

## SUSTAINING A QUALITY PRESS

The Prime Minister has announced that an expert panel is to be set up to review the sustainability of the press and, in her own words, “preserve the future of high quality national and local newspapers in the UK.” In a speech delivered on 6 February 2018, Mrs May drew attention to “falling circulations and the hollowing-out of local newsrooms”, and the closure of over 200 local papers since 2005. Although many UK newspapers have a strong online presence, falling print circulations and changes to advertising trends have caused declining revenues in the print sector. Around two thirds of local authority areas no longer have a daily local newspaper.

The review will be wide-ranging, and although its precise terms have not yet been published the government has made clear that areas of focus will include: an overall assessment of the state of the market at local, regional, and national levels; an assessment of the impact on consumers of a reduction in high quality news provisions; an analysis of how the industry is responding to current threats to its financial sustainability and the business models being developed in response; a review of the operation and management of content and data flows crucial to creating a successful online business; and a detailed consideration of the role of online platforms and the digital advertising supply chain – including whether advertising revenues are being unfairly diverted away from content producers, and if the digital advertising market has encouraged the growth of “clickbait”.

By the end of the year the review will produce an opinion on whether the problems identified are likely to be resolved as the digital market evolves and matures, or whether there are underlying and persistent structural market failures which might require intervention. Downing Street wants the likes of Google and Facebook to pay news providers for material that search engines and social media sites currently reproduce without contributing anything to the news-gathering process. Nothing is being ruled out, including the possibility of internet firms being compelled to pay a levy to help fund quality news publishers.

There is mounting concern within central and local government that in many areas reporters are rarely, if ever, present at courts and councils. This situation is being addressed by the BBC Local Journalism Partnership, which will see the corporation pay for 150 journalists to cover local councils. The former Culture Secretary, John Whittingdale, suggested at the Society of Editors “Crisis in Our Courts” seminar in January that Facebook and Google could provide extra funding for the partnership.

At national level the problems facing Fleet Street were highlighted in the recent sale by Richard Desmond of the *Daily Express* and the *Daily Star*, and the Sunday versions of both newspapers, to Trinity Mirror. The sale ended his 18 year stint as a newspaper owner and illustrated how little confidence he had in the future of his former titles. Mr Desmond’s company,

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Northern and Shell, operates a digital division in addition to holding interests in printing and distribution. Although well-placed to take the printed and online versions of his national newspapers forward, Mr Desmond declined the challenge and decided to sell out to a business rival while the *Daily Express* and *Daily Star* could still command a reasonable price. Trinity Mirror will seek to make cost savings by pooling resources and cutting jobs, but in the years to come running the group’s national newspapers will be an exercise in managed decline. Fifty years ago the *Daily Mirror* and the *Daily Express* were Britain’s biggest newspapers, selling over eight million copies per day; their current combined circulation is about one million and falling.

The review promises to be wide in scope, especially when combined with the government’s Digital Charter initiative which it describes as “a rolling programme of work to agree norms and rules for the online world and put them into practice.” By undertaking to investigate the growth of clickbait the review will be assessing the content and conduct of online platforms. The Digital Charter is committed to shifting expectations of behaviour where required and agreeing new standards or updating laws and regulations if necessary to ensure that the quality of information online does not fall below that provided by traditional journalism. Mrs May made clear at the World Economic Forum that the government will look at the legal liability of social media companies for content shared on their sites.

At a time when fake news has created a mood of distrust within society the Prime Minister’s commitment to a reliable and revitalised press has been well received by press organisations, although newspaper publishers remain wary of government involvement in their industry. David Dinsmore, chairman of the News Media Association, said that viable business models must be found that ensure a wide variety of media can have a long and healthy future. Through digital platforms, news content is more widely consumed than ever before, but revenues to sustain the investment in news are challenged. This is a central issue that Mrs May’s press sustainability review must address.

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