

[GB] Report with recommendations to ensure and promote public-interest news

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The findings of the Cairncross Review (“the Review”), chaired by Dame Frances Cairncross were published on 12 February 2019; it made nine recommendations for addressing two primary issues: (i) is the market in which publishers operate a fair one or has the growth of large online platforms, such as Google and Facebook, created distortions that justify government intervention? (ii) how should society continue to support the monitoring of, and reporting on, the activities of public bodies - not just central government, but also local councils, courts and inquests. The Review referred to this type of journalism as “public-interest news”.

The Review considered that public-interest news concerned accountability and was vital to the democratic process. Seismic changes had occurred within a short space of time as to how the majority of people (especially the young) read their news, with 78% going online, rising to 91% in the case of 18-to 24-year-olds. There was a move away from “bundled” news, whereby there was a mix of subjects giving a rounded analysis of what was happening in society. More readers were choosing focussed news covering one topic from one perspective, and there was an increasing absence of issues relating to local democracy. Between 2007 and 2017 the number of local newspapers had halved, while the number of fulltime journalists had fallen by over 25% to 17,000 in 2019.

There are nine recommendations that address the uneven balance between news publishers and online platforms. Firstly, it is recommended that new codes of conduct be established to rebalance the relationship between publishers and online platforms, with such codes being approved by a regulator; if necessary the regulator should have sufficient powers to ensure a fair economic and technological balance between online providers and news publishers.

The Review recommends that the Competition and Markets Authority investigate the online advertising market in order to determine its efficiency and effectiveness and whether any remedies are required. Currently, Google and Facebook have captured the majority of online advertising.

The third recommendation is that online platforms should improve the “news experience” and that any improvements should be subject to regulatory

supervision. Such regulation would consider the reliability and trustworthiness of news sources. Initially, the regulator would gather information rather than impose rules and sanctions.

As a fourth recommendation the Review recommends that the Government develop a media literacy strategy in collaboration with Ofcom, whereby news publishers, online platforms and other interested parties identify gaps and opportunities in media literacy.

It is recommended that Ofcom explore the BBC's market impact and determine whether the BBC could do more to assist local publishers - for instance, by sharing its technical and digital expertise. It should also assess whether BBC News Online is striking the right balance between aiming for the widest reach for its own content on the one hand and driving traffic from its online site to commercial publishers (particularly local ones) on the other. It is also recommended that the Government launch a new fund that would focus on innovations aimed at improving the supply of public-interest news, to be run by Nesta (The Innovation Foundation) in the first instance, and in due course by the proposed Institute for Public Interest News (see below) to help improve the supply of public-interest news).

The seventh recommendation concerns the introduction of new forms of tax relief aimed at encouraging payment for online news content and the provision of local and investigative journalism. The current tax regime dissuades publishers from developing online payment mechanisms. The review also recommends that government gives priority to exploring the development of a form of tax relief, ideally under the Charities Act but if necessary along the lines of the Creative Sector reliefs, to support public-interest journalism.

The Review's eighth recommendation is that direct financial support be provided to encourage the extension of the Local Democracy Reporting Service currently managed by the BBC; in due course such funding should be conducted or shared with the proposed Institute for Public Interest News.

The ninth recommendation concerns the creation of a body to be known as the Institute for Public Interest News in order to ensure the sustainability of public-interest news. The body would work with news publishers, online publishers, the BBC, Nesta and academic institutions. As an organisation, it should be free of political and commercial obligations, but serve as a centre of excellence and good practice. Furthermore, it would collaborate with other institutions to improve the accessibility and increase the readership of quality news online. Should new business models fail to sustain public interest reporting (including reporting on local democracy), then the proposed Institution could steer finances to the most "worthy" local news gatherers.

The Review recognised that not all new business models support public-interest journalism, even though they support other types of quality journalism.

The preservation and increased supply of public-interest news requires funding that is not under the direct control of government but is regulated by an independent body to help ensure a healthy democracy.

The Cairncross Review: A Sustainable Future for Journalism, 12th February 2019

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