

Written evidence submitted by the News Media Association

The News Media Association (NMA) is the voice of UK national, regional, and local newspapers in all their print and digital forms. Our members publish around 1,000 news media titles read by 49 million people each month. Collectively these publishers are by far the biggest investors in news, accounting for 58 per cent of the UK's total spend on news provision.

Our members have been at the forefront of the UK's response to the pandemic. They cascade accurate and trusted information from government and medical experts to communities throughout the UK, reach vulnerable individuals in a time when they might otherwise become isolated, and hold the Government to account in its response to the virus. The role of news publishers has rarely been more vital or more in demand, yet, without urgent short term government intervention, the outlook for local, regional, and national publishers is bleak.

The following paragraphs set out the gaps left by current government support for businesses and one key short-term measure that could help news media weather the crisis – a business rates holiday for news media publishers. More comprehensive evidence on the challenges facing the news media industry may be found in our [response \(CVD0078\) to the House of Commons DCMS Select Committee's inquiry on the Impact of Covid-19 on the DCMS sectors](#) and in our [response \(FOJ0035\) to the House of Lords Communications and Digital Committee's inquiry on the Future of Journalism](#).

What gaps are there for businesses within the schemes?

Since the start of the pandemic, the advertising revenue on which local and regional titles rely has fallen by as much as 80 per cent. At the end of March, 50 per cent of local and national titles surveyed by the NMA estimated their survival time to be no more than 2 to 4 months and 85 per cent of respondents said they will have to cut jobs within the next four months. Indeed, at least 64 print titles throughout the UK have since suspended publication.

Government support has so far been unable reverse this trend. Sector-specific support, while welcome, has been insufficient, and a recent NMA survey demonstrated that news titles have slipped through the cracks between more general business support schemes.

The Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme and the Bounce Back Loans are of little help to our industry, as these schemes assume that businesses are in a good economic position prior to the pandemic. As highlighted by the Caincross review, this is simply not true of news publishers, who were already facing revenue decline and anti-competitive practices on the part of dominant online platforms.

The Coronavirus Job Retention Scheme has been helpful and every publisher we spoke to have furloughed some of its staff. However, the news media industry's unique role in responding to the pandemic prevented it benefitting fully from this scheme. The need for trustworthy, independent news on the virus and the Government's response has led to higher than normal workloads, and the prevalence of keyword blocking has prevented a corresponding spike in advertising revenue. News publishers have therefore found themselves caught between the need to bring down costs and the need for editorial staff to keep producing quality news.

Three of the small local publishers surveyed by the NMA commented that editorial staff were taking on the work of furloughed employees. At the same time, several others were forced to implement pay cuts for remaining staff. A representative from one publisher indicated that he was working 15 hours a day to compensate for the reduced staff.

The Local Authority Discretionary Grants Fund is also unlikely to be of use; publishers are exploring the possibility of obtaining a grant under this scheme, but there is fierce competition for a relatively small pool of funding. A telling example is that of the Royal Borough of Windsor and Maidenhead, which has found over 3000 businesses within its boundaries to be eligible for the scheme but warns on its website that it will only be able to award funding to 150.

Finally, the remaining general loans and grants were aimed at either very small or very large enterprises. Of the small local publishers we surveyed, only three were eligible for the Small Business Loan Grant, for example.

One-year business rates holiday for news media publishers

Since April 2017, a business rates discount of £1,500 for office space occupied by local newspapers in England has been made available by the government. However, local publishers have found that the saving is extremely minimal, with the Cairncross Review noting that “the UK has so far been cautious about the use of tax reliefs or exemptions to support newspapers.”

The current discount ends in April 2025, having been extended in January 2020. Commenting on the relief in 2019 a local news publisher said: “Any reduction or ceasing of the relief would directly impact those titles profitability and in turn their sustainability going forward. These savings are implicit in the running of the titles; with the need for each to be self-sufficient any relief is used to sustain the local presence from a journalistic perspective. Savings would need to be found from this or by reducing the distribution channels for the papers.” With another publisher noting: “whilst we appreciate the small funding that this scheme gives we feel our overriding message is that the issues of the regional press are far bigger than this modest assistance contributes.”

The discount rules state that a discount applies to a hereditament occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters. The scope also states: ‘A local newspaper with two offices would be able to claim a discount for only one of them.’

Prior to the coronavirus outbreak, the NMA called for an increase in relief and for the scope of the relief to be expanded to include all premises that are used for publishing activities and associated administrative services which contribute to the production of newspapers. This would include editorial hubs, and storage facilities and printing centres. It would also enable publishers with multiple offices and buildings associated with one title to claim a discount for each of them.

Our members are struggling to understand why a business rates holiday was extended to miscellaneous businesses in March 2020 such as tanning shops and estate agents, but not to news publishers which are providing vital information to the public and every local community throughout the UK.

On 20 May 2020, the Scottish Parliament agreed on an amendment to the Coronavirus (Scotland) No 2 Bill extending the one-year business rate holiday granted to the hospitality, retail, and leisure sectors to news publishers based in Scotland.

Obtaining this measure in the whole of the UK for all news publishers is a priority for our sector. Much like businesses in the hospitality, retail, and leisure sectors, news publishers have been among the hardest hit economically by the pandemic and necessary lockdown. A one-year business rate holiday would provide much needed support to bring news titles through the crisis.

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