

JPIMedia—written evidence (FOJ0025)

Response to the House of Lords Communications and Digital Committee inquiry into *The future of journalism*

JPIMedia is one of the largest national, regional and local multimedia organisations in the UK. We provide news and information services to our communities through our portfolio of hundreds of publications and websites. Our titles span the UK: Scotland, Northern Ireland and the North East, Yorkshire, North West, South and Midlands regions of England – delivering trusted coverage of news, sport, events and information.

We welcome this inquiry into the future of journalism which comes at an important moment for the provision of news and information in the UK. As outlined in our submission to the Cairncross Review, we believe that unless existing quality content can find a significant new digital income stream, the provision of quality local content (by journalists) will become increasingly unaffordable and there will be an inevitable and rapid decline in its availability. The destructive impact will not only be on the publishers, but also journalism, local communities, media plurality and ultimately democracy. In addition to this, the COVID-19 crisis has negatively affected every aspect of regional and local newspaper's operations and has accelerated the rate of change in the traditional publishing sector.

Trust in Journalism

JPIMedia believes 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. All of our news publishing operations are based out with London (with many concentrating on towns and smaller communities) and are focused on reporting on and reflecting the communities in which they operate. The current crisis has served to strengthen public trust in vital providers of high-quality news and information.

Definition of Journalism

We believe that quality, sustainable, regional journalism is the creation of relevant, independent content which readers want and expect and that meets the industry's ethical standards. It is both accountable and transparent in its authorship with journalists legally responsible for what they publish. Based on fact or honest opinion, it is distinguishable from 'fake news'.

Journalism's Switch to Digital

Digital technologies have revolutionised the options for and methods by which journalism is disseminated and consumed. Advertising yields are largely no longer at levels which can support quality journalism in the longer term (as they have historically done). The switch to digital platforms as main news sources is increasingly pressuring publishers to look for new and different revenue streams such as subscription and membership, or other forms of reader contribution in a 'pivot to paid' approach that will fill in some of the gap in advertising revenue.

The economic conditions faced by our industry have meant that our publications are able to support the employment of far fewer journalists than in the past. It is our view that the training of journalists, and the adoption of new ways of working are essential for the health of our industry.

Policy recommendations

As the scope of this inquiry makes clear, the ways in which journalism is produced and consumed are changing significantly. JPIMedia believes strongly that these changes pose serious questions about the future of journalism, and we make the following recommendations to policymakers:

Financial sustainability

- Repeal Section 40 of the Crime and Courts Act 2013 as promised in the Conservative Party manifesto. Unless it is repealed, this section would see newspapers potentially paying both sides' costs in a civil case even if they won.
- Extend zero-rate VAT on the sale of newspapers to the sale of subscriptions for their websites. The Chancellor outlined this principle in his March 2020 budget with a live date of December 2020, but clarity around the detail is still needed.

Content

- Large technology platforms continue to benefit commercially from the online publication of news providers' content without making any economic contribution to them for it. An obligation on technology platforms to pay publishers for the use of content would provide a sustainable revenue stream and allow publishers to fairly monetise the use of their content.
- Ensure that news media publishers are not only formally out of scope of any forthcoming Online Harms legislation, but that their content is actively protected on search and social platforms, possibly through the use of a kite mark system to signify quality and veracity.
- Ensure that the regulatory approach to the use of cookies by news websites does not unduly restrict the ability of their publishers to benefit from being able to serve higher value targeted adverts to online users of websites (rather than much lower value untargeted advertising).
- Facilitate and support ways of ensuring 'block words' and 'block lists' do not prevent news media publishers earning advertising on public interest journalism.

Competition and merger control

- Ensure that the current CMA inquiry does nothing to inhibit news media's websites from earning revenue from its stories shared via third party platforms and that it ensures those platforms offer much greater transparency over revenue share and the algorithms which prioritise our stories.
- Ensure that the UK's merger control regime takes account of the changes to this sector and the limited financial resources of their recipients. Dealing with inquiries adds delay and very considerable cost to the process of the combinations of publishers.

Public interest

- Identify ways that public funds can directly support news media public interest journalism without compromising their independence from Government. This will be particularly needed in the immediate aftermath of the COVID-19 lockdown and we estimate that assistance will be required for a minimum period of 12 months.

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