

Jim Mullen
Chief Executive Officer
Reach plc

cc. Dafydd Elis-Thomas MS
Deputy Minister for Culture, Sport and Tourism
Welsh Government

Dyddiad | Date: 10 August 2020

Pwnc | Subject: **Reorganisation at Reach plc and the impact on journalism in Wales**

Dear Jim,

We are grateful to Alan Edmunds, Chief Operating Officer at Reach plc and Paul Rowland, Editor-in-Chief of Media Wales for appearing before the Culture, Welsh Language and Communications Committee on 5 August.

As you know, the Committee is deeply concerned about the proposed redundancies at Reach plc and the decision to merge Media Wales with the English midlands division for 'logistical and financial' reasons to produce more common content that can be used across Reach's platform and the impact this will have of the plurality and quality of journalism in Wales.

Given that Wales has fewer media outlets than other areas of the UK to lose in the first place, we are concerned that a reduction in the number of journalists operating in Wales will result in the dilution of Welsh content, making it even more difficult for the people of Wales to access accurate and relevant news and information.

We are also concerned that Reach's business model is focused on digital content and the impact this will have on the coverage of Welsh issues. The global shift from physical to digital news consumption has clearly revolutionised the sector. Members of the Senedd have long been concerned that Reach's cost-cutting, consolidating approach to adapting to the new world of news consumption has had a detrimental impact on the coverage of Welsh life. The most recent set of proposals seem to accelerate this trend. Following the evidence session with Alan and Paul, Members were not reassured that the people of Wales will not see a reduction in Welsh content, in quality and volume, as a result of these proposals.

We appreciate that the pandemic has brought enormous challenges to a sector that was already struggling. However we would urge you to reconsider how you respond to those challenges. The pandemic has



Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

✉ SeneddDGCh@senedd.cymru

☎ 0300 200 6565

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

✉ SeneddCWLC@senedd.wales

☎ 0300 200 6565

accelerated change for a number of businesses but we believe that long-term business decisions should be made when we are in a post-COVID situation, rather than being made in the midst of crisis. There is a risk that making permanent and major decisions now could have a more severe impact than would be the case if such decisions were made later down the line when we have a clearer understanding of the impact of the pandemic on the business.

We are concerned that the proposals being put forward are not in the interests of Wales and Welsh democracy. As we heard from Martin Shipton and Pamela Morton from the National Union of Journalists on 5 August, 'Welsh democracy is served by having a thriving media sector' and the 'constant chipping away at journalists and the number of journalists employed is very debilitating and is not good for Welsh democracy.'

The Committee urges you to consider merging all the Reach business in Wales, instead of merging Media Wales with an English division of Reach which could have a devastating impact on news coverage from Wales about Wales. Creating an all Wales division would ensure that the production and editorial control of Welsh titles remains in Wales. In your response to this letter, we would be grateful if you could provide us with details of what consideration, if any, you have given to this proposal and set out what you consider to be the advantages and disadvantages of such a proposal.

Members were also very concerned to hear that there have been no discussions with the Welsh Government about your proposals. In May 2018, the Committee published a [report into news journalism](#), which concluded that the decline of commercial news journalism 'is a profound public policy issue, which policy makers at all levels, not least the Welsh Government, need to address as a priority issue'. Following the current proposals from Reach, the Deputy Minister for Culture, Sport and Tourism told the Senedd on [15 July](#) 'I also commit to ask for a meeting with the management of Reach'. I am therefore copying this letter to the Deputy Minister.

As this is an urgent issue with potentially severe consequences for journalism in Wales, I would be grateful if you could respond as soon as possible.

Yours sincerely,



Helen Mary Jones MS

Chair of the Culture, Welsh Language and Communications Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Reach

12th August 2020

Helen Mary Jones MS
Chair, Culture, Welsh Language and Communications Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

Dear Chair

Thank you for the opportunity to appear before the Committee last week. I was already in the process of writing to the committee so Jim Mullen, our CEO, has asked me to include the points you raised in your letter to him in this reply.

We do understand the concern of the committee about changes at Reach but would like to reassure members about the commitment of Reach plc to continue to serve our Welsh audience – whether they choose to access our content via print or our digital services.

Our investment and commitment to our digital services, in addition to maintaining our print publications, are key to the future of our organisation and to the continuation of effective democratic scrutiny of events in Wales. While we were very pleased to hear the appreciation of the committee for the Western Mail and other print publications it is disappointing there is not more of an appreciation of the success of Wales Online which continues to attract a leading audience in Wales. In June the site had 9.7 million unique visitors, compared with 4.9 million in June last year. This is far in excess of the audience achieved by BBC Wales News.

I was pleased to see one of the committee members retweeting a political story from Wales Online recently. Far from the suggestion that we do not regularly cover Committee matters from the Senedd, the truth is we regularly cover them – the links below are some recent examples. In addition to news coverage like the examples below, we regularly refer to proceedings in live blogs or to inform wider reporting. We monitor the

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Reach

Reach plc, One Canada Square,
Canary Wharf, London, E14 5AP

T: 020 7293 3000

www.reachplc.com

Registered Office: One Canada Square, Canary Wharf, E14 5AP Registered No. 82548 England & Wales

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scrutiny committee agendas daily, and at the start of the pandemic covered several hearings live – giving them a far wider audience and more comprehensive coverage than would otherwise have been the case.

<https://www.walesonline.co.uk/news/wales-news/schools-wales-education-kirsty-williams-18556320>

<https://www.walesonline.co.uk/news/health/coronavirus-wales-lockdown-second-wave-18609096>

<https://www.walesonline.co.uk/news/health/coronavirus-test-covid19-false-negative-18527236>

<https://www.walesonline.co.uk/news/health/frontline-healthcare-workers-reflect-wales-18599788>

The impact of the COVID-19 pandemic on circulation sales has been significant but the impact on advertising, particularly at a local level, has been even more dramatic with around 80% of advertisers at a local level stopping advertising across the industry when the impact was at its worst.

It is essential that Reach continues to adapt to the changing media landscape and we believe passionately that the success of our commercial model is key to ensuring a healthy independent local media sector in Wales and across the UK.

There were a number of aspects of the Committee's concerns that we can immediately address.

The first is that there is no "merging Media Wales with the English Midlands" and to characterise this as such is to misrepresent the changes we are making. The Media Wales operation remains as part of the Reach structure with all editorial decisions for our Media Wales titles remaining under Paul Rowland's remit. What we are doing is increasing the efficiency of our organisation by pooling some logistical/commercial operations. By acting more efficiently we can prolong the profitability of our print titles and ensure that we continue to provide the scrutiny that the Committee values.

In terms of the concern around Wales not having a voice at a senior level in Reach – the fact is Wales now has greater representation on the Executive Board than it has ever had with me as Chief Operating Officer of the Group, a former editor of the Western Mail with responsibility for regional titles including those in Wales.

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In terms of creating an 'all-Wales' division – this would currently be more disruptive and costly than maintaining the existing structure as historically the North Wales titles have always been part of the Daily Post series produced in Liverpool. We do not wish to add further complexity and disruption to this proposed reorganisation. It should be remembered that protecting the status quo around editorial control in Wales was a driving factor in the way we have implemented these required changes.

With around 20 journalist roles likely to go in Wales as a result of the changes we will still employ around 120 journalists in Wales. We also continually look to innovate and develop new products - illustrating how digital will be part of the solution for local community news.

Reach has significant financial commitments including pension contributions of several million pounds per month. While we were able to take short-term measures to help us through the early months of this crisis we are now at a point where a more permanent solution is required to provide the business with a stable platform and enable it to protect its news titles for the long term.

We will be pleased to meet with the Deputy Minister for Culture, Sport and Tourism to discuss the planned changes and as we referenced at the meeting we will continue to communicate with all members who wish to discuss these matters. We would also welcome Committee support around the recent CMA proposals to address the imbalance in the digital marketplace and would welcome an opportunity to discuss this further with the Deputy Minister. I attach a copy of the CMA recommendations for the Committee's information.

Yours sincerely



Alan Edmunds
Group Chief Operating Officer, Reach plc

Reach

Reach plc, One Canada Square,
Canary Wharf, London, E14 5AP

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