explicitly not to various services in aggregate.*

D - A requirement that, if requested by publisher or the regulator, the digital platform supplies it with the data and information relevant to assessing the value that the platform receives from the content of each publisher.

E - A requirement for digital platforms to provide a publisher with 28 days' advance notification of planned changes to an algorithm or internal policy or practice that is likely to have a significant effect on either: (a) the ranking of the publisher's content made available by the platform; or (b) the display and presentation of advertising directly associated with that content.

*Following lobbying from Google and Facebook (as it was then), the 28 day advance notification in the Draft ANMBC Code was reduced to 14 days, giving publishers little time to prepare.*

*The ANMBC contains a 'dominant purpose' test: no obligation arises unless the dominant purpose of a digital service in making an algorithmic change is to alter the way news is distributed. Specifically, the change will not qualify if it is part of 'routine maintenance' or if in fact the dominant purpose is to ensure an algorithm is operating 'more quickly or more effectively'. This means publishers will receive no notification of potentially highly impactful changes, as the test is highly subjective.*

F - A requirement that this notification describe the changes to be made and their expected effect in comprehensible terms, and explain how the publisher can minimise any negative effects.

G - Non-differentiation requirements stipulating that digital platforms shall not differentiate between publishers because of matters that arise in relation to their participation or non-participation in the process.

*The non-differentiation obligations in the ANMBC are subject to some important qualifications, added as concessions to Facebook. First, the obligations do not apply to digital platform corporations when entering commercial agreements that contain non-identical pricing or preferential ranking terms with news businesses, provided the differentiation arises solely because of those terms. Second, the non-differentiation obligations do not apply to all covered news content. Rather they apply to the covered content of news sources that regularly produce covered news content.*

H - Contracting out, so that a digital platform may reach a commercial bargain with a publisher outside the process about remuneration or other matters.

### **Implementation of a mechanism as part of the DMU Codes of Conduct**

The Government is planning ensure a fair value exchange between platforms and publishers as part of the Codes of Conduct to be administered by the DMU. Enforcement mechanisms for the DMU will encourage a participatory approach, resolving issues through advice and informal engagement. An investigation may be combined with formal enforcement tools in some cases, and the DMU will also be able to impose financial penalties for code breaches. Court orders or senior management liabilities may also be utilised.

It appears that the Government is currently minded to apply a system of Final Offer Arbitration (FOA), as used in the Australia News Media Bargaining Code, to the whole DMU regime as a 'backstop' if the remedies outlined above are unsuccessful. This is concerning, as it would allow SMS firms considerable scope to delay entering FOA if negotiations with publishers are unsuccessful (or if platforms refuse to enter negotiation). In contrast, the ANMBC requires that designated platforms enter good faith negotiations immediately that a publisher gives notice of its intention to bargain under the Code. Compulsory FOA follows if an agreement is not reached three months after the publisher gives notice, and a subsequent two-month mediation process is also unsuccessful, providing a relatively swift resolution.

The Government should therefore consider implementing the expedited and specific mechanism outlined above ensure a fair value exchange between platforms and publishers, rather than relying on the principles and guidance around 'fair and reasonable terms' in Code of Conduct to be administered by the DMU.

The difficulty in giving platforms greater agency is demonstrated by the development of the ANMBC. The Australian Competition and Consumer Commission (ACCC) originally intended for digital platforms to have nine months to develop a 'voluntary' code. If platforms were subsequently unable to submit an acceptable code to the Australian Communications and Media Authority (ACMA), it was planned that the Authority would create a mandatory Code.

Yet it became clear to the ACCC when it began working with platforms and publishers to develop the Code that payment for content would not be resolved through a voluntary Code, hence the Australian Treasurer's request to the ACCC to create a mandatory Code<sup>24</sup>. Whilst the DMU's principles and guidance around 'fair and reasonable terms' would not be deficient in precisely the same way to Australia's plans for a voluntary Code, they both carry the same key problem: that handing undue agency to digital platforms with immense market power will severely hamper the prospect of a fair value exchange between platform and publishers.

## **Ensuring online platforms' users can access and identify reliable content**

The Cairncross Review recommended that the efforts of online platforms to improve their users' news experience should be under regulatory supervision, with a regulatory obligation on the larger online platforms to improve how their users understand the origin of a news article and the

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<sup>24</sup> <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/accc-mandatory-code-conduct-govern-commercial>

trustworthiness of the source<sup>25</sup>. Unfortunately, these recommendations have not been enacted. Further, as currently drafted, the Online Safety Bill could impinge the ability of users to access specialist publishers trusted content.

### The Online Safety Bill

The Online Safety Bill states that platforms do not have any duties relating to content from recognised media outlets/recognised news publishers, and outlets' websites are also exempt from the Bill's scope. At present, the Clause 50 definition of 'news-related material' that 'recognised news publishers' must 'have the principal purpose of producing' is as follows:

*(5) In this section—*

*“news-related material” means material consisting of—*

*(a) news or information about current affairs,*

*(b) opinion about matters relating to the news or current affairs, or*

*(c) gossip about celebrities, other public figures or other persons in the news;*

Citing the evidence provided by PPA, the Joint Committee scrutinising the Bill recommended: 'We are concerned that some consumer and business magazines, and academic journals, may not be covered by the Clause [50] exemptions. We recommend that the Department consult with the relevant industry bodies to see how the exemption might be amended to cover this off, without creating loopholes in the legislation'<sup>26</sup>. The Department has not consulted with PPA as per this recommendation, and this recommendation was not addressed in the Government's response to the Joint Committee Report. Please note that the points made around the value of specialist journalism in the section entitled 'Ensuring a fair value exchange between platforms and publishers' are also highly relevant here.

It should be noted that the BBC, and licence holders under the Broadcasting Act 1990 or 1996 which publish 'news-related material', are named as 'recognised-news publishers'. There is no 'principal purpose' requirement for these broadcasters, as the Government has rightly recognised that reliable information is valuable even if 'news-related material' does not make up the majority of these broadcasters' programming, and that trusted information on a broad range of topics is valuable. The same logic should be applied to independently regulated specialist publishers.

It is also significant that the 'news-related material' definition includes 'gossip about celebrities, other public figures or other persons in the news'. This demonstrates that the definition, lifted from the Crime and Courts Act 2013, was originally written in order to encompass tabloid newspapers which publish a high volume of 'gossip', as such content was a key focus for the purposes of the 2013 Act. The Online Safety Bill's Clause 50 definitions have an entirely different purpose to the 2013 Act, and copying the 'new-related material' definition without amendment fails to protect specialist journalism.

#### *A free press and media*

In response to the Joint Committee's recommendation that news publisher content should not be moderated, restricted or removed, the Government stated that such a measure could lead to 'objectionable' content being carried permanently. The Government added: 'Narrowing the definition of 'recognised news publisher' to mitigate this presents a serious risk of undermining the government's commitment to self-regulation of the press and wider media freedom.' However, the

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<sup>25</sup>[https://www.google.com/search?q=cairncross+review&rlz=1C1GCEA\\_enGB941GB941&oq=cairnc&aqs=chrome.0.69i59l2j46i512j69i57j46i175i199i512l2j69i60l2.2296j0j7&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=cairncross+review&rlz=1C1GCEA_enGB941GB941&oq=cairnc&aqs=chrome.0.69i59l2j46i512j69i57j46i175i199i512l2j69i60l2.2296j0j7&sourceid=chrome&ie=UTF-8)

<sup>26</sup> <https://committees.parliament.uk/publications/8206/documents/84092/default/>

Clause 50 definitions would leave a significant number of IPSO regulated publishers unprotected, undermining the system of self-regulation which the Government states it is committed to by creating an inferior 'tier' of independently regulated publications.

We have heard concerns that a broadening of the definitions could lead to bad actors being covered by the Clause 50 definitions. However, the Bill already exempts bad actors such as proscribed organisations. Other Clause 50 requirements such as being subject to a standards code and having policies or procedures for handling and resolving complaints further mitigates this risk. Also, whilst Ofcom will not and should not draw up a list of 'recognised news publishers', the regulator's oversight of the regime (with pre-existing expertise in media standards) will further negate the chance of bad actors being encompassed, as it will be able to provide guidance to platforms in its codes of practice.

PPA has also heard arguments that specialist publishers' content will be protected on Category 1 platforms as the Clause 16 duties to protect journalistic content encompass all 'journalism', not just that from recognised media outlets. However, since the draft Bill says only that journalistic content is content 'generated for the purposes of journalism', identifying such content will be a highly subjective process. Silicon Valley tech giants will make the call as to what constitutes journalism: independently regulated UK publishers should not be left at the mercy of the tech giants (particularly as platforms are likely to rely on imprecise algorithms).

### *Solutions*

The Government has committed to enhanced protections for recognised media outlets. This is imperative, as at present there is no incentive for Category 2A and Category 2B platforms to not remove content. Further, the Clause 16 duty stating that Category 1 platforms' systems and processes must ensure 'that the free expression of journalistic content is taken into account' will not prevent the arbitrary takedown of reliable content by indiscriminate and over-cautious algorithms.

Given that recognised media outlets will have enhanced protections, it is all the more imperative that 'special interest news material' is encompassed by the Clause 50 definitions, meaning specialist publishers focusing on interests or industries (often including current affairs information) are classified as recognised media outlets.

### **Promoting trusted content and original sources**

As referenced, the Cairncross Review recommended that 'government should place an obligation on the larger online platforms to improve how their users understand the origin of an article of news and the trustworthiness of its source, thereby helping readers identify what "good" or "quality" news looks like'<sup>27</sup>.

Platforms' market power, and their core aim of retaining attention in order to gain data and increase profits makes them agnostic as regards the quality of information on their services. It would be consistent with the Government's media literacy goals in the Online Safety Bill if reliable, professionally produced content is prominently displayed on Category 1 platforms.

The Cairncross Review's recommended a 'a set of best practice guidelines for how news content should be presented on online news distribution platforms': a duty for Category 1 platforms to rank content from trusted news and specialist publishers' content favourably against less trusted content could be guided by an Ofcom code of practice in the Online Safety Bill. The code of practice could account for the elevated level of trust that the public has in specialist media, and the deep expertise

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<sup>27</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779882/021919\\_DCMS\\_Cairncross\\_Review\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf)

of specialist publishers' editorial teams, and should encompass the promotion of original source content.

There have been significant concerns that the Online Safety Bill will restrict freedom of expression. Prioritising the promotion of trusted news and information as a pre-emptive measure may well negate the need to restrict freedom of expression. It should be noted that Section 279 of the Communications Act provides regulatory conditions to ensure certain TV channels provide high quality news and current affairs programming. Given that the Online Safety Bill seeks to address a wide range of harms, and the ability of platforms to identify users' interests, when applied to Category 1 platforms this requirement could be reasonably extended to cover independently regulated, trusted specialist content on a range of topics.

The Communications Act contains requirements around due accuracy and due impartiality: platforms should mirror this distinction between accurate and impartial news, and partisan or low-quality news. Independently regulated specialist titles are far less inclined to have a political agenda than many independently regulated national newspapers, and utilise their editorial teams' deep expertise to analyse highly salient matters. For example, B2B titles analyse particular industries and hold sectors to account.

For clarity, we are not proposing that Government or parliament plays a role in denying the UK public access to certain sources; instead, we are simply proposing that a minimum level trusted content is displayed, ensuring users are presented with the opportunity to engage with trusted sources of information. This is surely preferable to the current situation, where Silicon Valley tech giants alone determine what news and information is promoted to UK citizens.

## **Targeted support for specialist publishers**

### **Print and Paper Costs**

Print and paper costs (papermaking being an energy intensive industry) have more than doubled for many publishers since the start of 2021 and are expected to increase further. If the current situation is allowed to continue unabated, it will likely lead to job losses at larger publishers, and some smaller publishers will have to cease trading completely if the crisis continues: it should be noted that this is not a 'worst-case scenario', but an inevitable outcome if no action is taken.

Due to the increased prices for paper and print, many publishers are considering, or have already decided, to increase prices for consumers. Others are considering ceasing to produce a print copy altogether. This will reduce the accessibility of trusted information sources, particularly for those without internet access or without adequate digital media literacy skills. Many are also considering reducing the frequency of printed editions or reducing print runs, particularly brands that provide a high proportion of copies to the public for free.

Print revenues have been used to fund digital innovation in recent years. The current crisis could see investment cut in this area, with some publishers having to consider redundancies for digital-focused staff, as well as those in print-focused roles. This would cause long-term damage to the plurality of the media sector, as specialist titles focus on areas not scrutinised by larger publishers.

### **Targeted Tax Relief**

The Cairncross Review recommended that the Government give priority to exploring the development of a form of tax relief to support public interest journalism. Given that specialist publishers are suffering significant threats to their business models due to unprecedented increases

in print and paper costs, the Government should look to introduce targeted tax relief as a matter of urgency.

PPA's Sector Report shows that in 2019 around 60% of revenues for specialist publishers came from print products. As stated, it is these print revenues that are funding digital innovation, and the regulatory interventions that will help publishers monetise digital channels sustainably in the long term are yet to be implemented. Therefore, targeted tax credits would be key in ensuring that publishers can continue to innovate in the interim, as well as helping them negotiate the existential threat created by increased print and paper costs.

This would bring support for specialist publishers in line with the support for UK creative industries, and mirror the financial support available for specialist publishers internationally. In Canada, the Canadian Periodical Fund<sup>28</sup> provides financial assistance to Canadian print magazines, print community newspapers (non-daily) and digital periodicals, to enable them to overcome market disadvantages and continue to provide Canadian readers with the content they choose to read.

The 'Magazine' component<sup>29</sup> of the funding is granted based on a formula that takes the total number of eligible copies distributed as well as eligible editorial expenditures incurred during that period. Eligible magazines. To qualify, a publication contains an average of at least 80% Canadian editorial content in the issues published during the publisher's financial year; contain a majority of original content; and be edited, designed, assembled and published in Canada.

Applying this rationale to a UK Tax Credit could see editorial expenditure as the key qualifying expenditure, with an 80% UK editorial content threshold and requirement for original content ensuring that the system is focused on public interest journalism relevant to UK citizens. A requirement for the magazine to be edited, designed, assembled and published in the UK would ensure that the funding would support the employment of editorial staff in the UK. The focus on print publications would ensure that such a system focuses on those publishers who are suffering the effects of the extreme (and likely to be prolonged, if not permanent) rise in print and paper costs.

## **Annual Reporting on Journalism that Sustains Communities**

In its Plan for Digital Regulation, the government has committed to ensure the 'UK's media and press sectors are able to flourish online'<sup>30</sup>. As demonstrated in this response, specialist publishing is an indispensable element of the UK's media ecosystem. However, the sector's immense value is often not expressly recognised in policy formulation.

It is also worth noting that, since the publication of the Cairncross Review, the myriad consultations and parliamentary or regulatory reports on UK press and media (whilst often useful) have made it hard for parliament to gain a coherent, joined-up view of the state of the specialist media and local news market.

The Cairncross Review recommended that Ofcom explore specific points around the BBC's market impact; Ofcom also produces a report on Media Plurality, but this generally focuses on competition issues. We call on the Government to give Ofcom a duty to report annually on the broader health and state of the local news and specialist publisher market that can be presented to parliament, suggesting recommendations for policy changes to ensure the long-term sustainability of these

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<sup>28</sup> <https://www.canada.ca/en/canadian-heritage/services/funding/periodical-fund.html>

<sup>29</sup> <https://www.canada.ca/en/canadian-heritage/services/funding/periodical-fund/magazine.html>

<sup>30</sup> <https://www.gov.uk/government/publications/digital-regulation-driving-growth-and-unlocking-innovation/digital-regulation-driving-growth-and-unlocking-innovation>

markets. This will be key in ensuring that UK communities, whether based on interest or location, continue to be served with high quality news and information.