

Written Response by the Welsh Government to the report of the Culture, Welsh Language and Communications Committee – Read all about It Inquiry into News Journalism in Wales

We welcome the findings and offer the following response to the recommendations in the report.

Recommendation 1. We recommend that the Welsh Government should formally recognise that supporting public interest journalism in Wales is a strategic priority and fundamental to democracy in Wales.

Accept in Principle

The Welsh Government has argued for some time that a vibrant media sector is an essential component of a modern democratic society. As a nation with its own language, culture and political institutions, a strong and independent media is essential to provide a comprehensive service that informs, educates and inspires the people of Wales.

Financial Implications – None

Recommendation 2. We recommend that the Welsh Government should nurture and encourage the hyperlocal sector as a way of encouraging new entrants to the market and supporting innovative approaches to the provision of local news journalism.

Accept

The Welsh Government has already committed to providing £100k in 2018-19 and £100k in 2019-20 to support journalists seeking to set up their own business in hyper-local news. This is additional to the existing support for businesses through Business Wales.

During the Cabinet Secretary's appearance before the Committee in October 2017, he said he wanted this funding to be used to support skills development in hyper-local journalism, to improve the proportion of journalists who are qualified and are accessing credible sources of news to inform their work. This is a very positive development and will be a significant boost to the industry.

Financial Implications – Additional funding has already been agreed.

Recommendation 3. We recommend that the Welsh Government should use the £100,000 funding in 2018-19 and 2019-20 for a contestable scheme that is available to both new entrants and to support innovation and sustainability among current operators.

Response: Accept in Principle

The Welsh Government will consider this recommendation.

Welsh Government officials have already commissioned a piece of additional research to establish where funding for hyper local journalism would have most impact and provide maximum added value. The research will focus on the current size and characteristics of the hyper local journalism sector; areas of market failure and barriers to setting up hyper local journalism businesses; support currently available e.g. training and other organisational support; other opportunities to increase professionalism and sustainability; and the case for providing funding to existing hyper local journalism businesses as well as to start ups.

Financial Implications – Additional funding has already been agreed.

Recommendation 4. We recommend that the Welsh Government considers establishing publicly-funded arm's length news hubs, in light of the lack of market viability of local news provision in many areas of Wales.

Response: Reject

The Welsh Government accepts that plurality of high-quality news in both Welsh and English is vitally important, but proposals for broadening and enhancing a strong and independent news sector in Wales must come from the industry itself. We will discuss this further via our normal dialogue with news providers across Wales.

Financial Implications – None.

Recommendation 5. We recommend that the Welsh Government should carry out a full evaluation of the success of the £100k funding once the first year of funding comes to an end to inform decisions about how the funding should be used in future.

Response: Accept

As part of the project architecture, evaluation criteria will be agreed so that outputs and short term outcomes can be monitored at the end of both tranches of funding i.e. 2018/19 and 2019/20.

The evaluation will monitor against the objectives outlined in the Hyper Local Journalism specification and additional information gained as a result of research undertaken.

Financial Implications – None. Any costs will be drawn from existing programme budgets.

Recommendation 6. We recommend that the Welsh Government carries out an audit of its spending on advertising statutory notices, on the amount spent by other public bodies in Wales funded by the Welsh Government and on the amount spent by local government. It should then consult widely on whether there are more cost effective ways of publicising statutory notices and on how any savings released can be reinvested in supporting public interest news journalism.

Recommendation 8. We recommend that the Welsh Government considers whether part of any funds released through modernising the publication of statutory notices should be used to create a similar body to the Knight Foundation in the USA, which offers seed-corn funding for small start-up news organisations.

Recommendation 9. We recommend that the Welsh Government urgently identifies the changes necessary within its competence to enable statutory notices to be published by hyperlocal and online providers and ensures that all future legislation introduced into the Assembly implements these changes where appropriate. Any savings made as a result of lower advertising costs from increased competition should be redirected through targeted funding toward public interest journalism.

Recommendation 10. We recommend that the Welsh Government clarifies to local authorities and other relevant statutory bodies in Wales the freedom they have to place statutory notices online, where current legislation allows this.

Combined response to 6, 8, 9, and 10: Accept in principle

The Welsh Government will consider the feasibility of undertaking an audit of its spending on advertising statutory notices. It is a matter for public bodies in Wales funded by the Welsh Government, as well as local Government, to consider whether they should do likewise. Should an audit of Welsh Government spending be undertaken, we would share any lessons learned with public bodies and local Government across Wales, and encourage them to consider whether an audit of their own expenditure in this area might then be appropriate.

We should however be mindful that there is a fundamental contradiction at the heart of these recommendations; that is, if the public sector removes the bulk of its advertising from local newspapers it could significantly weaken an already fragile industry in many areas, thus potentially *reducing* access to local news. Additionally it is unclear how we might ensure that savings generated by organisations outside the Welsh Government could be ring-fenced for re-investment in news journalism services - whether that might be done via a new organisation, by targeting funding or by other means. Previous consultations have also highlighted the problems inherent in such a change.

The Welsh Government will consider recommendations 8 and 9 further - subject to the caveats outlined above and any future Ministerial decisions that may be needed.

In relation to recommendation 10, there is already a good understanding of the current obligations and available options for publishing statutory notices. We will ensure, via our normal dialogue with local government and other public sector bodies, that this remains the case - and that they highlight any issues that may need to be addressed to allow them to publish statutory notices in the most effective manner.

Financial Implications – None

Recommendation 7. We recommend that Google and Facebook consider how they can improve their support for news journalism in Wales

Response: Not a recommendation for the Welsh Government

This is matter for the two organisations to consider, but Welsh Government officials will share the Committee's recommendation with the Google and Facebook and seek a response.

Financial Implications – None

Recommendation 11. We recommend that the Welsh Government facilitates contact between representatives of the hyperlocal sector, Media Wales and other large news providers to investigate areas of possible collaboration and syndication agreements between them.

Response: Accept in Principle

We will, through our normal dialogue with news providers of all sizes across Wales, encourage them to investigate any possible further areas of collaboration, including but not limited to syndication agreements. Cooperation and resource sharing already takes place (e.g.; the BBC's Local Democracy Reporter Service, where the BBC funds reporters employed by other organisations, ranging from radio stations to online media companies and established regional newspaper groups), but it is right to both test the effectiveness of such measures and to look for other areas where added value can be achieved by working together.

Financial Implications – None

Recommendation 12. We recommend that the Welsh Government reconsiders its decision not to establish an independent media forum.

Response: Reject

Establishing an independent media forum was not a commitment in the Welsh Government's Programme for Government. The Minister for Culture, Sport and Tourism is unpersuaded that creating another forum or group would deliver additional benefit. It is our aim to simplify ways of working across this portfolio and to be consistent in doing so, in line with the recent winding down of a number of Economy and Transport advisory panels. Instead we are continuing to build upon the strong relationships which already exist between the Welsh Government and external organisations. The Minister and officials meet various individuals and groups relevant to his portfolio responsibilities and take advice from them accordingly.

Financial Implications – None

Recommendation 13. We recommend that the Welsh Government, either as part of the role of an independent forum or directly itself, investigates sustainable business models for news journalism in Wales.

Response: Accept in Principle

The Welsh Government will consider this recommendation.

The ability of Welsh stakeholders to influence the sustainability of news journalism within Wales may be limited, depending on the scale and reach of the news services involved and the ownership, governance and regulatory arrangements of existing and emerging news organisations and of distribution platforms. Action to effectively address this issue may therefore require cooperation at a UK level.

We will consider taking forward an investigation into this issue and whether it is viable to do so for Wales only, or whether a broader, collaborative investigation is required at a UK level. The latter would require the agreement of other governments and stakeholders across the UK; with this in mind no firm timeline for confirming or concluding this work can be set at this stage.

Financial Implications – None at this stage.

Recommendation 14. We recommend that the Welsh Government, either through establishing an independent forum or directly itself, reviews the BBC’s Local Democracy Reporting Service.

Response: Reject

It is a matter for the BBC and its partner organisations to review the BBC’s Local Democracy Reporting Service. We will of course maintain a watching brief and liaise with the BBC, other broadcasters and Ofcom as appropriate, in relation to the BBC and other broadcasters’ performance in delivering and supporting effective news provision in Wales.

Financial Implications – None

Recommendation 15. We recommend that the BBC review the Local Democracy Reporting Service after 6 months of operation. The review should fully consider alternative models for the service, including the “wire service” we have recommended previously and news hubs. It should also examine concerns that the service will be used by host organisations to replace existing provision, rather than provide additional content. The findings of the review should be published in full.

Response: Not a recommendation for the Welsh Government

It is a matter for the BBC to review the BBC’s Local Democracy Reporting Service and to decide on the most appropriate timescale for doing so. That said, we agree

that the effectiveness of this service should be tested, and that the BBC should look to do so as soon as is reasonable.

Financial Implications – None

Recommendation 16. We recommend that the Welsh Government commits to a continued investment in Welsh language journalism at the current level at least.

Response: Accept in Principle

The Welsh Government's support for Welsh language journalism is currently channelled through the Welsh Books Council and the Welsh Government's Welsh Language Division.

The Welsh Government has set a target of one million Welsh speakers by 2050. Plurality and being able to choose between Welsh-language media channels is a good thing for Welsh speakers. We will need to consider whether further support for Welsh language journalism should be provided against other competing funding priorities.

Financial Implications – None at this stage.

Recommendation 17. We recommend that the Welsh Books Council explore the creation of an easy to access Welsh-language news hub where non-BBC Welsh-language publications supported by the Welsh Books Council can publish their content.

Response: Not a recommendation for the Welsh Government

As this is a matter for the Welsh Books Council, we have asked the Council to consider this recommendation and how it could be implemented.

Financial Implications – None at this stage. Any additional costs will be drawn from existing programme budgets.

Recommendation 18. We recommend that the Welsh Government engages with the UK Government to encourage it to re-visit the local media sector as a whole in light of the local TV scheme's failure to offer a long-term solution to the lack of plurality and shortage of public-interest journalism in this field.

Response: Accept in Principle

The Welsh Government will consider this recommendation.

We agree that this initiative has not delivered as the UK Government intended and that the challenges faced in Wales with regard to lack of plurality and public-interest journalism have not been significantly impacted by local TV.

In common with recommendation 13, the ability of Welsh stakeholders to stimulate and grow a sustainable local media sector within Wales may be limited, depending on the scale and reach of the services involved and the ownership, governance and regulatory arrangements of existing and emerging local media providers and of distribution platforms. It is right therefore to engage with the UK Government (and the other devolved administrations) to discuss and agree actions to effectively address this issue at both a UK and a national level. A request to Ofcom for further analysis of lessons learned from the local TV rollout may also be required – this might best be done at a UK level.

As with recommendation 13, we will consider taking forward an investigation into this issue and we will discuss with the UK Government and other devolved administrations whether this would best be a single piece of work covering the whole of the UK (with appropriate consideration of the issues in each nation), or whether separate, nation specific assessments are needed. As this will require the agreement of other governments and stakeholders across the UK, no firm timeline for confirming or concluding this work can be set at this stage.

Financial Implications – None at this stage.