

Dafydd Elis-Thomas MS

Deputy Minister for Culture, Sport and Tourism

11 December 2020

Dear Dafydd,

Support for news media

Following your appearance at the Culture, Welsh Language and Communications Committee on 17 September 2020 at which you said ‘we are trying to look at the situation where Creative Wales might be able to become an arm’s-length body that could support further independent publication’, the Committee decided to gather further evidence on this topic.

As you know, Committee members have been concerned about declining revenues for news journalism and the potential implications this has for an informed electorate, particularly with regard to devolved matters and the lowering of the voting age. We invited academics and journalists to contribute to the conversation about the future of news media, and how best the proposed fund might be used, at our meeting on 12 November.

Those who took part were:

- Emma Meese, Director of Community Journalism at Cardiff University and, Director of the Independent Community News Network (ICNN);
- Karin Wahl-Jorgensen, Professor in the Cardiff School of Journalism, Media and Culture, and Director of Research for the Centre for Community Journalism;
- Nick Powell, Chair of the Welsh Executive Council of the National Union of Journalists;
- Dr Rachel Howells, National Union of Journalists and
- Dr Ifan Morgan Jones, Course Leader of the BA in Journalism at Bangor University;

This is a summary of the issues raised in our meeting. All those who spoke to the Committee welcomed your announcement of public funding to support independent news



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gathering, I hope this letter can be used to inform your thinking on the size and nature of the fund.

I have also included requests for additional information on the proposed fund. I would be grateful if you could answer these questions to inform the work of the Committee and allow up to answer queries from our stakeholders.

The need to ensure any fund operates at arms-length from Government

Those who contributed to our discussion urged the Welsh Government to ensure the fund is established on an arm's-length principle. For instance, Ifan Morgan Jones told the Committee:

‘everyone has agreed—that that funding needs to be at arm's length, because, even if journalists are entirely independent in their own thinking, are entirely unbiased, they would still be accused of bias, and that would be used to undermine their work.’

This is a principle I know you agree with.

Please can you provide more details on the operation and governance of the fund as these are decided?

Public sector spending on notices and advertising

Stakeholders called for the public notices to be advertised more widely. Independent community news outlets described this revenue as ‘crucial’, saying it would enable them to reach a wider audience and level the playing field with established printed titles for Government spend. The Committee heard that digital titles command the biggest audiences in terms of numbers, reach and engagement and therefore it does not make sense to continue to concentrate public sector spending on newspapers.

Emma Meese suggested the Government facilitates a brokerage agreement between the Independent Community News Network (ICNN) and the Government's media buying agency, Golley Slater.

There was a discussion on the Government's public health campaign on the coronavirus. Given that ICNN members reach a third of the population of Wales, Emma Meese questioned why independent community news publishers were not included in the public health campaign when community radio stations were. She said that the Caerphilly Observer, for instance, was excluded, yet it is the only publication covering the entire county borough of Caerphilly, which was the first area of Wales to enter a second lockdown.



There was also a call for wider access to Government briefings for independent community news outlets.

Please can you let the Committee know if there will be a shift in the approach to Government spend on statutory notices and public health campaigns towards news publications and publishers, rather than purely newspapers?

The nature of the proposed fund to support independent publications

Ifan Morgan Jones suggested that rather than supporting new news services, which he thinks there are plenty of, and which will compete against each other to provide the same information to the same readership, funding should be targeted where there are gaps in the journalistic provision such as the lack of funding for investigative journalism. He said funding should be used for:

‘journalists to focus on local news, courts in certain areas, local councils, the Senedd, the Welsh Government, so that they would then have the time, the freedom, to pursue stories, rather than there being so few of them that what they truly produce is just press-release based content.’

Rachel Howells was in favour of using the funding for independent community news. She said:

‘community journalism outlets are frequently started up in areas that have been abandoned by other news organisations due to the collapse of the local news industry. What that means is that they're only sources of news and the only way of holding local authorities to account.’

In terms of administering the funding, she suggested a good starting point would be to build on the existing hyperlocal journalism fund.

She reiterated her suggestion of establishing publicly-funded news hubs across communities in Wales which she made to the Committee during our inquiry into news journalism in 2018.

She also suggested the Welsh Government might like to consider the Missouri model, with a college or academy acting as ‘a teaching hospital but for journalists’ where learners produce a newspaper. There may be merit in considering this model as part of the curriculum in one of Wales’ existing journalism training courses.



She also highlighted the simplicity of the subsidy for media outlets in Norway. As long as they have a certain threshold of subscribers publications are provided with a half-salary for one member of staff, administered by one person in sixth months of the year.

Emma Meese offered this eligibility criteria for the funding:

‘Grant funding should be made available to relevant start-up media enterprises in areas where the withdrawal of established journalism from Welsh communities has been most acutely felt, with sufficient and ongoing support, and to established organisations that have a proven track record of reaching audiences and producing contemporaneous public interest news.’

Ifan Morgan Jones also suggested that funding decisions should be informed by expertise in journalism and measuring the success of the grants should include measuring how successful journalists have been in creating new content and reaching new audiences. To do this he suggested either ‘a specialist body of journalists and editors, or to ensure that you have the expertise within the bodies already in existence.’

Nick Powell argued that newspapers should be treated as community assets. He proposed that funding should be used to assist communities to run local newspapers if one is in danger of closing.

Will the Welsh Government rely on the existing expertise within Creative Wales to make decisions on funding and key performance indicators? Or will you seek additional expertise from digital and print media to inform funding decisions?

Please can you update the Committee with the eligibility criteria for accessing funding?

Size and source of the funding

Emma Meese said the existing hyperlocal journalism fund had had an incredible impact. She called for the continuation of this fund, saying:

‘[it] would be hugely beneficial, but would need to include capital expenditure if it was to be as successful as possible.’

She explained that small, independent titles would benefit from funding to provide the stability of employing another person, perhaps in the form of an apprenticeship or internship.

In terms of raising the funds for support for news media, Nick Powell urged the Welsh Government to add their voice to those calling for tech giants to ‘pay their way’. He spoke



about the NUJ's news recovery plan which calls for a 6 per cent windfall tax on the tech giants, and then a levy linked to their profits to fund public interest journalism.

Please can you confirm how much money will be available to support news media via Creative Wales?

Vouchers for young people

Nick Powell and Rachel Howells endorsed a proposal from the NUJ for a voucher scheme aimed at young people. The vouchers would be used to pay for a subscription to a news or current affairs publication or website. Given that the voting age has been lowered, it is vital that 16 and 17-year-olds are well-informed about democratic institutions and those in power and they should be encouraged to get their news from reliable sources.

I would be grateful if you could consider these suggestions and comments on the proposed funding as you take this project forward. I know that you share the Committee's concerns about the contracting of the sector and the potential danger which can arise from misinformation arising from unregulated digital media.

I think Karin Wahl-Jorgensen summed up the situation accurately when she said: 'supporting the sustainability of these news organisations, but also encouraging future growth in the sector, is essential both to democratic life and the economy of Wales'.

The Committee welcomes your intervention in his field. It would be helpful if you could answer the questions in this letter by 21 December 2020.

Yours sincerely,



Helen Mary Jones

Chair of the Culture, Welsh Language and Communications Committee





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Ein cyf/Our ref

Helen Mary Jones MS
Chair
Culture, Welsh Language and Communications
Committee

20 January 2021

Dear Helen,

Thank you for your letter of 11 December 2020 regarding support for news media.

During the scrutiny session on the 17 September I noted my decision to task Creative Wales with exploring how Welsh Government might further support independent publication, to strengthen and diversify the provision of news in Wales. Creative Wales has been exploring options in relation to this request and a number of discussions have been held with stakeholders over recent months.

These discussions have raised issues around the relatively weak indigenous media infrastructure in Wales, a lack of plurality of news and examples of misreporting. Stakeholders have highlighted the importance of the independence of media activity from government and stressed that any solution would need to be arms-length, have an appropriate governance structure and safeguard editorial independence.

Options for intervention were discussed at the December meeting of the Creative Wales Non-executive Board. The Board noted significant challenges associated with addressing issues in the media sector and advised caution in relation to any intervention that has the potential to distort and imbalance the media market. The Board recommended that further discussions take place on options with industry experts.

On 11 January, Gerwyn Evans, Deputy Director, Creative Wales attended the Institute of Welsh Affairs Cardiff Media Summit 2021 as a panellist. The event was the first in a series of four events focusing on the new landscape for media in Wales, to consider the headline findings from the IWA's 2020 media audit. Creative Wales will continue to engage with the IWA as this work progresses to ensure latest findings and evidence is factored into any future activity.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

At present, no decisions have been taken on any approach to supporting media. Creative Wales has a dedicated budget to deliver programmes and projects to support priority sub-sectors and activity. The 2021/22 budget, which will run from April 2021, is currently being discussed to agree the best use of the Creative Wales financial allocation. There will be an opportunity cost associated with the allocation of funding to support media that will need to be considered carefully. The purpose of any intervention would be to address the perceived lack of availability of quality and relevant public interest news in Wales, and the most practical solution to this failure may not be the introduction of a grant scheme. In exploring options, it will be important to consider opportunities to ensure existing funding streams are accessible to media organisations to maximise funding available from sector neutral sources. There will also be opportunities associated with external funding sources and activity that supports the longer term sustainability of media infrastructure in Wales such as skills development and apprenticeship funding.

In relation to your question on any shift in approach to Government spend on statutory notices and public health campaigns, we welcome the committee's ongoing interest and scrutiny in this area. Throughout the pandemic, we have used all available channels, including community and hyperlocal, to reach people with the key public health messages they need to keep themselves and Wales safe. Community publications and hyperlocals have participated in the nationally-televised Welsh Government press conferences, meaning key local issues can be raised directly with Ministers, and further raising people's awareness of them. Our public health campaign work has also utilised a wide range of channels and outlets; the breakdown of spend with community radio and press from April 2020 - January 2021 for the Keep Wales Safe campaign shows a total spend of approximately £160k, including more than £3,200 with Golwg and more than £6,400 with Bro Radio. The Welsh Government's media buyer Golley Slater has worked with the Books Council of Wales to support such ventures and ensure that these publishers have access to Welsh Government campaigns and income.

Statutory Notices are required to be placed in the newspaper with the highest circulation in the geographical areas of concern, which means it is less straightforward to vary the approach in this area. We understand the importance of advertising income that regional press derives from statutory notices. This is why Welsh Government notices are booked with local media representation as far as possible and practical to maintain jobs locally. When Golley Slater book an advert for the Cambrian News for instance, they speak to their team in Aberystwyth. In doing so they help sustain those roles in the local communities they serve, as opposed to booking through their media representation in London or Manchester (called Mediaforce). This is true of most notices placed in the Welsh press.

Yours sincerely,



Yr Arglwydd Elis-Thomas AS/MS

Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism