

Jonathan Heawood, Executive Director, Public Interest News Foundation and Emma Meese, Director, Independent Community News Network—written evidence (FOJ0101)

Future of Journalism Inquiry: corrections to oral evidence by Rt Hon John Whittingdale MP, Minister for Media and Data

Thank you for your commitment to British journalism. Your Committee's inquiry has created a unique forum for discussion of the challenges and opportunities facing journalists and news publishers in this country. We look forward to hearing your conclusions and working together to secure a positive future for journalism.

During your evidence session on 14 July, Baroness Greender asked the Minister for Media and Data, Rt Hon John Whittingdale MP, about the 'All in, all together' advertising campaign. The Minister's response may have the effect of misleading the Committee.

This campaign was announced by the government on 30 April in the following terms:

'In support of the print newspaper industry, the government [...] will be spending up to £35 million on newspaper advertising over the next 3 months as part of its Covid- 19 communications campaign to ensure the whole UK is aware of the latest government guidance and advice. [...] The £35 million extra advertising revenue will be split between local, regional and national print media, and will be a vital boost to the media industry. These plans will be constantly reviewed over the next three months to ensure the campaign is as effective as possible.'
(<https://www.gov.uk/government/news/vat-scraped-on-e-publications>)

Baroness Greender highlighted concerns that the vast majority of this £35m budget has been allocated towards the largest newspaper publishers whilst smaller and digital news publishers have been excluded. She divided her question into three parts:

- What level of transparency was there in the allocation of this budget?
- What consideration was given to ensuring that the budget was pushed out to small, independent news publishers?
- Who made the decision that the budget should be allocated only to print-first publications, given that there are small digital-first publications which might reach otherwise unreached audiences?

In his answer, the Minister acknowledged the very real grounds for Baroness Greender's concern, that (in his words) the 'vast majority' of these funds have been allocated to members of the News Media Association (NMA), which 'represents most of the large publishers'. However, the substance of his response was, in some places, misleading, and, in other places, simply begged further questions.

The Minister began by saying that the 'campaign was intended 'to support the government's messaging during the Covid crisis' and was *not* intended to 'prop up newspapers'. He said that 'it had the beneficial effect of providing advertising revenue to newspapers that had seen a massive drop, but the primary purpose was to get across government messaging.'¹

¹ Hansard's transcript of this session was not available at the time of writing, so all direct quotations are taken from our own notes. We would be happy to correct any errors as soon as Hansard becomes available.

This is at odds with the description of the campaign on the government's own website, which states that the campaign is intended 'in support of the print newspaper industry' and that it 'will be a vital boost to the media industry' as well as ensuring that 'the whole UK is aware of the latest government guidance and advice.' It is also at odds with the Minister's own words, later in his statement, when he described the campaign as a 'support package' for news publications and acknowledged that he would have liked to 'support more titles'.

Thus, the official position is that the campaign has twin objectives, but the Minister's response to scrutiny is to claim that the campaign only has one objective. This has the effect of downplaying concerns about the uneven and unfair allocation of the £35m budget (which is effectively a subsidy) across the news publishing industry.

The Minister went on to state that the allocation of the £35m budget was entirely decided by OmniGOV, the government's media buying agency, who took the 'relatively easy' decision to 'set up a campaign with titles they knew about.'

This raises serious questions about public procurement. According to government policy:

'The over-riding procurement policy requirement is that all public procurement must be based on value for money, defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought". This should be achieved through competition, unless there are compelling reasons to the contrary.'
(<https://www.gov.uk/guidance/public-sector-procurement-policy>)

The Minister did not demonstrate that the government or OmniGOV had taken any steps to ensure value for money. Instead, he stated:

'When I was talking to the ICNN [Independent and Community News Network], I said do get in touch with OmniGOV and pitch to them as to why your publications [i.e. independent and digital-first publications] will reach people who otherwise will not have the opportunity to see the messaging, and I know some will benefit but the difficulty is that OmniGOV were starting from scratch, and they had to go through a process of assuring themselves that [these publications] were reputable, legitimate and would get to the people they said they would. It's difficult for a minister to have hundreds of contacts with very small publishers. If you talk to Newsquest, they have 150 titles, so you can immediately reach lots of communities.'

As the Minister says, he met with us (Emma Meese, for ICNN, and Jonathan Heawood, for PINF). This meeting took place on 6 May, and, at the Minister's suggestion, we subsequently attended a meeting on 14 May with the Cabinet Office and OmniGOV, when we asked how independent publishers could access the campaign, which appeared to favour publishers represented by the NMA and its sister body, Newsworks.

At this meeting, Paul Knight, CEO of OmniGOV, said that 'Newsworks have been the driving force behind this partnership, so you can understand why Newsworks members and representatives are the ones who are currently benefiting from this partnership.' A week later, Andy Ravan, Deputy Director for Marketing and Digital at the Cabinet Office, emailed telling us to 'continue discussion with NMA and Newsworks to progress integration into the alliance.'

We asked why small publishers should be obliged to appeal to private bodies in order to gain access to public funding. Mr Ravan simply repeated: 'NMA/Newsworks: as Paul

outlined during our call, we think it would be beneficial to you and your members to be part of this alliance.’ In response to our growing concern, Mr Ravan emailed a third time, insisting that we should ‘engage with NMA and Newsworks ... to help with evaluation and participation.’

We wrote to the Minister on 24 June to summarise this unsatisfactory dialogue with the Cabinet Office and OmniGOV, and to ask for an immediate review of the campaign. We have not received a response to this letter.

In summary, the Minister did not adequately answer any part of Baroness Greender’s question.

- **He did not demonstrate that there has been any transparency in the allocation of the £35m ‘All in, all together’ budget.** Instead, he said that the allocation has been made by a private company, OmniGOV, who took the ‘relatively easy’ step of directing public funds towards ‘titles they knew about’. As we have shown, OmniGOV, when asked to consider supporting other titles, directed us towards another body, the NMA, which exists to represent the interests of large publishers and thus has no legitimate role whatsoever in the allocation of public funds.
- **He did not demonstrate that any consideration was given to ensuring that the budget was pushed out to small, independent news publishers.** Quite the opposite. He acknowledged that the ‘vast majority’ of the campaign budget has been allocated to members of the NMA, but said that this was simply ‘because the NMA represents most of the large publishers’. He also said that it is easier for a minister to talk to a large publisher, such as Newsquest, than to engage with small publishers. This is a very troubling admission, which suggests that the government puts its own convenience ahead of the public interest in a diverse and plural media.
- **He did not explain who made the decision that the budget should be allocated only to print-first publications, or give any grounds for this decision.** In the absence of any such explanation, we can only conclude that the campaign was deliberately designed as a subsidy for the print industry, which is dominated by a small number of very large publishers, rather than a serious attempt to convey information to the whole of the public, or to support the whole of the news industry.

This is not a trivial issue. The British news industry faces an uncertain future. Dame Frances Cairncross has called on the government to take steps to protect the future of public interest journalism, in particular by helping the industry’s transition to digital. We have been glad to see your Committee’s emphasis on this challenge in your Inquiry.

The independent news publishing sector is innovative, entrepreneurial and diverse. Independent publications reach audiences that other parts of the media do not reach, including BAME groups and underprivileged communities. The government should be prioritising support to this sector. Instead, it has ploughed public funds into a small number of print-first companies, which have continued to shed journalists’ jobs.

At best, the ‘All in, all together’ campaign is failing to deliver its stated objectives. At worst, the uneven and unfair allocation of this £35m budget raises serious questions about conflicts of interest and the government’s compliance with public procurement law.

We encourage you and your committee to pursue these concerns with the government at the earliest opportunity.

cc: Rt Hon John Whittingdale MP, Minister for Media and Data
The Baroness Greener MBE

17 July 2020