

**David Higgerson, Chief Digital Publisher, Reach—supplementary written evidence (FON0065)**

**House of Lords Communications and Digital Select Committee inquiry: The future of news: impartiality, trust, and technology**

Thank you again for the invitation to speak at the House of Lords Communication and Digital Committee inquiry into the Future of News, and for the committee's interest in the future of journalism.

As suggested, please find below more detail on various themes which we covered on the day, but also some areas we did not have time to go into.

**About Reach**

Reach is the largest commercial news publisher in the UK, encompassing national, regional and local news brands. In January this year, we reached 35m people in the UK, or 70% of the adult online population. In our local marketplaces, many of our brands reach 50% of the digital population every month, with combined print and digital readership often in the high 80%s too.

Our titles include the Mirror, Express, Daily Star and OK! Magazine nationally, as well as some of the well-respected regional news titles in the UK, such as the Manchester Evening News, Liverpool Echo and Bristol Post.

Regionally, most of our titles operate under the "Live" network of sites, though in some cases the print brand continues to operate online - eg. Manchester Evening News. Introducing a new brand online allowed us to reach new audiences, locally and nationally, while remaining true to the core principles of local journalism our print brands have championed for generations.

Nine of the top 10 local news websites in the UK are operated by Reach, and independent data from JICREG continues to show that Reach titles reach the vast majority of their local communities across print and online every month. While we have many challenges, we also continue to produce undeniably powerful journalism - Awaab's Law being only one example. With this in mind I reject - and ask others to at least robustly question - the "doom and gloom" assumption that scale and commercial realities correlate with poor journalism. The evidence points in the other direction, as - despite the many new and interesting news brands on the scene - the strength of our brands, with scale and talent behind them, mean that we continue to regularly sweep local journalism awards.

I would also point out that, if we are concerned with the ability of local journalism to facilitate a healthy democracy - which I believe we should be - then we should not ignore scale. It is essential that millions - not just hundreds or even thousands - of people are served by journalism.

## **Reach's strategy for local news**

Reach's approach to local news is simple: We want to serve as many local people as possible, using audience data and insight to understand what readers find useful and interesting. By focusing on what people say they want, we are able to build relationships which enable us to present news to people which is important, but which they aren't actively look for. I mentioned some of these examples during the evidence session I attended.

We are unashamedly populist because we believe that for local journalism to thrive - both in an economic and mission sense - it needs to be well read. We are well aware of the regular criticism levelled at our newsrooms that we write about topics - eg TV, lifestyle etc - which don't fit a narrow definition of local news, but always point out that historically, very few local newspapers have been solely just about local news. We respect our audiences as well- rounded people, and our relationship is strongest when we can serve their many interests and needs.

Each of our brands aspires to be the turn to place for information when people need to know something local. This "always on" approach helps create informed communities, which in turn are more active communities. Our news is free to air, for two reasons:

- Market conditions: Reuters Institute data shows people are far less likely to pay for news in the UK than elsewhere. The presence of the local BBC means we have a free-to-air competitor which has operated a just enough strategy for years
- Journalism purpose: In reality, local journalism has never self-funded itself, it has always relied on advertising verticals or other business opportunities to maintain newsrooms. Many of our readers are choosing whether to eat dinner or heat their homes, to them the merits or otherwise of a local news subscription are academic, and we believe it is essential they deserve to be well-informed.. The alternative conclusion is that people only have a right to be informed if they're able and prepared to pay for it.

In Birmingham, we are the only news provider with journalists dedicated to covering the unfolding crisis at the city council. Indeed, the 'bankruptcy' was not new news to readers of BirminghamLive, due to the level and depth of coverage being provided daily in the months leading up to the final decision.

Whenever Reach has had the opportunity to invest in local news provision, we have. In 2015, we bought Local World and added it to our portfolio of regional titles, creating the biggest regional news operation in the UK. This scale has enabled us to continue serving communities which otherwise would have lost titles sooner.

We have expanded into new territories whenever we have had the chance - we created BelfastLive as a voice for the modern city and it is now the best-read news brand in Belfast. Ipsos Iris data gives similar data points for YorkshireLive and LeedsLive, both digital only brands we launched.

Shortly after the pandemic, we sought to hire 200 local news journalists to help us deepen coverage in cities like Manchester, Birmingham and Cardiff as well as launching in new areas such as Sussex, Hampshire and Northamptonshire. Well-documented economic headwinds, such as inflation, plus the actions of platforms such as Meta and Google to reduce support for news, have meant we had to reduce headcount in 2023, and close a number of newly-launched titles.

However, titles such as the Manchester Evening News, Liverpool Echo, Newcastle Chronicle, WalesOnline and BirminghamLive reach 50% of their local populations every month - the sort of reach local news hasn't had for a very long time. This is a bright spot for us and in the local news ecosystem, and also shows that there is not one simplistic narrative that neatly sums up local journalism overall - it is complex and varies in different areas.

### **Platform challenges**

The damage Meta has done to the news industry cannot be under-estimated. It is also creating a potent threat to civil society in the UK as a result.

Having worked well with Meta (then Facebook) for a number of years, their decision to de-prioritise news on its platform didn't reflect the data we were seeing. People were clicking through to our content in record numbers, at odds with the claim from Meta that 'people didn't want news on its platform.' Our assessment is that Meta has concluded that supporting the news industry globally is just too much hassle, and if given a choice, it would rather deplatform news and serve other stuff up to people, rather than be an active player in ensuring communities globally have access to reliable, researched information.

The impact of Meta's decision to deprioritise news was a driving factor behind the revenue decline Reach reported last year, and in turn was a contributing factor in hundreds of journalism posts being lost during 2023.

Page views to Reach's local sites fell, in some cases by up to 30%, but we did maintain local reach, seeing only marginal movements in the actual total audience we were reaching. But readers are creatures of habit - if they are used to seeing news on Facebook, and their local brand disappears from view, it's far from guaranteed they will seek a new way to find it.

Meta's actions are not just damaging to publishers big and small, but to society itself. The average person spends 1,000 minutes a month on Facebook and Messenger according to Ipsos Iris, or around 30 minutes a day - now in an environment where reliable, accurate information is, at best, being given only equal billing to conspiracy theories and misinformation.

Google has a more proactive relationship with publishers, and does actively try to find ways to support the industry. But its efforts in this area are dwarfed by two corporate actions which challenge the industry.

The first is continuing uncertainty caused by constant algorithm changes - the process by which it determines which search results we see. Despite assurances from Google that it does prioritise original journalism over copies,

fakes and worse, this is rarely the case. We also regularly see non-local publications dominating search for topics which local brands are covering in far more depth and expertise. For example, when the bomb went off at Liverpool Women's Hospital, CNN and Washington Post were being surfaced ahead of the Liverpool Echo in Google, despite the fact the Echo had journalists on the ground, and was covering events in real-time in much greater detail. This affects the ability of the Echo to do its job.

The second is the share of revenue platforms like Google keep from advertising. At the moment, too much of what is spent on advertising around our content - either on our sites or in Google itself - is kept by the distributors, rather than the content creators and publishers. It is this change which is the most damaging to local journalism.

### **Collaborating with other publishers**

The days of being rivals for the sake of it are long gone. Over the last decade, Reach has worked closely with fellow publishers - big and small, established and new - to find ways to sustain and grow local news.

Examples of this include the work to create the Local Democracy Reporter Scheme. Funded by the BBC, it only works because local publishers like Reach commit to investing management resource locally to delivering a reliable scheme which benefits many other publishers. Too often, sadly, this scheme is currently portrayed by critics, and indeed the BBC, as an example of the BBC doing publishers such as Reach a favour. Not a single job has been lost at Reach as a result of the LDR scheme, because of the way our page view- led model works (by its nature, local democracy content reaches smaller audiences than our regular journalists need to achieve to sustain the business).

We have also partnered with other publishers on innovative schemes such as Laudable, a local podcast project, funded by a Google grant, and the Public Notices Portal.

We are also sincere when we say we welcome competition in our local markets. We have a strong track record of trying to find ways to collaborate if it works for all parties. Reach was a founding customer of the Independent Community News Network's Ping! Hyperlocal news wire, which enables hyperlocal sites to sell their content to local publishers.

### **Data**

We are concerned about some of the research which is quoted about the decline of local journalism, and the notion of so-called News Deserts - a common phenomenon in the USA, but which has been incorrectly used in this country to create a sense of failing markets when in fact the opposite of this is true.

For example, the Public Interest News Foundation's work on 'news deserts' suggested Gateshead was a news desert because it was 'local authority without a publication which only covered that authority.' Gateshead is served, as it always has been, by the Chronicle title, based just a couple of miles away in

Newcastle, and publishes stories every day about Gateshead. In February alone, we published 128 articles involving Gateshead on ChronicleLive, [including court coverage, real-time news, community news](#) and [democracy reporting](#).

We are working with PINF on their definition, as we believe constructive analysis of our industry is essential to its future - but we must avoid misleading pictures being painted through academic research.

The solution of local journalism's economic challenge does not lie in the creation of research which paints an incorrect picture of what is really happening. - for example, well-worn research claims which defines "decline" based on whether a local authority has a daily newspaper, a definition which is utterly out of date in a world when the vast majority of people get their news online, without or without an associated printed newspaper.

### **Access to information**

At the very heart of local journalism is the need to get accurate information to people in a form they can trust. At the moment, much of the public sector in the UK works against this principle.

20 years ago, as a reporter, I could ring three different CID departments every day and get the details of every crime committed. These would make 'shorts' or 'briefs' in the newspaper that day. The net effect was that people were better informed. Such access is now denied.

Over the last two decades, however, access to such information has massively diminished. Often this is because parts of the public sector have put greater emphasis on brand protection rather than public communications, or have dispensed with services supporting the media due to budget cuts.

Examples include:

**Police:** All communications now go through press offices, some of which are excellent. However, unlike in the USA where it's still expected that most information on crimes will be shared, police now only share what they choose to, often only doing so when it could aid the solving of the case. The result is that lots of crime goes unreported in the media.

**Councils:** We see an ever-increasing amount of information being discussed 'behind closed' doors or taking decisions under delegated powers. In some cases, authorities restrict access to councillors via the press office. Information when presented in council reports can be limited. This makes it very hard for journalists to report.

**Courts:** The closure of many magistrates courts, and the centralising of some crown courts, makes it far harder to cover court. Newsrooms also report many wasted trips to court for cases which have already moved, or are immediately deferred. Getting information in advance remains a challenge, while the expansion of the Single Justice Procedure threatens the principle of 'for justice to be done, it needs to be seen to be done.'

**Freedom of information:** A once powerful tool has been heavily diminished in recent years as authorities in many cases proactively seek reasons not to release information, or simply don't comply with legislation. The ICO appeals process can take weeks or even months, thus reducing its effectiveness.

### **What can government do:**

We would urge Government to do the following:

- Move at pace to create the Digital Markets Unit, with the teeth to ensure that platforms such as Google, Apple and others are delivering a greater share of revenue derived from being present next to publishers' work to the publishers adding the value.
- Bring forward legislation which forces the platforms which command significant attention and time - eg Meta's 1,000 minutes a month from each of 45m people in the UK - to support the sharing of news and information in a way which helps publishers to generate the income required to keep providing it.
- Support the media sector in the UK through greater government advertising spend with UK-based publishers, big and small. Only a tiny amount of government ad spend goes to UK publishers, with much more going to the platforms. This would be good for journalism and good for the UK economy.
- Secure the future of public notices in regulated, local media. We see challenges to the need for public notices regularly, such as in Wales where the requirement to print council tax changes is being reviewed. Public notices form a cornerstone of what's left of open government, and councils should continue to be compelled to publish them in independent media (not council newspapers) in a way which reaches the largest possible local audience across print and online.
- Require the BBC to stop its attempts to directly compete with local publishers. It has actively dismantled its unique radio service to fund text-and-picture content which places it in direct competition to commercial publishers. Because it doesn't need to run adverts on its pages, it has a unfair advantage which could drive some titles to the wall as a result.
- Bring forward legislation which compels all parts of the public sector to operate an 'open government' policy which makes access to information a default, helping publishers to provide real-time, accurate news on what is happening locally.

I hope the above is useful, and we would be more than happy to provide any more information which may be of use.

*14 March 2024*