

# UK MEDIA POLICY BRIEFINGS

# CONTENTS

**03**

A Media Policy Agenda for 2022  
January 2022

**11**

BBC Licence Fee Settlement Briefing  
February 2022

**16**

The Online Safety Bill: A Briefing  
April 2022

**26**

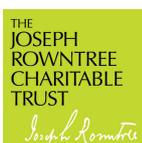
DCMS White Paper Policy Briefing  
May 2022

**37**

Public Interest Journalism: Funding and Labour Issues  
June 2022

The following briefings are provided as part of the UK component of the [Media Influence Matrix](#), set up to investigate the influence of shifts in policy, funding, and technology on contemporary journalism, funded by the Joseph Rowntree Charitable Trust. The [final report](#) was published in December 2021.

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# **A MEDIA POLICY AGENDA FOR 2022**

**January 2022**

This briefing provides an overview of critical debates currently taking place in UK media policy. Each of these issues involves serious policy failures, corporate abuses of power or underlying structural crises that threaten the ability of media organisations to hold powerful groups to account, serve the public interest and support the democratic process.

With the prospect of a draft government Media Bill including swathing changes to current broadcasting legislation, this is a vital opportunity to develop a radical reform agenda. Our analysis brings together evidence and proposals from three MRC research reports published in 2021:

- The **Manifesto for a People's Media**, published as part of our 'BBC and Beyond' project, outlining proposals for a more democratic, independent and accountable media commons. [1]
- The **Media Influence Matrix report**, exploring the influence of shifts in policy, funding and technology on contemporary journalism in the UK.[2]
- The **Who Owns the UK Media? report**, analysing the concentration of ownership across newspapers, broadcasters, online journalism and social media.[3]

## The BBC licence fee and mid-term Charter review

The government's two-year freeze in the TV licence fee and plans to abolish the licence at the end of the BBC's current Charter period are only the latest of many examples of political interference in the BBC's public funding. Since 2010 a series of deals negotiated behind closed doors, without any approval from parliament or licence fee payers, has resulted in a 30% real-terms cut in BBC income.[4] 52% of the £971m in 'efficiency savings' made by the BBC since 2015 have come at the expense of drastic cuts across core public services, resulting in significant reductions in original programme-making as well as in the BBC's news provision across the nations and regions. More than 1,800 staff have been made redundant since 2016, with around 350 jobs cut from front-line journalist roles.[5]

Threats to the future of the TV licence fee further demonstrate the dangerous relationship between the BBC's independence and government control over funding decisions. While the TV licence fee requires urgent reform to create a fairer and more modern funding mechanism, the introduction of subscription or advertising would destroy the principle of universal public media free from commercial pressures, and lead inevitably to a smaller and more 'exclusive' BBC.[6]

[1] <https://bbcandbeyond.net/#manifesto>

[2] <https://www.mediareform.org.uk/blog/uk-media-influence-matrix-final-report>

[3] <https://www.mediareform.org.uk/media-ownership/who-owns-the-uk-media>

[4] Estimated by the Voice of the Listener & Viewer, March 2020.

[5] See the National Audit Office's report on BBC savings, December 2021pg. 22.

[6] See Enders Analysis 'Subscription BBC?' report, February 2020

*A more detailed Media Reform Coalition briefing on the government's licence fee announcement, and issues concerning the future funding of the BBC, will be forthcoming.*

This year's mid-term Charter review will test the effectiveness of the BBC's governance and regulation following changes made in the 2016 Charter review. Under the current Royal Charter, Ofcom is wholly responsible for regulating the BBC with a central aim of promoting 'distinctiveness'. This model prioritises restricting the BBC's market impact on its competitors above protecting the interests of licence fee payers, and gives private media interests undue influence over Ofcom's regulatory decisions concerning the scale and scope of the BBC's public services. Both the BBC Board and the wider Royal Charter review process as currently constituted are woefully unaccountable to Parliament and the public, and any attempts to expand the government's role in BBC governance must be opposed.

To build a more democratic, independent and accountable BBC that serves the public interest in a changing media landscape, we propose:

- **Replacing the television licence fee with a progressive levy linked to household council tax bands or a digital income tax based on the Finnish model.** The BBC's public funding should be determined by a body appointed independently of government, following the example of the Press Recognition Panel, and in full consultation with licence payers.
- **Establishing a new independent regulator responsible for the regulation of the BBC, dedicated to enhancing the media commons.** The new regulator would have the power to handle complaints, involve audiences directly in its decision-making and be accountable to the public through elections to the board.
- **Replacing the BBC's Royal Charter with a statutory constitution promoting public service media.** This would ensure that the BBC's remit is properly scrutinised by parliament rather than unilaterally changed by government, with future changes made through regular reviews voted on by the public.

## **Channel 4 privatisation**

We completely reject the government's argument that privatisation is necessary to protect the future sustainability of Channel 4, and note the government's total lack of evidence or public mandate for taking the channel out of public ownership. Channel 4 is a vital part of the UK's media ecology. Its news programming records the largest PSB viewing share among both young and ethnically-diverse audiences, while its unique publisher-broadcaster status delivers significant investment in SME production companies across the nations and regions.[7] Channel 4's remit for appealing to "the tastes and interests of a culturally diverse society" fuels innovative, creative programming that reflects the lives of diverse communities across the UK.

[7] In 2020 Channel 4 accounted for 14% of the total out-of-London commissioning spend of UK PSBs, commercial broadcasters and international companies. See [Oliver & Ohlbaum 'Pact UK Television Production Census, Nations and Regions Annex'](#) pg.7.

Channel 4 faces three long-term challenges: increasing competition from streaming services; the long-term decline of TV advertising; and programming cost inflation.[8] However, privatisation would make Channel 4 more vulnerable to these challenges while wrecking the benefits it provides to the public. Outside of public ownership Channel 4's corporate leadership would be required to increase profits for shareholders, leading either to more services placed behind subscription, reduced investment in UK content, a diluted PSB remit, or all of these combined.

Rather than increasing the commercialisation of UK media, more progressive reforms to Channel 4 should strengthen existing regulatory requirements and enhance its mission for serving marginalised and underrepresented groups. In 2020 just 10% of Channel 4's commissioning spend went to producers with annual revenues under £10m, despite these smaller companies making up 58% of all UK independent production companies. Alongside geographical obligations and requiring producers to pay the local living wage, Channel 4 should direct a greater proportion of commissioning to smaller producers and counter-act the dominance of 'super-indies' in the UK TV industry. The Channel 4 brand and its established online presence also make it well placed to remedy the sector-wide decline in essential public service genres such as education and programming for young audiences.

Building on Channel 4's success as a publicly-owned broadcaster with a distinct remit for serving minority audiences, we propose:

- **Transforming Channel 4 into an advertising-free platform, funded by a UK cross-platform advertising levy.** This will allow Channel 4 to focus on creating great programmes for the public rather than generating audiences for advertisers.
- **Refocusing Channel 4's remit to better serve marginalised and underrepresented groups,** particularly ethnic minorities and younger audiences who are drifting away from traditional broadcasters.
- **Strengthening Channel 4's successful publisher-broadcaster model to promote more regional productions, higher labour standards and greater SME investment.**

## **Government appointments and media independence**

In the last few years government-controlled appointments to the BBC, Channel 4 and Ofcom have severely undermined the independence and legitimacy of major media institutions. Figures appointed to the posts of BBC Director-General, Chair of the BBC Board and non-executive director for England all held close connections with government ministers, exposing the top levels of the Corporation's governance to political interference. The government's veto of two reappointments to the Channel 4 board and its ongoing attempts to impose the former Daily Mail

editor at the head of Ofcom also highlight the increasing politicisation of broadcasting policy along an ideologically-charged ‘culture wars’ axis.

Fundamental changes to the constitution and process of these appointments are needed to end persistent patterns of government interference and safeguard the public interest. These should include:[9]

- **Removing senior appointments to public media organisations and independent media regulators from exclusive government control.** These positions should be appointed through an open, democratic process that includes formal parliamentary scrutiny and public elections.
- **Introducing worker representation on the national and regional boards of the BBC and Channel 4,** and ensuring that staff, trainees and companies working with these organisations are representative of wider society.

## Media plurality

The UK faces a severe crisis of concentrated media ownership, in which a few powerful companies are able to dominate national debate and shape the news agenda in support of their own private interests. In a national market of 20 daily and Sunday newspaper titles, just three companies control 90 percent of newspaper circulation. These same publishers account for four-fifths of the online ‘brand reach’ of the UK’s major print titles. Meta (formerly known as Facebook) controls three of the top five social media services UK audiences use to access news online, and the same organisations that dominate ‘traditional’ news account for 48% of Facebook users’ news sources.[10]

This crisis reflects the failure of Ofcom and successive governments to act on rampant commercial consolidation across UK media. Ofcom’s recent review of media plurality rules contains some welcome proposals,[11] particularly with regards to opening online intermediaries’ news algorithms to greater transparency. However, bolder action is urgently needed to curb the accelerating concentration of media ownership and enhance the diversity of viewpoints available to UK audiences. Essential reforms include:[12]

- **Requiring Ofcom to conduct regular assessments of media plurality,** with new powers to intervene outside of merger activity and enforce appropriate remedies—such as public interest obligations, divestment and profit levies—when companies breach certain ownership thresholds.

[9] See the [Manifesto for a People’s Media](#), pgs.29-31.

[10] Figures as of 2021, see the MRC’s [‘Who Owns the UK Media’](#) report.

[11] See Ofcom report on [‘The future of media plurality in the UK’](#), November 2021.

[12] For more details see the [MRC’s ‘Media Manifesto 2019’](#).

- **Updating the current media plurality framework to include tech giants like Google and Meta.** Ofcom should scrutinise and monitor these platforms' news algorithms to ensure they do not unduly favour particular types of news providers over others.
- **Ensure the [bargaining code between platforms and publishers](#), being developed by the Digital Markets Unit, does not unduly favour particular some news providers over others and takes into account the social value of public interest news.**

## Local journalism and press regulation

Over the past few decades local media has suffered a precipitous decline, with many people in towns and cities around the UK lacking access to news sources reporting on important local issues. Chain ownership, mergers and closures have resulted in the three largest local newspaper publishers—Newsquest, Reach Plc and JPI Media—each owning a larger market share than the smallest 50 local press companies combined. The prevalence of 'news deserts' is exacerbated by swathing job cuts, redundancies and distinct local titles being consolidated into generic online-only regional news 'hubs'.<sup>[13]</sup>

Current efforts to reverse this decline have tried to patch over the failure of commercial funding models rather than build sustainable, independent public interest local news. More than 9 in 10 of Local Democracy Reporters, funded by the licence fee to cover local council business, are contracted to the three dominant local publishing companies. While some recommendations from the 2019 Cairncross Review would create more funding for local journalism,<sup>[14]</sup> any public investment should not be used to subsidise larger news organisations who have already failed to deliver. The industry regulator IPSO is neither independent nor effective in handling complaints or investigating journalistic malpractice, meaning that the majority of the UK's local and national press is not signed up to a Leveson-compliant system of regulation.

To rebuild vibrant local journalism that is independent, sustainable, trusted and held to the highest ethical standards, we recommend:

- **Creating a new legal structure for public interest news organisations with charitable tax benefits**, provided they are regulated by a Press Recognition Panel approved regulator such as IMPRESS.
- **Restoring the Community Radio Fund, supporting community-led buyouts of local papers under threat of closure and establishing Regional Media Councils for distributing funds to non-profit local media** – supporting hyper-local journalism and providing communities with unique sources of specialist public interest news.

[13] 'Who Owns the UK Media' report, pgs. 8-10.

[14] Cairncross Review, February 2019.

- Commencing Part 2 of the Leveson Inquiry together with the legal incentives established in Section 40 of the Crime and Courts Act 2013 for publishers to join a recognised press regulator.

## Further issues

Alongside these pressing issues in UK media policy, we are also exploring further research and recommendations for:

- Ensuring that the **Online Harms Bill** protects individuals' rights to safety and freedom of speech online. We need a new model for online regulation of harmful content, the impact of algorithms and harmful design.
- Devolving local and regional media production through **Citizen Media Assemblies**, and building new forms of participatory commissioning and funding for public service media.
- Establishing a **British Digital Corporation** that develops public social media, search and other information architecture free from commercial pressures, and leads the roll-out of affordable full fibre broadband guaranteed to all homes.



# **BBC LICENCE FEE SETTLEMENT BRIEFING**

**February 2022**

This briefing provides a summary of the government's recent proposals for the licence fee, assesses its motivations and consequences, and identifies some potential action points. Our analysis draws on our recent evidence and proposals from two Media Reform Coalition reports published in late 2021:

- The Media Influence Matrix report, exploring the impact of shifts in policy, funding and technology on contemporary journalism in the UK[1]
- The Manifesto for a People's Media, published as part of the 'BBC and Beyond' project, outlining proposals for a more democratic, independent and accountable media.[2]

**The settlement:** The government's announcement for BBC funding covers the six-year period from 1 April 2022 to 31 March 2028. The level of the licence fee will be frozen for the two years 2022/23 and 2023/24 at £159 before rising in line with inflation for the four years from 1 April 2024 to 31 March 2028.

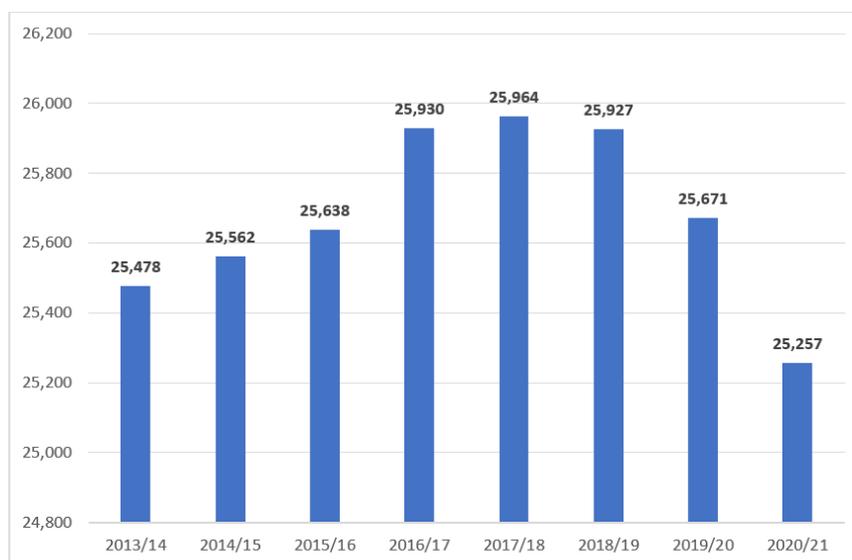
**The size of the BBC's real-terms funding shortfall** will depend on two factors: (1) the rate of inflation between 2022-24 and (2) whether TV licence sales rise or fall. After growing for decades, TV licence sales have begun to decline in recent years and in 2020/21 stood at 25,257,000, **2.7% below their peak** in 2017/18. TV Licensing believes this is due to a rise in evasion, which has become easier as TV viewing moves online and both aerials and TV sets become unnecessary to watch live TV and catch-up TV.

[1] <https://www.mediareform.org.uk/blog/uk-media-influence-matrix-final-report>

[2] <https://bbcandbeyond.net/#manifesto>

### TV licence sales volumes ('000s of licences including free over-75s licences)

Source: Television Licence Free Trust Statement for the Year Ending 31 March 2021



CPI inflation rose by **4.8%** in the year to December 2021, according to the ONS.[3] The annual rate is now the highest it has been since 2008, meaning that the year-on-year effect of the freeze will be far more damaging than the freeze from 2010/11 to 2016/17.

The effect of the two-year freeze is therefore likely to be a substantial shortfall in BBC funding, which will be exacerbated if TV licence sales continue to fall. According to Enders Analysis, as of 2020, the BBC's income had fallen 30% in real terms since 2010. They estimate that by 2027, given further below-inflation licence fee increases, the BBC's income will be 34% lower, some £1.4 billion per year, in real terms than in 2010.[4]

Any cuts in provision as a result of the freeze is likely to be felt disproportionately by the poorest parts of the population. Some 8 million adults watch only free-to-air TV, 4 million of whom are in the C2DE demographic, and are therefore reliant on services like the BBC. As Enders Analysis recently concluded: 'It is these people who will be hardest hit by real-terms licence fee cuts'.[5]

## Nadine Dorries's arguments for freezing the licence fee

Nadine Dorries has said the freeze is justified by the need to protect households from the consequences of a licence fee rise: *"The global cost of living is rising, and this Government are committed to supporting families as much as possible during these difficult times. Given that*

[3] Office for National Statistics, "Consumer price inflation, UK: December 2021", available at <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/december2021>

[4] Enders Analysis, 'BBC licence fee settlement: A diminished TV ecology', 10 September 2021, available at <https://www.endersanalysis.com/reports/bbc-licence-fee-settlement-diminished-tv-ecology>

[5] Enders Analysis, 'Public service television: something for everyone', 17 January 2022, available at <https://www.endersanalysis.com/reports/public-service-television-something-everyone>

*climate, we had to think very carefully about imposing any potential increase in the TV licence fee, particularly when any increase would expose families to the threat of bailiffs knocking on their door or criminal prosecution. When it comes to monthly bills, this is one of the few direct levers we have in our control as a Government. In the end, we simply could not justify putting extra pressure on the wallets of hard-working households.”[6]*

Lucy Powell challenged Dorries on the grounds that the licence fee is a small household cost compared to other soaring living costs about which the government is doing very little: *“What is it about the £13.57 a month that marks it out for such immediate and special attention to address the cost of living, over the £1,200-a-year increase in energy and household bills or the £3,000-a-year tax increases that the Culture Secretary’s Government have imposed? Is the licence fee really at the heart of the cost-of-living crisis, or is this really about the Government’s long-standing vendetta against the BBC?”[7]*

Dorries claimed particular concern for families exposed “to the threat of bailiffs knocking on their door or criminal prosecution”. If the government is genuinely concerned about the harm to family budgets of annual rises of up to £8 in the cost of the licence fee, then:

- Why has it done so little elsewhere in government policy to address the cost of living crisis or the 14.5 million people - 1 in 5 - who are in poverty?[8]
- Why has the government removed the £20 uplift to Universal Credit, an estimated cut of £1,000 a year to the incomes of 4.4 million of the poorest households in the UK?[9]
- Why not impose new taxes on the well-off to raise the £320m necessary to give free TV licences to the 2 million poorest households in the UK?

It is important to note that criminal prosecution:

- is only used as a last resort by TV Licensing in cases of repeated failure to pay.
- does not leave a criminal record that shows up in DBS checks.
- only results in a fine. In imposing the fine, magistrates are required to take into account ability to pay. Failure to pay the fine can result in measures being taken to recover the fine, but this is the same as with e.g. unpaid council tax, or indeed unpaid utility, phone or other household bills.

Contrary to the impression some right-wing newspapers and MPs have given, TV licensing is not enforced by uniquely draconian methods, but by entirely normal mechanisms.

[6] HC Deb (17 January 2022) vol. 707 col. 39, available at: <https://hansard.parliament.uk/commons/2022-01-17/debates/7E590668-43C9-43D8-9C49-9D29B8530977/BBCFunding#>

[7] HC Deb (17 January 2022) vol. 707 col. 41, available at: <https://hansard.parliament.uk/commons/2022-01-17/debates/7E590668-43C9-43D8-9C49-9D29B8530977/BBCFunding#>

[8] Joseph Rowntree Foundation, UK Poverty 2022, p. 10, available at: <https://www.jrf.org.uk/report/uk-poverty-2022>

[9] BBC News, “Universal credit: What is the taper rate?” 27 October 202, available at: <https://www.bbc.co.uk/news/uk-41487126>

Elsewhere in her Commons statement, Nadine Dorries said, "In the last few months, I have made it clear that the BBC needs to address issues around impartiality and groupthink."<sup>[10]</sup> Last October the *Sunday Times* reported that she had told allies: "Nick Robinson has cost the BBC a lot of money" by cutting off Boris Johnson during a *Today* programme interview.<sup>[11]</sup> (She later denied having said this in evidence to the Commons DCMS Select Committee.)<sup>[12]</sup> The impression is that the Secretary of State is quite prepared to link BBC funding to how favourably she perceives the BBC to be covering the government. This is a blatant attack on the BBC's political independence and yet an unsurprising one. So long as the government of the day has it within its power to periodically set the level of the licence fee and thereby influence the BBC's single largest source of funding, ministers will face the temptation to use their power over funding to pressure the BBC.

The only way to end this is to change the way the BBC is funded. Either by:

1. Establishing an independent commission to periodically review and determine the level of licence fee funding, or
2. Replacing the licence fee with a new funding mechanism which guarantees the BBC a rising income and does not require periodic new settlements, or
3. Both 1 and 2: a new funding mechanism, with the level of funding periodically reviewed and set by an independent commission free of government control.

The process by which the Press Recognition Panel was appointed is an obvious model for an appointments process free of government interference.<sup>[13]</sup>

Sources close to Nadine Dorries told the *Mail on Sunday* that she intended to have abolished the licence fee altogether by the time the current licence fee settlement expires at the end of 2026. However, in her Commons statement she rowed back on this. According to the *Financial Times* this was because there was opposition within the Cabinet, on the grounds that there had not been a proper discussion on whether the licence fee should be replaced.<sup>[14]</sup>

[10] HC Deb (17 January 2022) vol. 707 col. 39-40, available at: <https://hansard.parliament.uk/commons/2022-01-17/debates/7E590668-43C9-43D8-9C49-9D29B8530977/BBCFunding#>

[11] Caroline Wheeler and Rosamund Unwin, "Will BBC pay the price for upsetting Boris Johnson?" *The Sunday Times* 24 October 2021, available at: <https://www.thetimes.co.uk/article/will-bbc-pay-the-price-for-upsetting-boris-johnson-97zdldpr>

[12] Andrew Sparrow, "Dorries denies threatening to cut BBC funding because of Nick Robinson's interview with PM – as it happened" *The Guardian* 23 November 2021, available at: <https://www.theguardian.com/politics/live/2021/nov/23/social-care-costs-jeremy-hunt-boris-johnson-sajid-javid-covid-uk-politics-live-latest-updates>

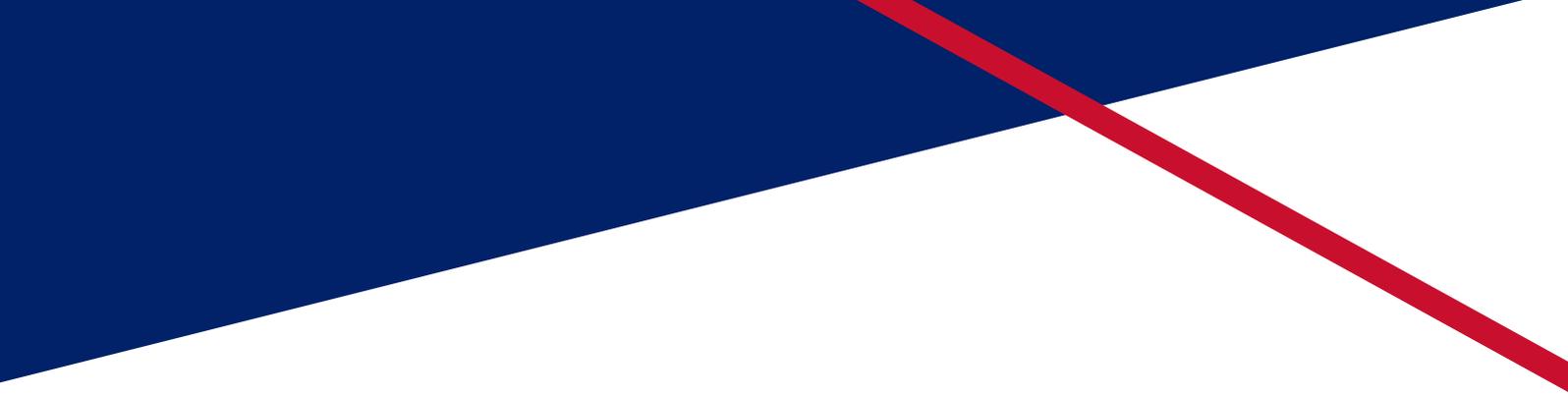
[13] The same process could also in future be used to appoint the BBC's board. This was suggested by David Normington, the former Commissioner for Public Appointments, in an appendix to the 2016 Puttnam report. See *A Future for Public Service Television: Content and Platforms in a Digital World*, p. 161-2, available at: <https://futureoftv.org.uk/report/>

[14] Peter Foster, George Parker and Laura Hughes, "Cabinet opposition forced climbdown on ending BBC licence fee" *Financial Times* 19 January 2022, available at: <https://www.ft.com/content/6c7f9bfa-617e-47b2-a45a-a1038c76d20d>

## Key points and actions

What can we do to oppose these cuts to the BBC's funding?

- Launch a petition declaring the public's willingness to pay for public service broadcasting and to introduce funding measures that will avoid cuts to the BBC. In the short term, even a 5% rise in the price of the licence fee would only translate as an extra £7.95 a year, or an extra 63p per month. A petition is the ideal way to highlight this fact in a 'viral' way.
- Commission polling that compares support for a flat tax versus a progressive form of funding in order to take on board legitimate grievances about the shortcomings of the existing licence fee.
- Point out that relief for the poorest households paying for the TV licence could easily be organised: free licences for two million of the poorest households in the UK would cost £320m, equivalent to a range of small tax rises on the wealthiest UK households.
- Point out that cutting the BBC's funding harms households across the UK, especially the poorest, *in a different way*: by forcing the BBC to make further cuts to its programmes and services. Many households cannot afford to subscribe to Netflix (£120 a year for the standard package), Amazon Prime Video (£96 a year), Sky (£312 a year or £492 with Sky Sports), *The Times* (£312 a year for a digital subscription) or *The Telegraph* (£156 a year). These households, as we have already argued above, depend on the BBC across TV, radio and online.
- Launch an Early Day Motion calling on the government to explore longer-term and fairer alternatives, such as a Household Levy (as in Germany) or an independently administered public service fee (as in Sweden) to the television licence fee, that maintain universalism as a fundamental principle of paying for genuinely independent public service media content.



# **THE ONLINE SAFETY BILL: A BRIEFING**

**April 2022**

This briefing provides a summary of the historical context and key debates concerning the government's Online Safety Bill ahead of its second reading in Spring 2022. The analysis draws on the UK Media Influence Matrix report, exploring the impact of shifts in policy, funding and contemporary journalism, that was published in December 2021[1].

In March 2022 the Online Safety Bill was introduced to Parliament. According to the press release from the Department for Digital, Culture, Media and Sport (DCMS), this 'world leading' measure:

- Marks a milestone in the fight for a new digital age which is safer for users and holds tech giants to account. It will protect children from harmful content such as pornography and limit people's exposure to illegal content, while protecting freedom of speech.
- It will require social media platforms, search engines and other apps and websites allowing people to post their own content to protect children, tackle illegal activity and uphold their stated terms and conditions.
- The regulator Ofcom will have the power to fine companies failing to comply with the laws up to ten per cent of their annual global turnover, force them to improve their practices and block non-compliant sites[2].

This marked the culmination of a process which had begun with the publication of the Online Harms White Paper[3] in April 2019, which was followed by a consultation[4] on its proposals. Next came a Draft Online Safety Bill in May 2021[5] and, after a process of pre-legislative

[1] [https://cmds.ceu.edu/sites/cmcs.ceu.hu/files/attachment/basicpage/1923/mimukfinalreport\\_0.pdf](https://cmds.ceu.edu/sites/cmcs.ceu.hu/files/attachment/basicpage/1923/mimukfinalreport_0.pdf)

[2] <https://www.gov.uk/government/news/world-first-online-safety-laws-introduced-in-parliament>

[3] [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/973939/Online\\_Harms\\_White\\_Paper\\_V2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/973939/Online_Harms_White_Paper_V2.pdf)

[4] <https://www.gov.uk/government/consultations/online-harms-white-paper>

[5] [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/985033/Draft\\_Online\\_Safety\\_Bill\\_Bookmarked.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/985033/Draft_Online_Safety_Bill_Bookmarked.pdf)

scrutiny<sup>[6]</sup> and reports by various parliamentary committees, including the Digital, Culture, Media and Sport Committee<sup>[7]</sup>, the Online Safety Bill was published on 17 March 2022.

## Historical precedents

This legislative process was, however, itself the culmination of a much longer train of events which dates back virtually to the moment that the Web became available to the public in August 1991. For example, in February 1994 the Home Affairs Committee published its first report on computer pornography, which opened with the words: “Computer pornography is a new horror”. Such fears were assiduously fanned by the right-wing national press, partly because in the Web it espied a potentially economically damaging competitor for both readers and advertising revenue, and partly because the default response of such newspapers to all new forms of communication is unhesitatingly to highlight their alleged dangers and to demand that they are censored. Thus as early as June 1996, John Naughton could write in the *Observer* that “to judge from British coverage of the subject, there are basically only three Internet stories: ‘Cyberporn invades Britain’, ‘Police crack Internet sex pervert ring’, and ‘Net addicts lead sad virtual lives’”. This has remained the case ever since, except with the addition of “Net is hive of hate” and “Terrorist plot hatched online”. And every British government since the 1990s has threatened at some point either to force internet companies to censor themselves or to introduce some form of state censorship if they refuse to do so, although nothing as elaborate and all-encompassing has been proposed as the arrangements envisaged by the Online Safety Bill.

However, it is also the case that the major online companies have brought the threat of censorship on themselves by refusing to self-regulate to any significant extent in ways which would be in the public interest. In particular, the growth of social media has seen a burgeoning concern with the bullying, trolling, harassment and other forms of anti-social and indeed illegal behaviour which now thrives online, to which can now be added the dangerous disinformation which spread online during the pandemic. Thus the Bill has come into being in the context of an increasing backlash against the apparent unwillingness of a handful of extremely rich and powerful US tech companies such as Google, Facebook and Twitter to do anything significant to protect their users, and particularly their female users, from online abuse and threats.

## Key features of the Online Safety Bill <sup>[8]</sup>

The Bill runs to 225 pages with a further 126 pages of explanatory notes<sup>[9]</sup>. It introduces new rules for internet companies which host user-generated content, that is, those which allow users

[6] <https://committees.parliament.uk/publications/8206/documents/84092/default/>

[7] <https://committees.parliament.uk/publications/8609/documents/86961/default/>

[8] There is a helpful, if narrow, summary of the Bill's provisions at <https://www.gov.uk/government/publications/online-safety-bill-supporting-documents/online-safety-bill-factsheet>

[9] <https://publications.parliament.uk/pa/bills/cbill/58-02/0285/210285en.pdf>

to post their own content online or interact with each other, and also for search engines, which will be required to minimise the presentation of search results which are considered harmful in the Bill's terms. All internet sites which fall within the Bill's remit will be required to remove illegal material, particularly that relating to terrorism and child sexual exploitation and abuse.

Ofcom will help companies to comply with the Bill's requirements by publishing codes of practice, setting out the steps they should take to fulfil their new duties. It will ensure compliance by using proactive technologies to identify content that falls within the scope of the Bill. Section 184(1) of the Bill, which was added at the last minute, explains that such technologies include (a) content moderation technology, (b) user profiling technology, and (c) behaviour identification technology. Quite apart from raising very significant concerns about users' privacy, this threatens to create a serious clash with EU and US data rules, as will be explained below, and thus to make the UK a global outlier in terms of internet regulation. Those platforms which fail to protect people will be answerable to Ofcom, and could face fines of up to 10% of their revenues. In the most serious cases, they could be blocked, and the regulator will also be empowered to bring criminal sanctions against senior managers who fail to ensure that their company complies with Ofcom's information requests or who deliberately withhold or destroy information. Such behaviour could result in up to two years imprisonment.

Platforms likely to be accessed by children will also have a duty to protect young users from legal but harmful material, such as self-harm or eating disorder content. Additionally, providers who publish pornographic content on their services will be required to prevent children from accessing that content by using age-verification technology. The largest and most popular platforms, so-called Category 1 services, will have to address specific categories of legal but harmful material accessed by adults, which are likely to include issues such as abuse, harassment, or exposure to content encouraging self-harm or eating disorders. They will need to make clear in their terms and conditions what is and is not acceptable on their sites, so that adults can make informed decisions about whether to access any particular site based on the material that they are likely to see there.

At the heart of the threat that the Online Safety Bill poses to freedom of expression is the obligation it places on online platforms to tackle content that is deemed harmful, even though it is legal. Section 187(2) states that "'harm' means physical or psychological harm", and section 187(4) refers to harm arising in circumstances in which, as a result of encountering certain forms of online content, individuals "act in a way that results in harm to themselves or that increases the likelihood of harm to themselves" or "do or say something to another individual that results in harm to that other individual or that increases the likelihood of such harm". Sections 53-55 of the Bill give the Secretary of State executive powers to designate, in secondary legislation, specific categories of content that meet this broad definition of "harm", and platforms will need to moderate accordingly the content that they carry.

This is, in fact, a complete reversal of the dictum, much used by those who wish to censor the internet, that what is illegal offline should be illegal online. What the Bill does is to create a category of harmful and therefore censorable material which simply has no equivalent in the offline world. A second major problem here is the very considerable powers which the measure grants to the Secretary of State, which essentially entails that “harmful” will come to mean whatever the Secretary of State says it means. As the Open Rights Group point out: “The Minister is required to meet with OFCOM before making regulations, but there is no provision for wider consultation. Nor is there any requirement for an evidence base”<sup>[10]</sup>.

Sections 37-44 of the Bill also give the Secretary of State very considerable oversight of the codes of practice which Ofcom will be required to draw up for service providers. For example, under Section 40(1) the Secretary of State can direct Ofcom to modify a draft of such a code “for reasons of public policy” or, in the case of a code relating to terrorism or child sexual exploitation and abuse, “for reasons of national security or public safety”. Section 143 requires the Secretary of State to issue a statement of priorities for Ofcom once every five years and to secure a form of parliamentary approval. However, the statement can be amended within the five-year period if a General Election has taken place in the interim or if “there has been a significant change in the policy of Her Majesty’s government affecting online safety matters”. “Public policy”, “national security”, “public safety” – under such broad and portentous headings almost any form of government intervention in online regulation could be justified.

## The press exemption

It is important to note that news publishers’ websites will not fall within the Bill’s remit. The government claims that this provision is a clear indication of its desire to protect, and indeed boost, freedom of expression online. However, the reality is very different, and this is actually a particularly concerning aspect of the Bill, one which was the direct result of an absolutely ferocious lobbying campaign<sup>[11]</sup> by the self-same newspapers whose 40 years of pumping out stories about the alleged evils of the internet has done so much to lay the ground for this measure.

As defined by section 50(2), a news publisher

*(a) has as its principal purpose the publication of news-related material, and such material – (i) is created by different persons, and (ii) is subject to editorial control, (b) publishes such material in the course of a business (whether or not carried on with a view to profit), (c) is subject to a standards code, (d) has policies and procedures for*

[10] <https://www.openrightsgroup.org/blog/whats-the-harm-in-the-online-safety-bill/>

[11] <https://hackinginquiry.org/julian-petley-a-thoroughly-unsafe-bill/>

*handling and resolving complaints, (e) has a registered office or other business address in the United Kingdom, (f) is the person with legal responsibility for material published by it in the United Kingdom.*

'News-related' material is of course defined sufficiently broadly to encompass exactly the kind of opinion-mongering that passes for "journalism" in much of the national press, section 50(5) making it clear that it includes "(a) news or information about current affairs, (b) opinion about matters relating to the news or current affairs, or (c) gossip about celebrities, other public figures or other persons in the news". Meanwhile the requirements for a "standards code" and "policies and procedures for handling and resolving complaints" are obviously satisfied by the existence of the Independent Press Standards Organisation (IPSO), even though its record of upholding standards and dealing with complaints is absolutely lamentable[12].

Furthermore, section 49(2) specifically exempts what many would regard as the most poisonous and hate-filled sections of online national titles, namely "comments and reviews on provider content". Meanwhile Section 51(2) makes it abundantly clear that whilst search engines will have a duty to protect the public from exposure to allegedly harmful material, this duty does not extend to content present on the website of a "recognised news publisher", or content that reproduces or links to a full article that emanates from such a publisher. Thus, quite extraordinarily, the Bill requires that a search engine must take steps to address people's exposure to material which it deems harmful, unless that material first appeared on the website of a newspaper.

Thus, quite apart from all the other negative consequences of the Bill, we are faced with the prospect of a two-tier system of journalism[13] in which that most in need of regulation escapes it and citizen journalists, bloggers, activists – in short, independent journalists of all kinds, many of whom are engaged in critiquing precisely the kind of mainstream press journalism that the Bill so assiduously protects – will find themselves subject to its strictures. As Lexie Kirconnell-Kawana, the Head of Regulation at the Leveson-compliant regulator IMPRESS put it, this "introduces elements of state regulation of the press through the backdoor, by requiring the government to define who is or isn't a journalist, and what 'journalism' and 'journalist content' is for the purposes of legal benefits and sanctions"[14], a disturbing process that can also be seen at work in the manner in which the government is currently using the Freedom of Information Act in such a way as to block the inquiries of the kinds of journalists it clearly regards as, at best, a nuisance[15].

[12] [https://westminsterresearch.westminster.ac.uk/download/764637e67136b7010ebb40252da2e8d83bc1e9923c906b2959cbc1f4698872e2/1185869/IPSO\\_CAMRI\\_Report\\_online\\_version.pdf](https://westminsterresearch.westminster.ac.uk/download/764637e67136b7010ebb40252da2e8d83bc1e9923c906b2959cbc1f4698872e2/1185869/IPSO_CAMRI_Report_online_version.pdf)

<http://mediastandardstrust.org/wp-content/uploads/2019/10/MST-IPSO-2019-Final-Version.pdf>

[13] <https://inform.org/2021/07/21/is-the-press-prepared-to-be-licensed-by-ofcom-julian-petley/>

[14] <https://blogs.lse.ac.uk/medialse/2021/06/03/online-safety-bill-five-thoughts-on-its-impact-on-journalism/>

[15] <https://www.opendemocracy.net/en/freedom-of-information/uk-government-running-orwellian-unit-to-block-release-of-sensitive-information/>

<https://www.opendemocracy.net/en/freedom-of-information/uk-government-running-orwellian-unit-to-block-release-of-sensitive-information/>

## Criticisms and concerns

Reaction to the Draft Bill and the Bill itself was extremely mixed. Certain organisations, for example Barnardo's<sup>[16]</sup> and the Samaritans<sup>[17]</sup>, that were concerned with the kinds of online material that they felt harmed those they represented argued that the Draft Bill did not go far enough but were satisfied with amendments made to the final version. However others, such as 5Rights<sup>[18]</sup>, felt that more needed to be done to protect children. On the other hand, groups concerned with freedom of expression and privacy were highly critical of both iterations of the Bill, in spite of assurances by the DCMS that "the Bill will strengthen people's rights to express themselves freely online and ensure social media companies are not removing legal free speech"<sup>[19]</sup>. These included Big Brother Watch, the Open Rights Group (ORG), Index on Censorship<sup>[20]</sup>. ORG described it as a bloated measure that "contains so many risks to free speech that it's hard to know where to start"<sup>[21]</sup>, Big Brother Watch claimed that "no piece of legislation has posed a greater threat to freedom of expression in living memory than the Online Safety Bill. The Bill is nothing short of an assault on the rights to free speech and privacy and would fundamentally reconfigure how expression is policed in the UK"<sup>[22]</sup>. Article 19 declared the measure "startling in its complexity and deeply disquieting for what it represents, namely an attempt at regulating the totality of human communications and interactions online in or targeted at the UK" and expressed its concern that it gives "incredibly broad powers to the Secretary of State to control its implementation in ways previously unseen in modern Western democracies"<sup>[23]</sup>.

Many concerns focus on the grip that government will be able to exert over the implementation of the Bill's provisions by Ofcom. And one of the many fears that this provokes is that, given successive governments' notorious propensity to knee-jerk reactions to overheated press stories about alleged online outrages, governments will not hesitate to deploy their considerable powers in such situations in order to pander to those who habitually demand that "something must be done".

However, even in the unlikely event that a Secretary of State chooses not to pull the political levers that the Bill puts at their disposal, the mere existence of these powers is bound to affect the way that social media companies operate. And this leads on to a further problem with the

[16] <https://www.barnardos.org.uk/news/pornography-sites-required-law-verify-age-users-barnardos-statement>;

<https://www.barnardos.org.uk/news/joint-committee-draft-online-safety-bill-barnardos-response>

[17] <https://www.samaritans.org/scotland/news/samaritans-responds-to-recommendations-from-joint-committee-on-the-draft-online-safety-bill/>;

<https://www.samaritans.org/scotland/news/Samaritans-response-draft-Online-Safety-Bill/>

[18] [https://5rightsfoundation.com/uploads/5Rights-analysis-of-the-Online-Safety-Bill-\[March-2022\].pdf?\\_cchid=1d2f9aa625e82189dcecd6e92a93f52f](https://5rightsfoundation.com/uploads/5Rights-analysis-of-the-Online-Safety-Bill-[March-2022].pdf?_cchid=1d2f9aa625e82189dcecd6e92a93f52f)

[19] <https://www.gov.uk/government/news/world-first-online-safety-laws-introduced-in-parliament>

[20] <https://www.indexoncensorship.org/wp-content/uploads/2021/06/Index-on-Censorship-The-Problems-With-The-Duty-of-Care.pdf>

[21] <https://www.openrightsgroup.org/campaign/stop-state-censorship-of-online-speech/>

[22] [https://bigbrotherwatch.org.uk/2022/02/the-online-safety-bill-what-the-government-must-do-next/?utm\\_source=HOC+Library+-+Current+awareness+bulletins&utm\\_campaign=211d352944-Current+Awareness+11.02.2022.&utm\\_medium=email&utm\\_term=0\\_f325cdbfdc-211d352944-103728654&mc\\_cid=211d352944&mc\\_eid=e92d476cb6](https://bigbrotherwatch.org.uk/2022/02/the-online-safety-bill-what-the-government-must-do-next/?utm_source=HOC+Library+-+Current+awareness+bulletins&utm_campaign=211d352944-Current+Awareness+11.02.2022.&utm_medium=email&utm_term=0_f325cdbfdc-211d352944-103728654&mc_cid=211d352944&mc_eid=e92d476cb6)

[23] <https://www.article19.org/resources/uk-draft-online-safety-bill-poses-serious-risk-to-free-expression/>

Bill, namely the extent to which it will encourage over-caution and self-censorship by social media companies. As ORG argues:

*Ministerial influence will loom large in the minds of those running social media platforms. Policy within the tech companies will be driven by attempts to divine the whims and foibles of whoever happens to be Secretary of State, rather than by the strategic purpose. The effect will be an erratic and inconsistent approach to content moderation, with an associated chill on digital rights[24].*

At worst “harm” may come to be interpreted as meaning “harm to the most easily offended” and algorithmic take-downs will become the order of the day. And thus, paradoxically, a measure intended to reduce the power of the social media companies and to make them more publicly accountable will, as far as their power as censors is concerned, serve only to increase it and to obscure their operations.

## **At odds with other regulatory approaches**

The DCMS states that the Bill “aims to increase people’s trust in technology, which will in turn support our ambition for the UK to be the best place for tech firms to grow”[25]. However, the Bill’s last-minute insistence that internet companies will have proactively to monitor content on their sites is completely at odds with internet regulation in the US and EU and thus could put the UK’s burgeoning tech industry at very serious risk indeed. To explain briefly, under the EU’s e-Commerce Directive, online platforms are not legally liable for what appears on their sites but have a legal duty to take down illegal material once they have been notified of its existence. If they then fail to do so, they render themselves liable to prosecution. Similar arrangements obtain in most other democratic countries. However, now that the UK is no longer in the EU it is apparently determined not to replicate the e-Commerce Directive, whatever the cost to the tech industry, which now threatens to become a global outlier. Thus a report[26] from the Coalition for a Digital Economy (Coadec) states bluntly that:

*The proposals put forward in the draft Online Safety Bill upend the legal and regulatory basis for the UK’s tech success, creating instead an environment that is legally risky, costly and hugely burdensome for businesses. This will create substantially more barriers and red-tape than current rules. This threatens the UK’s future economic growth and makes it a significantly less attractive place to start, grow and maintain a tech business. This is not building back better, but undermining the UK’s potential.*

[24] <https://www.openrightsgroup.org/blog/online-safety-bill-sweeping-ministerial-powers/>

[25] <https://www.gov.uk/government/news/world-first-online-safety-laws-introduced-in-parliament>

[26] <https://coadec.com/wp-content/uploads/2022/02/180222-Liability-Report-for-Release.pdf>

In the same vein, an article by Peter Foster in the *Financial Times*[27] quotes Anthony Walker, the deputy chief executive of TechUK, the main industry lobby group, as accusing the Bill of “undermining the perception of the UK as an open digital economy” and complaining that “none of these proposals have been consulted on with the industry.”

Indeed, an earlier article[28] in the same paper gives a disturbing insight into the possible origins of this measure, quoting a Conservative official to the effect that US tech companies are “a very attractive punchbag at the moment” for politicians hoping to curry favour with the public. The article also cites a Tory strategist commenting that “this stuff is hugely popular with the public and also with media executives”, presumably referring to those at the *Mail* and *Telegraph* in particular, since the article also notes that Conservative-supporting newspapers have campaigned for tougher policing of the internet.

## Conclusion

The online world, although a peerless information and communication resource, is also, rightly, the object of considerable concern. It is dominated by a handful of over-mighty companies which have shown themselves to be entirely unwilling to engage in effective self-regulation which would help to rid the internet of its most obnoxious and harmful contents. The presence of such contents, however, should not be used as a reason to impose a regulatory structure which is ill-thought out, gives the government of the day an unacceptable degree of power over the online world, is hugely bureaucratic and threatens to make the burgeoning UK tech industry a global outlier.

[27] <https://www.ft.com/content/28c8a437-e100-4902-890f-43e72b7dd7f3>

[28] <https://www.ft.com/content/61b3372b-b164-4a16-b9c8-93b9ee626fee>

## Action points

- Abolish the "legal but harmful" category. If material is genuinely harmful – in terms which need to be very precisely defined in the Bill – it should be made illegal by primary (and not secondary) legislation.
- Insist that what is legal offline is also legal online.
- Remove the press exemption. All newspaper content should be treated in exactly the same way as other online content.
- Considerably reduce the powers that the Bill grants the Secretary of State.
- Ensure that nothing is included in the Bill which threatens online encryption or other aspects of users' information privacy.
- Ensure that any form of online regulation proposed is compatible with regulation in the US and EU.

# **DCMS WHITE PAPER POLICY BRIEFING**

**May 2022**

## Summary

This briefing examines the Department for Digital, Culture, Media and Sport's recent White Paper on the future of the broadcasting sector<sup>[1]</sup>. Our headline findings are:

- The proposed revisions to the remit and regulatory frameworks for PSB are inadequate, and do not capture the full range of benefits that the public expects from the UK's PSB ecology
- Proposals to update the prominence framework for PSBs on Video-on-demand services are welcome but will achieve little in the context of the government's broader attacks on the sector
- Plans for a new voluntary Video-on-demand Code are too light-touch and will create a two-tiered system in broadcasting regulation
- The decision to privatise Channel 4 runs counter to the best available evidence and has no democratic mandate
- The BBC licence fee settlement and mid-term Charter review demonstrate direct interference by government and reveal the urgent need for measures to safeguard the BBC's independence

[1] DCMS, [Up Next: The Government's vision for the broadcasting sector](#), April 2022 CP 271.

## Introduction

The government's proposed reforms in the DCMS White Paper represent a concerted ideological attack on public service media in the UK, built on spurious evidence and undertaken entirely without meaningful democratic process. The policy programme set out in the White Paper would further commercialise the UK's broadcasting sector, expose public media organisations to greater political interference, and diminish the range and quality of content made for UK audiences.

In this briefing we explore the White Paper and set out our alternative recommendations for a more democratic policy platform that truly serves the public interest in an evolving media landscape. Our analysis brings together evidence and proposals from recent MRC publications, including three flagship research reports:

- The Manifesto for a People's Media, published as part of our 'BBC and Beyond' project, outlining proposals for a more democratic, independent and accountable media commons[2].
- The Media Influence Matrix report, exploring the influence of shifts in policy, funding and technology on contemporary journalism in the UK[3].
- The Who Owns the UK Media? report, analysing the concentration of ownership across newspapers, broadcasters, online journalism and social media[4].

## Public service broadcasting

At the centre of the White Paper is the government's plan for a new remit and regulatory framework for public service broadcasting (PSB) in the UK, designed to fit with "the latest trends and developments in the sector". The current purposes and objectives[5] will be replaced with a shorter 'streamlined' remit, focussed on three types of content that "would make us poorer as a nation" if not provided – culturally relevant content, economically important content, and democratically impactful content.

Although these qualities are an important part of what distinguishes public media from the market, they do not on their own capture the full range of benefits that the public values and

[2] <https://bbcandbeyond.net/#manifesto>

[3] <https://www.mediareform.org.uk/blog/uk-media-influence-matrix-final-report>

[4] <https://www.mediareform.org.uk/media-ownership/who-owns-the-uk-media>

[5] Defined in the Communications Act 2003 s. 264.

expects from the UK's unique PSB ecology. Under the half-baked rationale of ditching "outdated", "overlapping" principles, the White Paper seeks to dilute the role of PSBs to a narrow set of services while reducing (or potentially even preventing) the provision of universal public service content across socially and culturally significant genres. Unlike the existing purposes set out in 2003, the new remit does not include any mention of requiring the broad provision of services for children, programming on arts, sciences and religion, or educational content – genres that are consistently viewed by the public as unique benefits of PSB[6]. Also completely absent from the White Paper is any recognition of the importance of universality; serving the needs and interests of all audiences, not just the largest or most commercially profitable, including through offering 'popular' content in drama, comedy and music.

The closest the government comes to admitting any additional social or cultural value of PSB is in its ambiguous proposal for "embedding the importance of distinctively British content" into the PSB quota system. UK PSBs produce a substantial amount of content made in and about the UK, while content from streaming services like Netflix and Amazon is often culturally homogenous and aimed at a global audience[7]. Despite one minister's attempts to insist that such quotas would not mean "waving union flags and a picture of the Queen in every scene"[8], regulating "distinctively" British content in this way would be highly susceptible to partial, unrepresentative definitions, more likely to favour the lives and experiences of the politicians making these rules than the audiences they are intended for. 'British values' should not be issued as a government checklist but discussed across a variety of creative formats and genres that actively include the full range of voices and stories of all British audiences.

The White Paper features a handful of welcome, if long overdue, proposals for expanding the public benefits of PSB: updating the 'prominence' framework for how PSBs are displayed and accessed on Smart TVs or streaming devices[9], and guaranteeing broadcasts of listed sporting events as a PSB-specific benefit. A review of contestable funding could highlight new sources for additional PSB content, yet as the government's premature closure of the Young Audiences Content Fund[10] shows, income for these schemes must be independent, sustainable and sourced properly – not top-sliced out of funding for other PSB services, nor used as substitutes for broadcasters' existing content quotas. The forthcoming renewal of broadcasting licences for ITV and Channel 5 offers an ideal opportunity to strengthen commercial PSBs' content quotas, especially in key genres like children's programming and news, following years of quota relaxation by Ofcom[11].

[6] Jigsaw and Ofcom, [An exploration of people's relationship with PSB](#), July 2020; Ofcom, [Public Service Omnibus survey findings](#), July 2020.

[7] Ofcom, [Media Nations: UK 2021](#), p.68; Enders Analysis, [Outsourcing culture: When British shows aren't 'British'](#).

[8] [John Whittingdale MP speech to RTS Cambridge Convention 2021](#).

[9] [As recommended by Ofcom in 2019](#).

[10] See [Children's Media Foundation statement](#).

[11] Steemers, J. (2017) [Public service broadcasting, children's television and market failure](#) in *Journal of Media Management* 19(4):298-314.

In the rush to ‘modernise’ UK media regulation and give PSBs “greater flexibility in delivering remits”, there is also a real danger that broadcasters will prioritise providing more content via cheaper online or digital formats while reducing provision on linear TV and radio services. Live TV and radio remain the most popular means for accessing audiovisual content on a daily basis, while the availability of reliable high-speed internet is still limited by stalled regional roll-outs and endemic socio-economic divides[12]. It is vital that PSB content remains widely available on free-to-air formats, and that PSBs are required to provide universal services across the whole range of formats and platforms used by all UK audiences.

Ultimately, however, these peripheral changes will achieve little against the government’s creeping deconstruction of the funding and structures of public media. With a significantly diminished public service remit, a privatised Channel 4 and a funding-starved BBC, it is difficult to imagine how the UK’s PSB ecology will fulfil even the meagre goals of the White Paper, let alone meet the real needs and expectations of the public.

## **The UK broadcasting ecology**

As part of its wider reforms to the UK broadcasting sector, the White Paper proposes legislation for “a new Video-on-demand Code, similar to the Broadcasting Code, to ensure TV-like content, no matter how audiences choose to watch it, will be subject to similar standards”. This is an important first step in building a level playing field between traditional broadcasters and streaming platforms, meaning audiences continue to benefit from the UK’s high standards for production quality and the protection of civil rights in audio-visual content.

The voluntary ‘light touch’ regime detailed in the White Paper will, however, achieve little more than creating a two-tiered system in broadcasting regulation. The public will not have any meaningful recourse for complaints made against on-demand content, while large platforms like Netflix and Amazon are likely to continue to wave away attempts at accountability – unlike currently regulated UK broadcasters who risk fines or even forfeited licences. This highlights the deeper structural problems arising from global streaming services, which are used by and profit from large UK audiences yet are unregulated and not required to make any contributions to UK society and culture. The government appears to have quietly dropped its plans to require streaming services share top-line viewing data, and the White Paper says nothing of making these companies pay their fair share of tax[13]. A truly level playing field would involve subjecting on-demand platforms to the same obligations as all large UK broadcasters, and

[12] Ofcom, [Media Nations: UK 2021](#), pgs. 6 & 78; Ofcom, [Online Nation: 2021 Report](#), p. 15.

[13] See [DCMS response to Commons Digital, Culture, Media & Sport Committee report on the future of public service broadcasting](#), June 2021. p. 7; in 2020 Netflix paid just £4m in UK tax on the back of £1.15bn in UK revenue.

levying the profits of these companies to fund additional public service content for UK audiences.

The White Paper's proposed reforms to commercial and community radio are also a major cause for concern. Under the guise of creating "a more flexible regulatory regime that is fit for the modern age", the government is proposing to "remove outdated character of service requirements" for commercial radio. This would allow stations to shift production away from local centres and focus on providing more commercialised, less distinctive content to attract greater advertising revenues. The plan for progressing with a total analogue switch-off from 2030 onwards, regardless of consumer demand or producer needs, also risks depriving some audiences (particularly those in isolated locales or without access to digital-capable devices) of access to reliable community FM/AM services. Furthermore, the White Paper's plans to deregulate advertising restrictions on community radio would fatally undermine the distinctive and established character of these services, effectively forcing them to monetise more of their content for commercial purposes. As the Better Media campaign group has argued, "these proposals will lead to an eroding of the fundamental founding principles of community radio, such as commitment to significant social gain, training, access and participation in the media production process"[14].

## **The privatisation of Channel 4**

The White Paper proves beyond doubt that the government's decision to privatise Channel 4 is not driven by any strength of evidence or public demand but is wholly motivated by ideology and political spite. Ministers have blithely ignored the weight and volume of public and industry opposition to its plans, with 96% of the nearly 56,000 consultation responses rejecting the government's lacklustre arguments for the sale[15]. The attempts to dismiss the views of tens of thousands of people as mere 'cut-and-paste' responses reveals the all-too-often shambolic and undemocratic nature of these exercises. Instead of truly engaging with the public, broadcasters and stakeholders on pivotal questions about the future of public media, the Channel 4 consultation shows that this government is only willing to listen to the public if it is saying what they already want to hear.

As we have argued in our consultation submission[16], a publicly-owned Channel 4 (with a strengthened PSB remit) is the best option for delivering diverse and innovative programming, boosting the UK's world-leading production sector and seizing opportunities in the emerging

[14] <https://bettermedia.uk/>

[15] See DCMS, [Government response to the consultation on a potential change of ownership of Channel 4 Television Corporation](#), April 2022.

[16] [Media Reform Coalition response to the DCMS consultation](#).

global media market. A privately-owned wholly for-profit Channel 4, on the other hand, would offer a reduced range of public service content for UK audiences, strip back its investment in independent producers, and contribute far less to the creative industries in the nations and regions.

Recent analysis from Channel 4 and EY sketches the reality of privatisation: £3bn less of 'gross value added' economic activity and up to 3,000 fewer jobs supported in the creative economy, with the bulk of these losses landing in the nations and regions[17]. Enders Analysis has further estimated that the long-term economic cut in the sector caused by privatising Channel 4 would swallow up the one-time windfall of the sale within 5 to 12 years[18].

The few arguments offered in the White Paper and its accompanying 'decision rationale'[19] do not stand up to basic scrutiny and show that the government has not found any new or compelling evidence to justify taking Channel 4 out of public ownership. It falsely claims that Channel 4's founding mission in 1982 was "providing greater choice for audiences" and that, with the market now swamped with channels and online services, public ownership is counter-productive. Privatisation would not only undermine the delivery of Channel 4's actual founding purpose – creating alternative, innovative content and serving underrepresented audiences – but also lessen choice for audiences, with a private owner prioritising low risk, homogenous content to increase its profits[20]. Despite insisting that Channel 4 will retain its core PSB duties as part of a sale, the White Paper does not suggest that the government will seek any guarantees or legal undertakings to prevent a private owner from diluting these obligations at a later date. The long-term sustainability of Channel 4's PSB contributions will rest solely on the assumed good will of a new profit-driven owner to maintain these commercially undesirable commitments[21].

The removal of Channel 4's publisher-broadcaster status marks another glaring contradiction in the government's plans for privatisation. Despite expecting Channel 4 to "continue working with independent production companies right across the UK", a new owner would be free to expand its own in-house production business at the expense of commissioning opportunities for UK indies. Pact, the independent producers' trade association, estimates that the sector would lose £3.7bn over a decade if Channel 4 became a 'producer-broadcaster', creating "a direct transfer of value from hundreds of small SMEs and creative entrepreneurs to private shareholders"[22].

[17] Channel 4, [4: The Next Episode](#), May 2022, p. 9.

[18] Enders Analysis, [Channel 4: Pressing on with privatisation](#), April 2022.

[19] DCMS, [Decision rationale and sale impact analysis for a change of ownership of Channel 4](#), April 2022.

[20] EY, [Assessing the impact of a change of ownership of Channel 4](#), September 2021.

[21] There is ample precedent of commercial UK PSBs persistently lobbying to have their quotas relaxed or removed, resulting in drastic reductions in provision of key genres such as children's programming. See Ofcom, [PSB Annual Report annex 1: PSB spend and output](#), p. 29.

[22] John McVey, [evidence to the Lords Communications and Digital Committee](#), 7 September 2021 p. 9.

The government's excuse is that Channel 4 provides a smaller share of production sector revenues than other broadcasters, and that improving its access to capital through privatisation "may result in increased investment". This combination of selective statistics and wishful thinking epitomises the paucity of evidence throughout the White Paper. As a share of its total income Channel 4 offers almost double the 'bang for its buck' in independent commissioning value than larger UK PSBs (23% vs. 10% for the BBC and 13% for ITV)[23], and Channel 4's supply base is far more diverse than commercial PSBs with their own in-house production studios[24]. The real threat to the UK's independent production sector is not Channel 4's access to capital, but the unchecked concentration of sector revenues into a handful of dominant companies, with the top 5% of producers accounting for 34% of total turnover[25]. It is difficult to imagine that a privately-owned Channel 4, without its current publisher-broadcaster requirement, would increase its commissioning spend on SME producers in the nations and regions rather than seek to grow the commercial profile of its own in-house production business[26].

Channel 4 is by no means perfect and requires significant reforms to revitalise its unique role in the UK media landscape, such as: a strengthened public service remit for innovation, creativity and serving minority audiences; new requirements to prioritise local SME producers over super-indies; and transforming Channel 4 into an advertising-free platform funded by a cross-platform levy[27]. But instead of considering a range of policy options to improve Channel 4's sustainability as a publicly owned broadcaster, the government is fixated on only one policy – privatisation – which will cause considerable damage to the channel and the UK's media ecology on which the British public rely.

## **BBC funding and the mid-term Charter review**

The recent TV licence fee settlement is a reckless attack on the BBC's independence and a serious threat to its ability to meet its public service objectives. As we detailed in our February briefing, the two-year freeze in the value of the licence fee means that by 2027 the BBC's income could be as much as 34% lower in real terms than it was in 2010 – amounting to around £1.4bn

[23] See Oliver & Ohlbaum, [UK Television Production Survey: Financial Census](#), July 2021 p. 17.

[24] Channel 4, [Annual Report](#), June 2020 p. 101.

[25] Oliver & Ohlbaum, [Financial Census](#), p. 12-13.

[26] EY estimates that an in-house studio would seek to acquire as much as 66% of Channel 4 commissions, squeezing out opportunities for a huge number of independents. See EY, [Assessing the impact of a change of ownership of Channel 4](#), September 2021 p. 22.

[27] For more detailed proposals see [our response to the DCMS consultation](#).

in lost income per year[28]. This will lead inevitably to further cuts in BBC services. On top of recent reductions in local news output, the National Audit Office expects that the compounding financial pressures of rising inflation, efficiency savings and funding cuts will result in more repeat programming and fewer original high-end productions over the current financial year[29].

The White Paper justifies the licence fee deal as a means to “support households through a difficult time”, but this specious reasoning serves only to highlight the underlying political aims of the government’s attacks on BBC funding. An equivalent household saving of 3p a day will not make the slightest dent in alleviating the cost of living crisis, especially while the government takes no action on skyrocketing energy bills, spiralling inflation or cuts to Universal Credit[30]. The Secretary of State’s Commons statement made it all too clear that the funding freeze is largely politically motivated, exploiting the government’s exclusive power over the licence fee to pressure BBC management and steer its editorial direction[31].

Threats to the future of the TV licence fee further demonstrate the dangerous relationship between the BBC’s independence and government control over funding decisions. The White Paper confirms that the government will conduct a review of the BBC’s future funding mechanism, formalising the Culture Secretary’s jubilant comments about the potential ‘the end of the licence fee’. While the TV licence fee requires urgent reform to create a fairer and more modern funding mechanism, the introduction of subscription or advertising would destroy the principle of universal public media free from commercial pressures and lead inevitably to a smaller and more ‘exclusive’ BBC.

The mid-term Charter review “will report by 2024”, suggesting that the government has already begun evaluating the BBC’s governance and regulatory model behind closed doors. Whereas this routine ‘check-up’ was initially designed to look only at the BBC’s strategic performance against its renewed 2016 Royal Charter and Framework Agreement, a January letter from the Culture Secretary to the BBC suggests the review will now include scrutiny of its recent impartiality plan[32]. This, amongst many other examples, demonstrates once more that the BBC’s Royal Charter and its quasi- commercial regulation by Ofcom are both woefully unaccountable to the public and dangerously exposed to political interference. Before the terms of reference have even been set, the mid-term review has become yet another means for the government to meddle at will in the BBC’s independence and alter its constitution for political ends – all without parliamentary debate, public consultation or approval from licence fee payers.

[28] Media Reform Coalition, [BBC Licence Fee Settlement Briefing](#), February 2022. See also Enders Analysis, [BBC licence fee settlement: A diminished TV ecology](#), September 2021.

[29] National Audit Office, [BBC savings and reform](#), December 2021.

[30] See Joseph Rowntree Trust, [UK Poverty Guide 2022](#).

[31] [HC Deb 17 January 2022](#), v. 707 c. 39-40.

[32] DCMS, [Letter from Secretary of State to BBC on Final Determination of the 2022 licence fee settlement](#), January 2022.

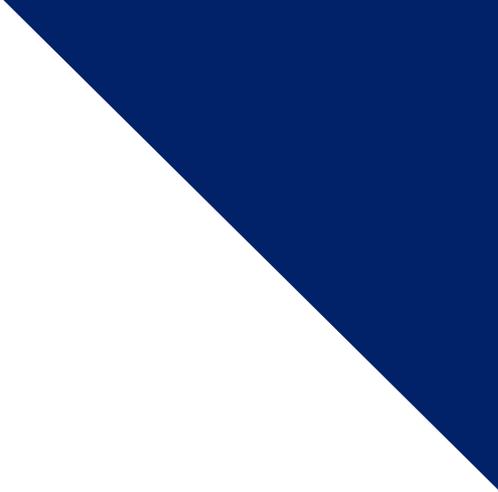
## Action points

Many of the proposals in the government's White Paper will require changes to primary legislation approved by parliament, while others can be implemented by Ofcom or through unaccountable executive powers.

Whereas the White Paper's vision for the future of UK broadcasting involves a diminished public service remit, more commercialised media regulation and the collapse of funding for independent, accountable and democratic media sources, we offer an alternative:

- **Update public service broadcasting legislation as a Public Service Media remit, requiring that digital and online media platforms fulfil the same public service objectives as TV and radio provision.** Expanded definitions of public service media should retain the core social and cultural requirements for serving all audiences' needs and interests, while including new requirements for serving minority audiences and supporting the creative industries in the UK's nations and regions.
- **Create a Video On-Demand Standards Code for regulating content on streaming and other online media platforms, with breaches of the Code subject to fines valued in proportion to these companies' UK revenues.** In addition to this, introduce a levy on global streaming giants' profits to invest in additional sources of public service media content made for UK audiences.
- **Increase the Community Radio Fund to £10 million (the equivalent level per station as when it was launched in 2005), establish Regional Media Councils for distributing funds to non-profit local media, and devolve local and regional media production through Citizen Media Assemblies** – building new forms of participatory commissioning and funding for public service media.
- **Oppose the privatisation of Channel 4 and reform it as an advertising-free broadcaster in public ownership.** Refocus Channel 4's remit to better serve marginalised and underrepresented groups and strengthen its publisher-broadcaster model to promote more regional productions, higher labour standards and greater SME investment.
- **Replace the television licence fee with a progressive levy determined by an independent public service media commission and replace the BBC's Royal Charter with a statutory constitution.** This would ensure that the BBC's remit and funding level are properly scrutinised by parliament and approved by the public, rather than unilaterally changed by government.

- **Require Ofcom to conduct biennial assessments of media plurality**, with new powers to intervene outside of merger activity, monitor the market share of tech giants like Google and Meta, and enforce appropriate remedies—such as public interest obligations, divestment and profit levies—when companies breach certain ownership thresholds.
- Establish a **British Digital Corporation** that develops public social media, search and other information architecture free from commercial pressures, and that leads the roll-out of affordable full fibre broadband guaranteed to all homes.



# **PUBLIC INTEREST JOURNALISM: FUNDING AND LABOUR ISSUES**

**June 2022**

This policy briefing aims to illuminate for policymakers the various pressures on and possibilities for the UK's public interest journalism. Split into two main sections about **Funding** and **Work**, the briefing will cover:

- How the current news industry is creating problems for numerous stakeholders
- How the funding ecosystem gives precedence to different types of journalism
- How journalists, as well as journalism, can be compromised by suboptimal salaries, work styles, and job roles
- The current status of newsroom unions in the UK.

Our analysis draws on our recent evidence and proposals from two Media Reform Coalition reports published in late 2021:

- The Media Influence Matrix report, exploring the impact of shifts in policy, funding and technology on contemporary journalism in the UK[1];
- The Manifesto for a People's Media, published as part of the 'BBC and Beyond' project, outlining proposals for a more democratic, independent and accountable media[2].

At the beginning of the 2020s it is widely accepted that long-developing economic and cultural changes in the news industry have resulted in a 'crisis' for journalism. Part of the response to this has been research into, commentary around, and government acknowledgment of the crucial role of **public interest journalism** for a well-functioning democracy[3].

[1] [UK Media Influence Matrix Final Report](#), Media Reform Coalition, 2021

[2] [The BBC and Beyond Project](#), Media Reform Coalition, 2022

[3] Josh Stearns, '[How we know journalism is good for democracy](#)', Local News Lab, 20 Jun 2018; House of Lord Digital and Communications Committee, [Breaking News? The Future of UK Journalism](#), 2020; Australian Competition and Consumer Commission, [News media bargaining code](#), 2021

The narrative of ‘journalism in crisis’ is most often posited as a result of falling circulation and advertising revenue due to the rise of ‘free’ online news[4]. Behind this catch-all narrative, however, is a political economy with a history as long as the industry has existed.

The UK’s 21st-century journalism crisis ultimately comprises a set of interlocking strands: public, political, and for news industry workers, personal. ‘The media’ at large have weathered a sharp drop in public trust and safety[5] as well as a continuous decline in sustainability, and stability. As a result, it’s difficult to consider journalistic values as safe or sacred – a claim at odds with the widespread uptick in recognition of journalism’s relationship to a functioning democracy.

## Funding

The opening summary of the House of Lords’ 2020 Future of Journalism report describes the UK as having “a developed media infrastructure and good levels of funding”[6]; yet throughout the report, actors from all levels of the industry, from top national editors to part-time freelancers, give evidence about the ongoing struggles they face within its changing economic fabric.

As Nic Newman of the Reuters Institute told the Lords’ inquiry:

*Newsrooms used to have writers and subs and editors—now you have writers, videographers, podcast producers, data visualization experts, audience engagement teams, Snapchat and Tik Tok producers...[7]*

In the same year, Dr. Errol Salamon of the University of Huddersfield cited several scholars’ findings on “the ‘precarious’ nature of media employment conditions”. He describes the three key markers of that precarity as[8]:

1. A decrease in the total number of jobs in the sector
2. A relative increase in “atypical” or non-permanent/non-full time work e.g. freelancing, ‘permalancing’
3. Relatively low income

He adds that “[t]hese markers of precarity are interrelated”.

So if scores of new jobs are emerging, and funding is “good”, what is driving precarity?

[4] Joel Mathis, 'The sad decline of journalism', The Week, 8 Aug 2019;

Michael Bartel, 'Despite subscription surges for largest US newspapers, circulation and revenue fall for industry overall', Pew Research Center, 1 Jun 2017;

Charlotte Tobitt, 'UK local newspaper closures: At least 265 titles gone since 2005, but pace of decline has slowed', Press Gazette, 20 Aug 2020;

Catherine Evans, 'Coronavirus: Newspapers "struggling to survive" pandemic', BBC News, 25 May 2020

[5] Mark Coddington and Seth Lewis, 'Journalism faces a crisis in trust. Journalists fall into two very different camps for how to fix it', NiemanLab, 8 Oct 2020; Christian van Nieuwerburgh, 'Five ways to manage your doomscrolling habit', The Conversation, 18 May 2022.

[6] Breaking News? The Future of UK Journalism, p3

[7] Breaking News? The Future of UK Journalism, p12

[8] Errol Salamon, 'Digitizing freelance media labor: A class of workers negotiates entrepreneurialism and activism', New Media & Society 22(1), 2020

## Public Interest Journalism

"While the terms 'media', 'news' or 'journalism' are often used interchangeably to refer to a wide range of institutions and practices[9], this briefing focuses on funding and workplace issues across the UK's **print, broadcast, and online news media, and their impact on the quality of public interest journalism**. Given we published a policy briefing on the BBC Licence Fee Settlement[10] earlier this year, this briefing concerns itself primarily with issues of commercially funded journalism; not only relevant in its own right for its thousands of workers but also as it exists in tension with the taxpayer-funded BBC for whom it, at times, sets the news agenda[11].

Public interest journalism (PIJ) is news produced in the public interest, crucial for an informed citizenry; it is sometimes, but not necessarily, of interest to the public at large, and therefore unattractive in purely commercial terms. It is factual and largely sober in tone; it can come in the form of an opinion column or op-ed, though is primarily imagined as (and in reality most likely to be) reportage and investigative work.

PIJ is produced by local, national and international news outlets alike, each of which has labour and funding crises at different scales.

## The New Owners of Local News

Local and regional news is a conduit for democracy, justice, and social cohesion throughout a country. Where national and international outlets are indeed facing difficulty, our research showed that local outlets in the UK are in "a state of total collapse, without a business model capable of funding much more than low-quality 'clickbait'." [12] In 2019, one of the most powerful editors in the world of journalism, executive editor of the *New York Times* Dean Baquet, said the greatest crisis in American journalism was the "death" of local news:

*I don't know what the answer is. Their economic model is gone. I think most local newspapers in America are going to die in the next five years, except for the ones that have been bought by a local billionaire.* [13]

The vast majority of local outlets that have survived the last few decades have been bought by conglomerates and/or billionaires; this hoovering up of local outlets by the powerful began before the advertising model collapse. As our UK Media Influence Matrix report demonstrates:

[9] U.S. Diplomacy and Yellow Journalism, 1895–1898, U.S. Dept. of State; BBC News 'How much power does tech 'big four' have?' 29 Jul 2020

[10] BBC Licence Fee Settlement Briefing, Media Reform Coalition, 2022

[11] Rasmus Kleis Nielsen, Anne Schulz, Richard Fletcher, 'The BBC is under scrutiny. Here's what research tells about its role in the UK', Reuters Institute for the Study of Journalism, 28 Feb 2020; Nicola Cutcher, 'The BBC must not allow the press to dictate its agenda', openDemocracy, 15 Jun 2015

[12] UK Media Influence Matrix Final Report, p3 of Executive Summary

[13] Cale Guthrie Weissman, 'NYT's Dean Baquet: Most local newspapers will die in 5 years', Fast Company, 21 May 2019

*Regional newsrooms were being hollowed out in the 1990s and early 2000s as corporate chain ownership prioritised short-term profitability over investment in newsrooms. Classified advertising – a far bigger commercial mainstay of the regional than the national press – moved online in the 2000s, triggering a full-scale collapse as many local titles simply became unviable. Hundreds of local papers ceased publication and thousands of journalists were laid off. Today, the UK barely has a regional press. Local areas are often served by a website providing content pushed out to one of many such local sites from a regional news production hub. The business model is usually ad-funded, the journalism often cheap, low-quality clickbait.[14]*

The biggest UK news publisher by revenue, Reach plc., owns 20% of the UK's regional titles which, alongside its ownership of several of the country's biggest national tabloids (*The Mirror*, *The Express*, *The Daily Star*) gives it a 44% cumulative share of the UK's news publishing. Newsquest, the UK's biggest publisher by number of titles (an arm of Gannett, the US' biggest news publisher), owns 23% of the country's regional newspapers[15].

In early 2022, Newsquest announced its intention to acquire Archant, a rival publisher of local titles and magazines, a step too far even for privatisation-friendly culture secretary Nadine Dorries, who said she was "minded to intervene"[16]. What this concentration of media ownership has meant is that a very small number of wealthy businessmen now own the vast majority of the UK's local media industry, and in prioritising profits over public good, has stripped it of its most crucial functions: to provide meaningful plurality and to support democracy throughout the country[17].

There are two significant counters to this trend towards industry consolidation. First, a small number of independent news organisations such as *Byline Times*, *The Bristol Cable*, *gal-dem* and *Declassified UK*, have emerged over the last decade. These are often financially strapped and unable to reliably fund decent salaries or large-scale investigations, but they have nevertheless managed to maintain quality output. Second, the BBC-funded Local Democracy Reporters Scheme, which funds around 150 roles for regional and local news publishers for reporting on local councils and other civic institutions; in effect, a small public subsidy for the local press[18]. Paid far below the average wage, they're not always easy to recruit; research by the Charitable Journalism Project in 2022 showed that even in a competitive job market, one Local Democracy Reporter position in Northamptonshire has been open for more than a year[19].

[14] UK Media Influence Matrix Final Report, p76

[15] UK Media Influence Matrix Final Report, p120-121

[16] BBC News, 'Archant: Government "minded" to intervene in newspaper group sale', 26 Apr 2022

[17] Local News Deserts in the UK, Charitable Journalism Project, 2022

[18] UK Media Influence Matrix Final Report, p76

[19] Local News Deserts in the UK, p18

## Where Does the Money Go?

In his testimony to the House of Lords inquiry Fraser Nelson, editor of the *Spectator*, claimed that “As the fortunes of the industry have declined, salaries have gone down. That means that people who are not from a rich background, who want to do good in the world, perhaps cannot afford to live in London on £22,000 a year.”[20]

This is a familiar conclusion made by those who bear witness to the crisis narrative: that there simply isn't enough money to go around. Nelson is right about the difficulty of living in London on an entry-level salary and the resulting consequences for diversity of the workforce. But what's missing from his analysis are the choices made behind the distribution of those funds.

In 2021, Reach plc's digital revenues climbed 25%. In response the company decided not to increase journalists' pay but instead announced an 'accelerating personal development' scheme to focus on the numbers of page views generated by each journalist. In response, the National Union of Journalists (NUJ) urged Reach:

*to reward its journalists after the company's chief executive Jim Mullen revealed financial results showing it had enjoyed “a successful year”. Mullen's total salary, bonus and benefits totalled £4m – the highest award to the most senior executive in the company in the past decade. Reach shareholders have earned £22.6 million from their 2021 investments with a dividend of 7.21p a share.[21]*

Commercial news companies siphon money upwards and outwards to executives and shareholders, rather than spending it on decent salaries for journalists or funding desperately needed PIJ[22]. Though presented as an inevitability, this is a choice.

## Taxing 'Big Tech': The 'Australia Model'

The dominance of digital intermediaries such as Meta and Google remains central to concerns about the economics and democratic role of journalism. According to the NUJ, the power of 'Big Tech' should be considered a human rights issue on grounds that the sector currently:

- Endanger[s] the democratic process
- Impacts freedom of expression
- Impacts privacy standards
- Causes economic harm.[23]

[20] [Breaking News? The Future of UK Journalism](#), p44

[21] NUJ, 'Reach reports 'successful year - but closer scrutiny of work feared'', *The Journalist*, Apr-May 2022, p7

[22] For example: If Mullen took a substantial £200k annual salary, the remaining £3.8m could fund up to 100 more full-time journalists earning a healthy average of £38k.

[23] National Union of Journalists, 'A new pro-competition regime for digital markets', 7 Feb 2022.

In evidence to the government's inquiry into the sustainability of local journalism, the CEO of the News Media Association, Owen Meredith, said it was important for the UK to enact "a collective bargaining mechanism enabling smaller publishers to negotiate collectively with Google and Facebook"[24]. Quoting a recent paper by Cambridge University professor of economics Matt Elliott that shows that UK news content generates around £1 billion for Google and Facebook's advertising 'duopoly' every year[25], Meredith alludes to experimental legislation recently passed by the Australian government.

Just two companies, Nine Network and NewsCorp, own 90% of print media in Australia[26]. The country's News Media Bargaining Code[27] was put in place to address the "bargaining power imbalance" between 'Big Tech' platforms (specifically Google and Facebook) and news publishers, by forcing them to agree financial settlements through threat of mediation.

"Following the introduction of the code," according to the Australian Competition & Consumer Commission, "Google and Facebook (now Meta) have reached voluntary commercial agreements with a significant number of news media organisations." [28] These agreements, spearheaded by corporate giants such as Murdoch and his NewsCorp executives[29], have been crafted with their continued dominance in mind. The Public Interest Journalism Initiative's first annual review of the Code showed that 41%[30] of local news outlets have been "shut out" of deals, and Facebook has refused to negotiate with certain outlets[31]. Many, as in the UK, have already been merged into bigger companies.

So while money has been siphoned from 'Big Tech' back into 'Big Media', local PIJ in Australia continues to face a significant existential threat. In early 2022, the Australian Coalition government announced a \$10 million "rescue package" for local newspapers as a result of rising print costs, stating that not doing so would have seen their "demise"[32].

## Future Funding Options

New options for PIJ funding have been made available in the UK; for example: in recognition by the House of Lords and the Charity Commission that PIJ can be seen, as in other democracies, as a legitimate recipient of philanthropic funding[33]. Other revenue streams have seen some success, such as audience crowdfunding and subscription as per *Byline Times*[34], and co-operative membership as per *The Bristol Cable*[35]. Without additional streams, however, there

[24] News Media Association, 'Meredith: Delay To DMU Legislation Could Result In Closure Of Local News Titles', 18 May 2022

[25] News Media Association, 'New academic paper finds content drives £1bn in annual UK revenues for tech platforms', 13 May 2022

[26] Isabel Macdonald, 'Canada's Online News Act: Repeating Australia's mistakes?' Policy Options, 25 Apr 2022

[27] Australian Competition & Consumer Commission, 'News media bargaining code', 2021

[28] Australian Competition & Consumer Commission, 'News media bargaining code', 2021

[29] BBC News, 'Facebook to pay News Corp for content in Australia', 16 Mar 2021

[30] Review of the News Media and Digital Platforms Mandatory Bargaining Code, PIJI, 2022

[31] Isabel Macdonald, 'Canada's Online News Act: Repeating Australia's mistakes?' Policy Options, 25 Apr 2022

[32] Finn McHugh, 'Your paper in peril', Canberra Times, 9 May 2022

[33] Aisha Majid, 'New ways to fund journalism - philanthropy: Big in the US, worth £55m since 2019 in UK', Press Gazette, 13 May 2021

[34] Making Waves: Byline Times in the News

[35] About us: The Bristol Cable

is a limit to the sustainability of these sources for independent outlets as they grow and/or proliferate.

Rather than a return to the commercial model of advertising finance, a blend of models are now in play which need to be supported by the public and the government alike. The centering of PIJ's importance as a public good, and the socio-economic choices made to uphold this, will be a key decider for the future sustainability of a meaningful news industry.

*[A]dvertising revenue alone will seldom be enough to support extensive in-depth journalism. That will require diverse sources of income, above all from sales and subscriptions, but also from membership schemes, events, philanthropy and in some cases – local journalism included – even central government support.[36]*

## Work and Labour Issues

### “Elite Jobs”

Staff jobs for journalists are few, and therefore competitive, in the UK. Salaries are low for journalists overall, let alone those doing PIJ. However, executive pay, and the salaries of high-profile presenters and columnists, can be wildly out of step with this[37]; therefore public perception of the average journalist's salary is likely to be out of touch.

Data gathered by Journo Resources shows that, across the board, salaries for journalists rarely meet the UK average (~£31,772 at time of writing[38]) until they reach mid- to late-career editor positions[39]. Outside London, especially in rural areas, salaries are universally low and, in the context of an entry level job for a single parent, would mean living near the poverty line[40].

As described by Joel Mathis in *The Week*, many criticisms of ‘the media’ centre around ‘elite’ journalists in metropolitan cities:

[36] Donald MacKenzie · *Blink, Bid, Buy*, London Review of Books, 12 May 2022

[37] Karl McDonald, ‘BBC pay 2021’, iNews, 6 Jul 2021; Dominic Ponsford, ‘The 42 BBC journalists paid more than £150,000 a year’, Press Gazette, 19 Jul 2017; Mikey Smith, ‘Boris Johnson gets paid £2,291 an hour as columnist on top of MP and Mayor salary’. Mirror Online, 29 Jun 2015

[38] Office for National Statistics, *Employee earnings in the UK: 2021*

[39] Journo Resources, ‘Journalism Salaries: How Much Are Journalists Paid?’

[40] Trust for London, ‘Poverty definitions and thresholds’ (A poverty line income for a single parent with one child is ~£16,400; an entry-level journalist's salary is ~£15,000-21,000)

*The people who report your local news are probably good at what they do, but they're hardly elite. It is more likely they are your neighbor – sending their kids to local schools, buying groceries in the same stores you do, and living day-to-day in the same conditions about which they report. [...] They are, for the most part, working stiffs – more likely than most Americans to have graduated from college, yes, but without the same financial compensation as other college grads.[41]*

Financial and security benefits for on-staff journalists are generally superior to those for freelancers, but the cycles of buy-out > budget cuts > redundancies seen over the last decade mean they're becoming unreliable in-house also. A DCMS report showed that between 2007 and 2018 the number of working journalists in the UK dropped from 23,000 to 17,000[42] with cuts made by even the most successful companies, including Reach plc, the *Guardian*, the BBC and Archant. The pandemic resulted in a sudden slashing of hundreds more.

Given this context of ongoing job insecurity, freelance writer Anna Codrea-Rado has described the power imbalance between freelancers and publishers as “a David and Goliath situation”[43]. Errol Salamon’s research corroborates this, describing freelance journalists as a subsector of workers who may ‘self-exploit’ and ‘gift’ their work in the hope that they will eventually secure stable employment and a living wage. Workers may also find themselves stuck as ‘permalancers’: self-employed but asked to work full time hours for a single company, without the benefits of a permanent contract or the time to cultivate new clients[44].

In the context of 21st century ‘capitalist realism’[45], employers, and even some workers, frame this as an acceptable trade-off for the ‘luxury’ of securing ‘creative’ work. According to labour reporter Sarah Jaffe:

*...the “love what you do” principle supports the exploitation and devaluation of labour, as well as cutting back on social protection and welfare guarantees. [...] Instead of journalism, for instance, being considered a public service – that is, every town has a newspaper, and local journalists are going to be from that town, and they’re going to report on it, and they’re going to write about national politics through the lens of their local paper – it’s now people like me working in magazines, which are essentially luxury products.[46]*

The NUJ’s 2020 ‘Freelance Charter’ outlines a litany of required remedies to create a ‘Fair Deal for Freelancers’[47]. Currently underpaid, paid late (and occasionally not at all[48]), a lack of IP rights for one’s own work, and a lack of access to basic grievance procedures, health and safety procedures and legal protection; the Charter paints a picture of an exploited subsector of workers. The UK’s gig economy offers lower levels of sick pay, unemployment benefits,

[41] Joel Mathis, ‘[The sad decline of journalism](#)’, The Week, 8 Aug 2019

[42] Mediatique, [DCMS: Overview of the Press Market](#), 2018

[43] [Breaking News? The Future of UK Journalism](#), p54

[44] Lydia Smith, ‘[What is permalancing - and what are the pros and cons?](#)’ Yahoo Finance UK, 13 Jul 2020

[45] Mark Fisher, *Capitalist Realism*, Zero Books, 2009

[46] Natalia Savelyeva, ‘[The future sucks: why the work you love won't love you back](#)’, openDemocracy, 30 Apr 2021

[47] National Union of Journalists, ‘[Freelance Charter](#)’, 19 Nov 2020

[48] Tom Taylor, ‘[Why Is Getting Paid As A Freelancer So Darn Difficult?](#)’, Journo Resources, 12 Feb 2022

maternity and paternity leave, annual leave and even bank holidays.

*Though often criticised for the lack of secure hours [zero hours contracts] they offer workers, and the power they give employers to cancel shifts at the last moment, rarely are they considered in terms of the legal status they offer workers. Generally not classified as 'employees' but as 'workers', those on these contracts are likely to have significantly reduced access to workers' rights.[49]*

## Union Power

The NUJ has been operational for over a century, and claims to represent staff and freelance journalists in “most of the media companies in the UK and Ireland”[50]. Where the US has seen a boom[51] in unionisation over the last five years, this has been led by its many digital-first outlets, of which the UK has far fewer. This has meant a visible revitalisation of union organising in the US, as some journalists negotiate contracts for the first time.

In comparison, while the level of activity of the UK’s media unions may be less novel and thus less visible, gains continue to be made. In late 2021 the *Guardian*, which has a strong union, increased its freelance rates by around £16 per 1000 words (and again, by another £18 a few months later). The late 2021 raise was the *Guardian*’s first for freelancers in over a decade, however, demonstrating the rarity of success for UK-wide industrial pay wins[52]. The NUJ continues to successfully represent journalists in legal action[53], save jobs through industrial action[54], and campaign on issues that affect journalists and/or are in the public interest[55], but has not found success in addressing wider industrial issues such as compensation imbalances.

The VICE UK Union stands alone as a recent high-profile successful unionisation drive[56], and while no panacea, union organisation remains essential for workers in such a volatile industry.

*Since VICE management has yet to explicitly say so, we will: VICE LIVE has been cancelled, and our union is working hard to ensure members losing their jobs get fair severance packages. Media unions cannot prevent layoffs, but they can soften the blow. Organize your newsroom. [57]*

[49] Phil Jones, 'Workers' Rights for All', Tribune, 28 Apr 2022

[50] National Union of Journalists (NUJ): [About us](#)

[51] Sara Fischer, 'Record number of journalists unionize during Covid pandemic', Axios, 20 Apr 2021

[52] Freelance rates at the Guardian are currently £344.15 per 1000 words (as of 21 Apr 2022); waybackmachine demonstrates changes in snapshots from 2021, '22 and '13 on a page dating from 2010

[53] 'Press victory for freedom of speech in relation to sexual harassment allegations', NUJ, 26 May 2022

[54] 'Herald features writers' jobs saved', NUJ, 19 Apr 2022

[55] 'NUJ will fight to oppose privatisation of Channel 4', NUJ, 5 Apr 2022

[56] James Walker, 'Vice UK journalists win union recognition after months of negotiations', Press Gazette, 25 Jul 2019

[57] [Tweet](#) from @viceunion, 17 Apr 2019

This lack of deep worker empowerment in the industry arguably becomes self-perpetuating. Research by academics at City University found<sup>[58]</sup> that “the culture of job insecurity in the news industry has a limiting effect” on innovation as “those who believe their jobs are at risk are unlikely to change their practices”. Further:

*Employers hope new hires, seen as attuned to their generation’s news use and as offering fresh knowledge and insights, will be able to drive new journalism initiatives that can attract a younger audience and so improve the enterprise’s odds for economic sustainability.<sup>[59]</sup>*

## Conclusion

If the commercial and democratic issues of this particular landscape reflect broader trends in society, why should the media take precedence? Simply put, it is the most immediate path for the public to understand all other landscapes, particularly those otherwise hidden from view.

It is broadly true to say that a key driver of the economic crisis for news is a loss of advertising revenue as a result of changes in consumption. But another, quieter and equally significant driver is the response to those changes by government, newsrooms, and company owners.

The digital revolution has changed the way we consume news, with many online outlets competing for audiences by publishing their news without a paywall and removing the scrutiny of the editorial process in the ways news is created and shared with (and by) audiences. There are alternatives to the economic choices being made, but they require key industry-wide shifts.

[58] B. Ekdale et al, 'Newswork within a Culture of Job Insecurity: Producing News amidst Organizational and Industry Uncertainty', Journalism Practice 9(3), 2015

[59] M. Broersma & J. Singer, 'Caught between Innovation and Tradition: Young Journalists as Normative Change Agents in the Journalistic Field', Journalism Practice 15(6), 2021

# Action points

## Funding

- Launch a publicly-funded 'Institute for Public Interest News' to award grants for PIJ. This could be funded by an ongoing windfall tax, such as the Digital Services Tax suggested by the NUJ.
- Replace the television licence fee with a progressive license pegged to household council tax bands, so that wealthier people contribute more.

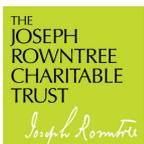
## Democracy

- Establish National and Regional Independent Media Councils to oversee management of funds, commissioning, and participation.
- Regular review of news coverage by Councils to assess its accuracy, public interest premise, and diversity of views and communities.

## Legal

- Require news organisations to join an independent regulator, such as IMPRESS, to ensure complaints are dealt with swiftly.
- An obligation for UK media companies to liaise with unions to address casualisation and precarious working conditions, so it's easier for people who aren't wealthy to work for them.
- Protect journalists by requiring contracts with conscience clauses, allowing them to refuse unethical assignments. The BBC and Channel 4 should be transparent about how they monitor their workers' social media profiles.
- Develop strong protections against further monopolisation of the news industry.
- Create a new legal structure for public interest news organisations that has some of the tax benefits of charities, on condition that they are effectively, independently regulated.

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