

HOUSE OF LORDS

Communications and Digital Committee

1st Report of Session 2024–25

The future of news

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Q in footnotes refers to a question in oral evidence.

EXECUTIVE SUMMARY

The future of news matters. The media sector has defied the gloomiest predictions of the last 15 years and some audiences are better served than ever before. The UK's press offers a healthy variety of viewpoints, broadcasters play an anchoring role, and online outfits are springing up offering unprecedented choice of formats and perspectives. However, many indicators about the future are not encouraging. Trust has fallen and news avoidance is rising. Key revenue streams are declining and will not return. Efforts to silence investigative reporting continue. AI is starting to reshape the nature of internet search and the concept of authoritative information.

The value of honest, accurate and informative news remains as significant as ever—perhaps increasingly so as domestic challenges multiply and the geopolitical context worsens. But importance does not guarantee survival. The outlook for some areas is particularly poor. Local journalism faces long term decline. Several mass market news outlets are following suit. News deserts have been growing. Some audiences are turning away from mainstream news; a growing number are embracing dubious online sources. Others switch off altogether.

Our inquiry left us with no illusions about the stakes: the period of having informed citizens with a shared understanding of facts is not inevitable and may not endure.

The risk of a 'two tier' media environment is a particular problem. Current trends suggest that a few large media brands and small niche outlets have a viable financial future: news aficionados will be well catered for (particularly those who are prepared to pay). But a growing proportion of the population risks becoming increasingly poorly served as the economics of mass market journalism worsen, unreliable online sources proliferate and 'anchor' institutions like the BBC struggle to ensure their reporting takes account of and reflects the underlying causes of socio-political realignments.

This is not a hypothetical worry: the contours of this scenario are already apparent. If current trends continue, the gap between those consuming professional journalism and those who do not will widen at pace. There is a realistic possibility of the UK's news environment fracturing irreparably along social, regional and economic lines within the next 5–10 years. The implications for our society and democracy would be grim.

Further technological disruption is likely to have a significant influence on this trajectory. Not all change is bad and many of the impacts are overhyped: doom-laden prophecies of imminent sector-wide collapse are overblown.

Some trends are however worrying. The consolidation of power among the world's pre-eminent tech firms is leading to unprecedented influence over the information we see. AI models can already produce passable news summaries and answer politically sensitive questions. These advances are starting to upend news media business models and change the way people find information. Some news organisations will receive prominence and money from these emerging AI-powered services; others will not. We have deepening concerns about the implications for media plurality, and the way these developments will compound the shift towards a two tier media environment.

The Government's role in supporting the future of news is complex. It must avoid a policy of managed decline but this is easier said than done. The Government cannot compel people to engage with the news, and well-meaning financial support risks doing more harm than good by undermining media independence. Much of the work needs to be led by industry itself to ensure audience needs and expectations are well served.

The Government's task is to establish the conditions that enable the sector to stand on its own feet and survive a protracted period of technological turbulence. Doing so will involve decisions which will not please everybody: the Government will need to confront tech firms and disappoint some parts of the media sector alike.

We recommend the following:

- **Strike a balance:** There is good scope for structural changes that benefit the media sector, such as tackling competition issues. At the same time we caution against schemes that risk overreach, such as Government-endorsed kitemarks for 'quality' news, or well-meaning interventions that end up picking winners in ailing markets.
- **Support local media:** tax breaks for hiring local journalists, training schemes and an expanded Local Democracy Reporting Service would all help local newsroom finances without creating undue distortions. Changes to the use of local authority advertising spend should also be explored, though with caution.
- **Encourage innovation:** the UK has good accelerator schemes to boost innovation elsewhere. The news sector needs one too. We're calling for a Future News catalyst scheme to help media organisations experiment with technology to transition to more sustainable business models.
- **Champion responsible AI:** the unauthorised use of news content to train AI is deeply controversial. We firmly support AI development, but not at all costs. Previous efforts to mediate between tech firms and creative rightsholders have been tepid and inadequate. The Government must update legislation to align incentives between news providers and AI firms and help them strike mutually beneficial deals. Changes must include a transparency mechanism to let rightsholders check for infringements, much better technical and legal enforceability, and measures to support a new market in responsible AI training data.
- **Take competition issues seriously:** the Competition and Markets Authority should investigate allegations of anti-competitive practice by big tech firms acquiring AI training data. Updates to Ofcom's rules on media plurality and investigation powers should account for tech firms' growing influence in their ability to produce news content through generative AI summaries.
- **Public service broadcasters:** the Government should use the Charter renewal discussions to refresh the BBC's role and mission—including explicit objectives relating to local news which crowd in the commercial sector, rather than crowding it out.

- **Remain proportionate on mis/disinformation:** measures to protect the health of the information environment are key but must not undermine confidence in free speech or fuel public distrust. We caution against overreliance on technical fixes (such as labelling and watermarks). More effort is needed on long-term resilience, muscular use of cyber power to deter adversaries and scaled up media literacy programmes.
- **Tackle SLAPPs:** investigative journalists continue to face legal intimidation and security risks. New legislation is needed, alongside stronger regulatory fining powers and better protections against transnational security threats.

The future of news

CHAPTER 1: THE STAKES

1. The future of news is mixed. Trust across the world is low, news avoidance is rising and a growing share of audiences are turning away.¹
2. We found some reasons for optimism. The UK has a vibrant press, numerous TV and radio broadcasters and a range of online outlets.² The value of news in holding power to account and informing public debate remains as important as ever.³
3. The importance of news to society does not guarantee commercial viability or audience engagement though.⁴ Informed citizens with a shared understanding of basic facts are not inevitable. Current trends suggest that some parts of the news system are doing well, while others face inexorable decline. There is a realistic possibility of the media environment fracturing along social, geographic, economic and political lines within the next five to ten years. This phenomenon may be amplified by the gradual fragmentation of the internet itself into open and closed domains and competing regulatory blocs.⁵
4. Some argue that the media sector is best left to its own devices. Others believe that decisive intervention is needed to save a pillar of our democracy from collapse.
5. We launched this inquiry in February 2024 to examine what should be done over the next five years.⁶ We did not find any silver bullet solutions and do not believe they exist. Industry and policymakers do have options though. This report addresses questions about the appropriate extent and limits of policy intervention, measures to address the influence of technology platforms, the potential bifurcation of the information environment, and the long-term—possibly irreversible—consequences of failure.
6. We heard from 51 expert witnesses and reviewed over 600 pages of written evidence. We visited ITN's offices in London and a delegation visited San Francisco where we met senior executives at OpenAI, Apple, Google, Meta, Andreessen Horowitz, Scale AI, Perplexity, Mozilla, Smart News, Reddit, and various media organisations including the San Francisco Chronicle, the FT, Bloomberg, CalMatters, the Markup and Cityside Journalism. Notes of those visits are included in Appendix 4. We are grateful to all those who participated in our inquiry.

1 Reuters Institute for the Study of Journalism, *Digital News Report 2024* (July 2024), pp 26-27: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2024-06/RISJ_DNR_2024_Digital_v10%20lr.pdf [accessed 6 November 2024]

2 [Q 139](#) (Robert Colvile)

3 A.G. Sulzberger, 'Journalism's Essential Value' (24 May 2023): <https://www.nytc.com/press/journalisms-essential-value/> [accessed 1 September 2024]

4 [Q 137](#) (Professor Rasmus Kleis Nielsen)

5 Appendix on Committee visit to San Francisco; written evidence from Impress ([FON0041](#)), NewsNow Publishing ([FON0051](#)) and News Media Association ([FON0056](#))

6 The 2024 General Election took place during the course of our inquiry. Some of the written evidence quoted from the Government is from the previous administration. We held our oral evidence session with Ministers from the current Government on 15th October 2024.

Inquiry scope

7. James Bennet, Senior Editor at The Economist, noted that definitions of news tend to expand in line with technological capabilities. The rise of online commentators and media has for example widened the concept of news and changed the way it is created, distributed, consumed and monetised.⁷ The primary focus of our inquiry aligned broadly with the idea of public interest news set out in the 2019 Cairncross Review.⁸ We interpret this notion to include a broad range of honest, accurate and informative news reflecting the plurality of viewpoints offered by the UK's media landscape.
8. Our use of the concept 'public interest news' does not imply that other topics (like leisure or celebrity lifestyle) are unimportant. However, public interest news can be subject to market failure, which in turn creates democratic deficits that are a legitimate topic for policymakers' concern. Nor was the intent of our inquiry to simply restate the value of establishment institutions and content often associated with the BBC and upmarket broadsheets. Alongside national and local papers, TV broadcasters and radio, we considered online startups, freelancers, podcasters, news aggregators, social media platforms and AI firms.

Focus

9. Our report focuses on the following issues:
 - Chapter 2 examines the case for action and limits of appropriate intervention.
 - Chapter 3 examines financial sustainability and options to help the media sector survive the transition to new business models.
 - Chapter 4 examines the impact of technology platforms and the discoverability of information online.
 - Chapter 5 examines generative AI in more detail, focusing on competition, media plurality and copyright.
 - Chapter 6 examines the adequacy of service provision and trust, concerns about fragmentation, and due impartiality in broadcast news.
 - Chapter 7 examines responses to mis/disinformation and the tensions around safeguarding free speech.
 - Chapter 8 examines abuses of the legal system that are used to silence journalists from publishing critical stories about powerful individuals and institutions.

7 [Q 2](#). See also [Q 10](#) (Paul Lee), [Q 146](#) (Professor Rasmus Kleis Nielsen)

8 These include a) high-quality journalism, which is a "subjective concept that ... must be truthful and comprehensible and should ideally ... be edited."; b) investigative journalism, which typically involves investigations into abuses of power; and c) democracy reporting, which is coverage of public policy and government work at both a national and local level. See Dame Frances Cairncross, *The Cairncross Review: A sustainable future for journalism* (February 2019), pp 14–17: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 1 September 2024]

CHAPTER 2: THE CASE FOR ACTION AND ITS LIMITS

The value of news

Domestic

10. We noted six persuasive arguments about why the fate of news deserves policy attention. First, news journalism holds power to account, and deters improper conduct through the risk of public exposure. Second, news outlets enable two-way conversations between leaders and the public. This is particularly important in times of political tension, crisis or war.⁹
11. Third, news reporting supports democracy. The decline in numbers of local journalists is associated with subsequent declines in reporting on local institutions, falling civic engagement and lower voter turnout.¹⁰ We note this is particularly pertinent given successive governments' interest in devolving power locally. Fourth, a vibrant press which maintains a shared understanding of facts is a key defence against foreign states seeking to undermine public trust or influence opinion.¹¹
12. Fifth, news investigations benefit public policy and expenditure. One US study found that each dollar spent on investigative journalism generated hundreds of times that in societal benefits from the resulting policy, personnel, industrial and legal changes.¹² Other studies have found a causal relationship between the closure of a local newspaper and higher public sector borrowing costs, wage bills and contracting expenses.¹³ Sixth, high quality news outlets boost UK soft power.¹⁴ The BBC, *The Mail* and *The Guardian* are among the top US news sites, for example.¹⁵

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- 9 A.G. Sulzberger, 'Journalism's Essential Value' (24 May 2023): <https://www.nytc.com/press/journalisms-essential-value/> [accessed 1 September 2024]
 - 10 Rachel Howells, *Journey to the centre of a news black hole: examining the democratic deficit in a town with no newspaper* (June 2015): <https://orca.cardiff.ac.uk/id/eprint/87313/1/2016howellsrphd.pdf> [accessed 14 November 2024]; Sam Schulhofer-Wohl and Miguel Garrido, *Do Newspapers Matter? Short-run and Long-run Evidence from the Closure of The Cincinnati Post*, NBER Working Paper No. 14817 (December 2011): <https://www.nber.org/papers/w14817.pdf> [accessed 14 November 2024]
 - 11 Carnegie Endowment for International Peace, *Countering Disinformation Effectively* (2024): https://carnegie-production-assets.s3.amazonaws.com/static/files/Carnegie_Countering_Disinformation_Effectively.pdf [accessed 1 September 2024]
 - 12 James T. Hamilton, *Democracy's Detectives* (Harvard University Press 2018) <https://www.hup.harvard.edu/books/9780674986817> [accessed 14 November 2024]
 - 13 Vivien Lee and David Wessel, 'How closures of local newspapers increase local government borrowing costs', *Brookings* (July 2018): <https://www.brookings.edu/articles/how-closures-of-local-newspaper-increase-local-government-borrowing-costs> [accessed 22 October 2024]; Pengjie Gao, Chang Lee, Dermot Murphy, *Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance* (October 2018): <https://www.brookings.edu/wp-content/uploads/2018/09/WP44.pdf> [accessed 13 November 2024]
 - 14 UK Soft Power Group, *The Future of UK Soft Power: Building a Strategic Framework*: https://www.ed.ac.uk/sites/default/files/atoms/files/the_future_of_uk_soft_power_-_building_a_strategic_framework.pdf [accessed 1 September 2024];
 - 15 Press Gazette, 'Top 50 news sites in the US' (10 October 2024): https://pressgazette.co.uk/media-audience-and-business-data/media_metrics/most-popular-websites-news-us-monthly-3/ [accessed 6 November 2024]

Global

13. The international context also matters. The World Press Freedom Index suggests that press freedoms are now partly or completely blocked in over 70 per cent of its ranked countries.¹⁶
14. As the global balance of power shifts eastwards, talk is growing of an alternative to the US-led international order underpinned by liberal democracy and the free flow of information.¹⁷ China's rise poses an “epoch-defining challenge” to our values and security.¹⁸ TikTok's disruption of US social media dominance has already generated unease. Similar trends may emerge in the AI race, handing more influence to states seeking to shape opinion and stifle criticism.¹⁹ Media organisations will have a vital role to play in defending freedom of expression, holding Government to account for addressing global challenges, and ensuring that all sectors of society have a voice in these debates.

A balanced outlook

15. Following the evidence we took, our hope for the news sector is relatively straightforward: an independent, commercially sustainable, competitive, trusted, relevant and dynamic ecosystem that delivers the outcomes summarised above.
16. Some contributors had limited optimism about this direction of travel. Others were more circumspect. Andrew Neil, (then) Chairman of *The Spectator*, urged us to avoid overly gloomy evaluations.²⁰ Many of the changes we examined had both positives and negatives. John Quinlan, Chief Executive Officer of Joe Media Group, noted that social media had disrupted many businesses but also enabled his organisation to reach 7 billion views.²¹ David Dinsmore, Chief Operating Officer at News UK, gave another example about the acceleration of online information flows. On the one hand this creates an overabundance and overload. Equally, it underscores the enduring value of good journalism: “everyone has hold of the facts at any time, but people want to know what it means for them”.²² In short, we heard that a changing news landscape should not be conflated with its imminent demise.

The role of Government: don't be evil

17. We heard contrasting views about the appropriate role of Government. Mr Neil offered a concise analysis: [Government] “should stay the hell out of it.

16 Reporters Without Borders, ‘2024 World Press Freedom Index’: https://rsf.org/en/2024-world-press-freedom-index-journalism-under-political-pressure?year=2024&data_type=general [accessed 6 November 2024]

17 See for example Foreign Affairs, ‘China's Alternative Order’ (April 2024): <https://www.foreignaffairs.com/china/chinas-alternative-order-xi-jinping-elizabeth-economy> [accessed 17 September 2024]; Foreign Affairs, ‘The Dysfunctional Superpower’ (September 2023): <https://www.foreignaffairs.com/united-states/robert-gates-america-china-russia-dysfunctional-superpower> [accessed 1 September 2024]

18 HM Government, *Integrated Review Refresh*, CP 811, (2023): https://assets.publishing.service.gov.uk/media/641d72f45155a2000c6ad5d5/11857435_NS_IR_Refresh_2023_Supply_AllPages_Revision_7_WEB_PDF.pdf p 6 [accessed 1 September 2024]

19 Carnegie Endowment for International Peace, ‘China's Views on AI Safety Are Changing—Quickly’ (27 August 2024): <https://carnegieendowment.org/research/2024/08/china-artificial-intelligence-ai-safety-regulation?lang=en> [accessed 17 September 2024]

20 [Q 115](#)

21 [Q 122](#) (John Quinlan). See also [Q 72](#) (Sam Shetabi, Tom Cheal)

22 [Q 42](#)

You do not know anything about it. You are only trouble”.²³ James Harding, Co-founder and Editor of Tortoise Media, was more sceptical of the “laissez-faire argument ... I do not want to see another 25 years where we do not do anything”.²⁴

18. The Media Act 2024, Online Safety Act 2023 and Digital Markets, Competition and Consumers Act 2024 will likely make some difference.²⁵ Smaller changes like tax reliefs on digital publications and office space for local newspapers have also helped.²⁶ Professor Rasmus Kleis Nielsen, (then) Director of the Reuters Institute for the Study of Journalism, thought that wider media policy had however been “more characterised by inaction than by action”.²⁷
19. Stephanie Peacock MP, Minister for Sport, Media, Civil Society and Youth at the Department for Culture, Media and Sport, said that the new Government’s approach would provide the “correct framework” to support the sector—recognising its societal and financial value while respecting the “fine line” between over- and under-engagement.²⁸
20. We believe three principles should inform this approach. First is balance: too much government engagement risks market distortions and cronyism, while too little risks accepting inexorable decline.²⁹ Second, and relatedly, is independence. Robert Colvile, Director of the Centre for Policy Studies, argued that the media’s responsibility for holding Government to account meant that the threshold for support should be “extremely high”.³⁰
21. Third is the importance of objective market-orientated measures. As Professor Nielsen emphasised, policy interventions can be “effective when they work with public demand and/or market forces, and they can be expensive failures when they work against”.³¹
22. These principles indicate substantial scope for well-meaning interventions to go wrong.³² Professor Singer, Professor Emerita of Journalism Innovation at City, University of London, argued that Government must allow news organisations to fail, and resist “propping up something for which there is no demand”.³³ Fraser Nelson, then editor of *The Spectator*, stressed that Government must not take views on what is “good quality, or worth paying for”.³⁴ Professor Nielsen cautioned against schemes aimed at improving the “plurality of viewpoints” as they might generate “all sorts of unfortunate levers ... to pressure independent media”.³⁵

23 [Q 119](#)

24 [Q 131](#)

25 [Media Act \(2024\)](#), [Online Safety Act \(2023\)](#), [Digital Markets, Competition and Consumers Act \(2024\)](#)

26 Written evidence from DCMS ([FON009](#))

27 [Q 137](#)

28 [Q 164](#) (Stephanie Peacock MP)

29 [Q 135](#) (Professor Rasmus Kleis Nielsen), [Q 139](#) (Professor Jane Singer)

30 [Q 135](#) (Robert Colvile)

31 [Q 135](#) (Professor Rasmus Kleis Nielsen)

32 [Q 16](#) (James Bennet)

33 [Q 137](#)

34 [Q 15](#)

35 [Q 136](#) (Professor Rasmus Kleis Nielsen)

23. Supporting trust in news is another minefield. We found little consensus on the drivers and consequences of trust, or the best remedies.³⁶ Some of our contributors highlighted the contested roles of the press oversight bodies (the Independent Press Standards Organisation, and Impress).³⁷ Jonathan Levy, Managing Director and Executive Editor of Sky News, argued that it was not “the Government’s job to confer trust on journalism”.³⁸ Even seeking industry insight may be tricky: as we explored ideas for a policy forum (comparable to the Creative Industries Council), Professor Nielsen believed this risked giving the impression of a “cartel”,³⁹ while Mr Colvile thought it might generate a “class of privileged insiders”.⁴⁰
24. This all suggests that industry itself must address issues around quality, trust, business models and consumer engagement. We heard more consistent support for Government action on structural and systemic issues, such as anti-competitive practices by tech firms, barriers to innovation, and distortions in the legal framework which are exploited to stifle critical reporting.⁴¹
25. **There are powerful economic, democratic and foreign policy arguments for supporting the future of honest, accurate and informative news. Although the value of news is clear, its prospects are not. The Government’s task is to establish the conditions that enable UK media to stand on its own feet and ensure that public service broadcasters are able to thrive. The Government should focus on sector-wide structural changes which drive innovation while maintaining media independence. Any interventions must also work with market trends, not create artificial demand.**

36 [Q 22](#) (Professor Charlie Beckett, James Frayne, Douglas McCabe), [Q 41](#) (Anna Bateson), [Q 135](#) (Professor Singer), [Q 139](#) (Robert Colvile)

37 Written evidence from IMPRESS ([FON0041](#)), Media Reform Coalition ([FON0029](#)), see also written evidence from Professor Steven Barnett ([FON0052](#))

38 [Q 94](#)

39 [Q 139](#) (Professor Rasmus Kleis Nielsen)

40 [Q 139](#) (Robert Colvile)

41 [Q 44](#), [Q 135](#), [QQ 131–133](#)

CHAPTER 3: FINANCIAL HEALTH

26. The financial outlook for news is challenging.⁴² The first part of this chapter provides a brief sector overview. The second part evaluates response options.⁴³

Overall picture

27. Audiences continue to shift online and away from print, radio and traditional (linear) TV broadcast.⁴⁴ Many news outlets have followed them, often funding their online services through digital advertising. But recent market changes and shifting priorities among some big tech platforms have led to major declines in such revenue streams.⁴⁵ At the same time, production and distribution costs have risen as audiences increasingly expect content in different formats across multiple platforms.⁴⁶ Carrying out quality investigations is also becoming less economical.⁴⁷
28. The charts below illustrate these developments. Figure 1 shows the growth of online and social media as news sources. Table 1 suggests that advertising spend in 2023 was down across TV, radio, magazines, and national and regional newspapers, with further declines forecasted for all but radio and TV. Figure 2 shows that fewer people are clicking through to news websites from Facebook, which in turn impacts news websites' ability to sell digital advertising.

42 Department for Culture, Media and Sport, *Press Sector Financial Sustainability* (May 2021), p 5: https://assets.publishing.service.gov.uk/media/627292f3d3bf7f0e74602929/DCMS_Economic_Insight_final_report.pdf [accessed 18 July 2024]

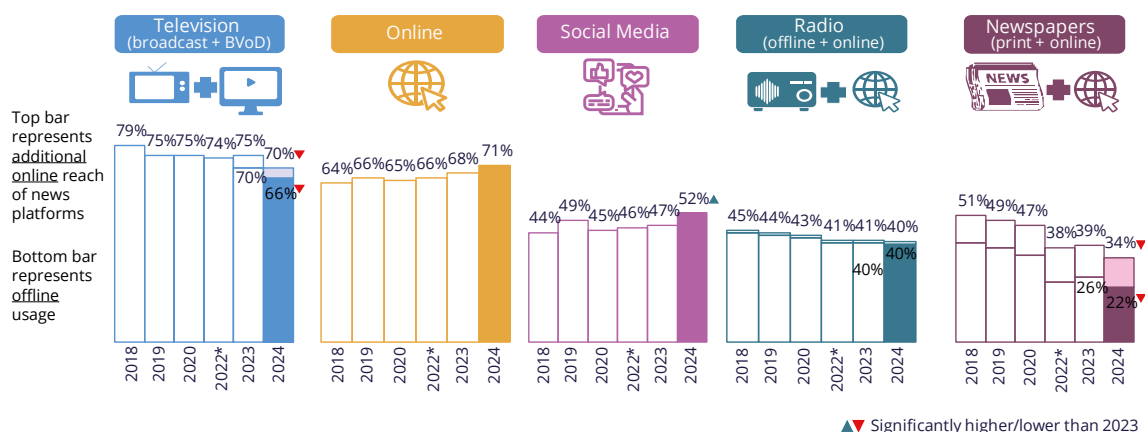
43 Our review builds on a range of previous works. See for example Communications and Digital Committee, *Breaking News? The Future of UK Journalism* (1st Report of Session 2019–21, HL Paper 176); Dame Frances Cairncross, *The Cairncross Review: A sustainable future for journalism* (February 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review.pdf [accessed 14 November 2024]; Scottish Public Interest Journalism Working Group, 'Scotland's news: towards a sustainable future for public interest journalism' (November 2021): <https://www.gov.scot/publications/scotlands-news-towards-sustainable-future-public-interest-journalism/> [accessed 13 November 2024]; Wales Public Interest Journalism Working Group, *Of and For Wales: Towards a Sustainable Future for Public Interest Journalism* (July 2023): <https://www.gov.wales/sites/default/files/publications/2023-08/of-and-for-wales-towards-a-sustainable-future-for-public-interest-journalism.pdf> [accessed 13 November 2024]; House of Commons Culture, Media and Sport Committee, *Sustainability of local journalism* (7th Report of Session 202–23) HC 153

44 Ofcom, *News consumption in the UK: 2024* (September 2024) p 5: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2024/news-consumption-in-the-uk-2024-report.pdf> [accessed 13 November 2024]

45 Q 35 (Peter Wright). See also 'AA/Warc: Adspend further consolidates online as traditional channels suffer', *The Media Leader* (25 April 2024): <https://the-media-leader.com/aa-warc-adspend-further-consolidates-online-as-traditional-channels-suffer/> [accessed 14 November 2024]

46 Q 35 (Anna Bateson, Jon Slade). See also Ofcom, *Review of Public Service Media: Terms of Reference* (September 2024), p 3: <https://www.ofcom.org.uk/siteassets/resources/documents/public-service-broadcasting/information-for-industry/statement-public-service-media-review---terms-of-reference/statement-public-service-media-review---terms-of-reference.pdf> [accessed 13 November 2024].

47 See for example written evidence from Dr Steven Buckley (FON0001), Reach (FON0065). See also Q 139 (Robert Colville), Q 133 (James Harding).

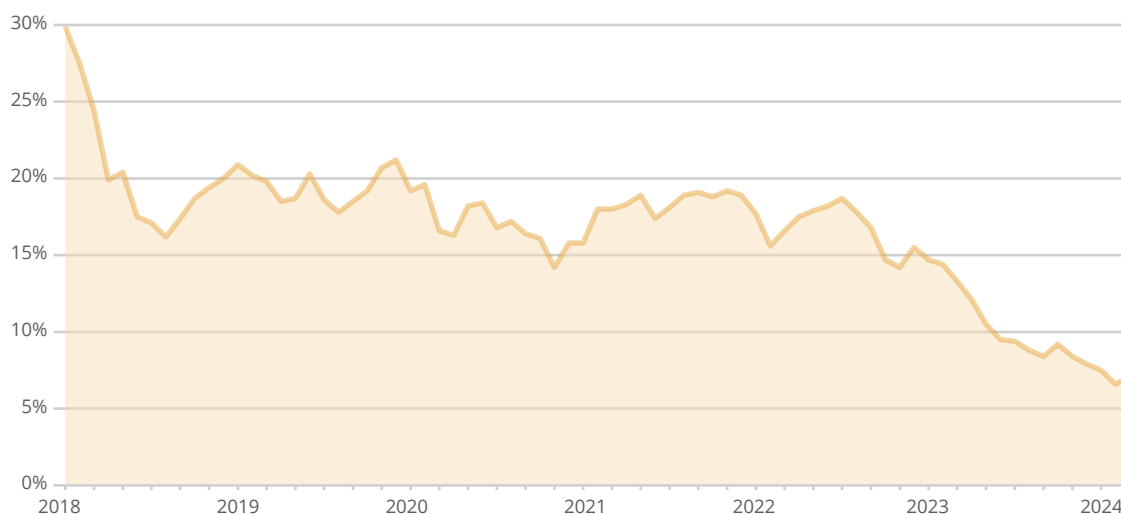
Figure 1: Main platforms used for news

Source: Ofcom, *News consumption in the UK: 2024 (September 2024)* p 5: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2024/news-consumption-in-the-uk-2024-report.pdf> [accessed 23 October 2024]

Table 1: UK advertising expenditure

	Q4 2023		2023		2024(f)		Latest vs last	2025(f)	
	Adspend	% change	Adspend	% change	Adspend	% change		Adspend	% change
Search	3,699.7	12.9%	14,705.0	11.9%	16,015.7	8.9%	+0.2pp	17,042.9	6.4%
Online display	3,449.6	13.2%	12,925.1	11.3%	13,748.3	6.4%	-1.0pp	14,505.3	5.5%
TV	1,426.0	-9.2%	4,900.0	-8.9%	5,028.2	2.6%	+1.2pp	5,073.8	0.9%
of which broadcaster VOD	276.1	15.9%	979.6	15.9%	1,117.3	14.1%	-0.5pp	1,240.4	11.0%
Out of home	396.0	14.4%	1,295.3	9.7%	1,389.1	7.2%	-0.1pp	1,466.9	5.6%
of which digital	266.8	18.1%	841.3	12.2%	921.0	9.5%	+0.7pp	988.5	7.3%
Online classified	285.3	8.2%	1,080.8	-2.7%	1,074.7	-0.6%	+2.9pp	1,090.6	1.5%
Direct mail	276.7	-5.4%	956.7	-12.6%	909.5	-4.9%	+0.5pp	879.1	-3.3%
National newsbrands	224.9	-5.7%	773.5	-6.2%	747.8	-3.3%	-1.7pp	732.3	-2.1%
of which digital	101.0	-5.5%	352.8	-5.8%	350.0	-0.8%	-2.9pp	352.9	0.8%
Radio	202.4	0.3%	715.5	-3.3%	731.7	2.3%	+0.2pp	743.1	1.6%
of which digital	19.8	-12.3%	72.2	-7.1%	77.6	7.5%	-0.5pp	80.7	4.1%
Magazine brands	124.8	-13.5%	503.3	-9.1%	477.7	-5.1%	-4.0pp	474.0	-0.8%
of which digital	65.1	-19.7%	260.8	-13.7%	248.4	-4.8%	-7.1pp	253.2	2.0%
Regional newsbrands	115.4	-6.8%	454.2	-10.1%	439.1	-3.3%	-0.8pp	430.4	-2.0%
of which digital	61.3	-7.7%	239.4	-7.6%	235.4	-1.7%	-2.8pp	235.9	0.2%
Cinema	69.0	-16.2%	219.9	-4.2%	225.5	2.5%	-2.1pp	230.4	2.2%
TOTAL UK ADSPEND	9,746.4	7.4%	36,624.3	6.1%	38,758.5	5.8%	-0.1pp	40,505.7	4.5%

Source: AA/WARC, 'Expenditure Report' (April 2024), p 7: <https://www.warc.com/about-media/expenditure-report> [accessed 23 October 2024]

Figure 2: Facebook referrals since 2018

Source: Press Gazette, 'Facebook's referral traffic for publishers down 50% in 12 months', (May 2024): https://pressgazette.co.uk/media-audience-and-business-data/media_metrics/facebooks-referral-traffic-for-publishers-down-50-in-12-months/ [accessed 23 October 2024]

29. Douglas McCabe, CEO of Enders Analysis, told us that print newspaper circulation “has gone from 8 million copies per day to well under 3 million copies per day ... that rate continues apace”.⁴⁸ Peter Wright, Editor Emeritus at DMG Media, said that national newspapers were adapting to survive.⁴⁹ Tactics include focusing on digital subscribers, bundling supplements with news, brand-building via podcasts, international expansion, events and much more.⁵⁰ National papers have added 2 million additional subscribers (print and digital) since the pandemic,⁵¹ though this does not mean that everyone benefits: the Reuters Institute for the Study of Journalism has cautioned about a “winner takes most” market, as the majority of subscribers pay only for one publication.⁵² In 2023 The Telegraph and The Times alone accounted for 41 per cent of all UK news subscriptions.⁵³
30. The fate of local news is a longstanding concern.⁵⁴ Advertising revenues for local publishers fell by 70 per cent between 2010 and 2020 alone.⁵⁵ Local media outlets have struggled to find an appropriate response, creating a cycle of revenue losses and financial insecurity which hampers investments in the

48 [Q 32](#) (Douglas McCabe), *Enders Analysis, UK national news industry - Green shoots of recovery* (January 2024), p 3: <https://www.endersanalysis.com/reports/uk-national-news-industry-green-shoots-recovery> [accessed 13 November 2024]

49 [Q 35](#) (Peter Wright)

50 Reuters Institute for the Study of Journalism, 'Journalism, media and technology trends and predictions 2024': <https://reutersinstitute.politics.ox.ac.uk/journalism-media-and-technology-trends-and-predictions-2024#header--5> [accessed 19 July 2024]; Appendix 4.

51 [Q 32](#) (Douglas McCabe). *Enders Analysis, UK national news industry - Green shoots of recovery*, p 3

52 Reuters Institute for the Study of Journalism, *Paying for news: Price-conscious consumers look for value amid cost-of-living crisis* (September 2023) p 14: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2023-09/Newman_and_Robertson_Paying_for_News.pdf [accessed 13 November 2024]

53 *Ibid.*

54 [Q 10](#) (Paul Lee), [Q 32](#) (Douglas McCabe), [Q 48](#) (David Higgerson, Henry Faure Walker), [Q 115](#) (Andrew Neil), [Q 139](#) (Professor Rasmus Kleis Nielsen)

55 See also Digital, Culture, Media and Sport Committee, *Sustainability of local journalism*, para 16

type of innovation needed to adapt.⁵⁶ Local TV has also faced challenges as audiences move online.⁵⁷

31. According to the Public Interest News Foundation (PINF), 4.1 million UK residents live in a “local news desert”, defined as “a local authority area that has no dedicated local news outlet, whether print, online, radio or TV”.⁵⁸ Reach, a local and national news conglomerate, contested the PINF’s definition of a “news desert” as outdated and too narrow, and warned against “misleading” representations of the sector.⁵⁹ Reach also told us that journalists face barriers reporting on local democracy, citing an instance where journalists were asked by the police to sign non-disclosure agreements.⁶⁰
32. While some promising models have emerged, the local news market has seen mass consolidation.⁶¹ Opinion remains divided about the merits: local news conglomerates told us that they had preserved the viability of smaller titles.⁶² Joshi Herrmann, Founder & Editor-in-Chief of the Manchester Mill, argued in contrast that consolidation led to “zombie” newspapers with centralised hubs, little local presence and generic reporting.⁶³ Henry Faure Walker, CEO of Newsquest, argued that local subscription-based models would only work in metropolitan areas with larger populations,⁶⁴ (which also have a higher density of wealthier customers).
33. UK broadcast news is also facing financial pressures. It is not particularly profitable: ITV and Channel 4 suggested that their news is effectively subsidised by other genres.⁶⁵ Sky News is reportedly loss-making,⁶⁶ and its funding arrangements from the 2018 Comcast merger expire in 2028.⁶⁷ David Rhodes, Executive Chairman EMEA at Sky News, told us there were “some regulatory guardrails” about the channel’s future and said there would be an “ongoing commercial and business plan to properly monetise what we do”.⁶⁸ Newer entrants have also struggled. TalkTV, owned by News UK, moved to online-only distribution in March 2024 after reporting operating

56 Written evidence from The Bristol Cable ([FON0008](#)). See also Digital, Culture, Media and Sport Committee, *Sustainability of local journalism* para 17; and Ofcom, *Review of local media in the UK, Part 1: Initial findings* (July 2024), pp 36–39: <https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/reviews-and-investigations/local-media/review-of-local-media-in-the-uk-initial-findings.pdf> [accessed 15 November 2024]

57 Written evidence from Local TV Network ([FON0038](#))

58 Written evidence from the Public Interest News Foundation ([FON0032](#))

59 Written evidence from Reach ([FON0065](#))

60 [Q 54](#) (David Higgerson)

61 ‘Who owns UK local news media? Print and digital consolidation charted’, *Press Gazette* (5 January 2023): <https://pressgazette.co.uk/media-audience-and-business-data/who-owns-the-uk-regional-media-print-and-digital/> [accessed 15 November 2024]

62 Written evidence from Newsquest ([FON0064](#))

63 [QQ 40–52](#) (Joshi Herrmann). See also written evidence from Mill Media ([FON0066](#))

64 [Q 52](#) (Henry Faure Walker)

65 [Q 66](#) (Michael Jerney, Louisa Compton); ‘Paramount’s Channel 5 Says Drama Fuelling Ratings Growth & Record Profit As It Eyes New Series From ‘All Creatures Great & Small’ Producer’, *Deadline* (10 January 2023): <https://deadline.com/2023/01/channel-5-2022-ratings-earnings-drama-all-creatures-great-and-small-1235215692/> [accessed 15 November 2024]

66 ‘Sky News slashes freelance budgets as viewing figures slump’, *The Daily Telegraph* (14 July 2024): <https://www.telegraph.co.uk/business/2024/07/14/sky-news-slashes-freelance-budgets-as-viewing-figures-slump/> [accessed 15 November 2024]

67 Sky Group, Press Release: *Establishment of independent Sky News Editorial Board and confirmation of long-term commitments to Sky News* on 5 December 2018: <https://www.skygroup.sky/en-gb/article/establishment-of-independent-sky-news-editorial-board-and-confirmation-of-long-term-commitments-to-sky-news> [accessed 15 November 2024]

68 [Q 90](#) (David Rhodes)

losses of £53.7 million.⁶⁹ GB News has made successive losses since its launch in 2021.⁷⁰

34. Commercial radio paints a more positive picture. Global told us that increased audiences meant advertising revenues in 2022 were “the highest ever”.⁷¹ Overall commercial radio revenues increased by two per cent between 2022 and 2023.⁷² Some providers are diversifying with subscriptions and targeted advertising.⁷³
35. Both commercial radio companies and the BBC have reportedly shifted their local radio production towards regional hubs in recent years.⁷⁴ Global told us they had been “reshaping our regional news teams” to “beef up our journalism right around the country”.⁷⁵ We note that Ofcom will consult on changes to localness requirements for commercial radio as part of the implementation of the Media Act.⁷⁶ The BBC accepted that “some aspects of the local radio network ... perhaps feel more regional than they did six or 12 months ago”, describing a “balancing act” of serving audiences on radio and online.⁷⁷
36. The podcast market is growing.⁷⁸ Sam Shetabi, Creator Network Director of the podcast firm Acast, said podcasts were providing listeners with “an abundance of choice” and enabling news providers to “spread their wings”.⁷⁹ Advertising linked to podcasts rose by 23 per cent to reach £83 million in 2023.⁸⁰ But this remains a fraction of the billions spent on advertising across

69 ‘News UK pulls the plug on linear TalkTV to focus on cross-platform video content’, *Press Gazette* (5 March 2024): <https://pressgazette.co.uk/publishers/broadcast/talktv-channel-online-only/> [accessed 15 November 2024]; ‘TalkTV losses rise in second year of operation’, *The Independent* (9 April 2024): <https://www.independent.co.uk/business/talktv-losses-rise-in-second-year-of-operation-b2525758.html> [accessed 15 November 2024]

70 ‘GB News losses up 38% to £42.4m giving channel total deficit of £76m since launch’, *Press Gazette* (5 March 2024): <https://pressgazette.co.uk/publishers/broadcast/gb-news-results-2023-losses/> [accessed 15 November 2024]

71 [Q 77](#) (Sebastian Enser-Wight)

72 Ofcom, *Media Nations: UK 2024* (July 2024). p 45: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-nations/2024/media-nations-2024-uk.pdf> [accessed 15 November 2024]

73 ‘Global: radio needs to be ‘a dynamic and forward-thinking medium’’, *The Media Leader* (4 October 2023): <https://the-media-leader.com/global-radio-needs-to-be-a-dynamic-and-forward-thinking-medium/> [accessed 15 November 2024]; Bauer Media Group, Press Release: *Magic and Greatest Hits Radio become latest Bauer brands to launch premium subscription service* on 6 February 2023: <https://www.bauermedia.co.uk/news/magic-and-greatest-hits-radio-become-latest-bauer-brands-to-launch-premium-subscription-service/> [accessed 15 November 2024]

74 Written evidence from the NUJ ([FON0005](#)), see also ‘Dozens of local radio stations to vanish across England’, *The Guardian* (27 May 2020): <https://www.theguardian.com/media/2020/may/27/local-radio-regional-stations-england-bauer-rebranding-national-network#:~:text=BBC%20local%20radio%20stations%20are,presenters%20from%20former%20commercial%20rivals> [accessed 15 November 2024]; ‘Global radio cuts leave 40 jobs at risk with Newcastle local news to be broadcast from Glasgow’, *inews* (19 July 2023): <https://inews.co.uk/news/media/global-radio-cuts-jobs-risk-newcastle-local-news-broadcast-glasgow-2489125> [accessed 15 November 2024]

75 [Q 86](#)

76 Ofcom, ‘Update on implementing the Media Act—October 2024’ (October 2024): <https://www.ofcom.org.uk/tv-radio-and-on-demand/public-service-broadcasting/update-on-implementing-the-media-act-october-2024/> [accessed 5 November 2024]

77 [Q 58](#) (Rhodri Talfan Davies)

78 [Q 127](#) (James Harding); Ofcom, *Media Nations: UK 2024*, p 66

79 [Q 72](#)

80 Ofcom, *Media Nations: UK 2024*, p 45

national news, regional news and magazines.⁸¹ While news and current affairs podcasts are popular (a fifth of monthly podcast users listen to news and current affairs podcasts daily) only a few make substantial profits.⁸²

37. Approaches to digital-first news outlets are evolving as formats merge and consumer habits change. James Harding of Tortoise Media noted some business models were becoming less sustainable, citing BuzzFeed News and VICE as a cautionary tale.⁸³ But others will continue to emerge. Jonathan Paterson, Managing Editor of The News Movement and John Quinlan, CEO of JOE Media Group, said their organisations had grown by using social media and targeting younger audiences.⁸⁴ Mr Herrmann cited the online newsletter platform Substack as a tool which helped him launch Mill Media with limited overheads.⁸⁵

Deepening divisions?

38. The considerations above suggest that a few large outlets may have a reasonably viable financial future, benefitting from investments in quality journalism and digital innovations which attract a paying audience—reportedly wealthier and more educated groups.⁸⁶ Smaller niche outlets can also support themselves at a modest size, targeting hyper-local (often metropolitan) readers or specialist interest groups who are often willing to pay for valued products. Many mass market tabloids and traditional local news outlets look increasingly squeezed.⁸⁷ As their financial situation worsens, the gap between well and poorly served audiences will only grow.
39. Overall these trends indicate deepening differences of supply and demand across social, regional and economic lines.⁸⁸ Douglas McCabe, CEO and Director of Publishing and Tech at Enders Analysis, warned that such dynamics pointed towards a “two tier” media environment where the decline of “popular” journalism means a growing proportion of society has limited engagement with professionally produced news—absorbing instead “whatever they can pick up online”. He thought this was a “pretty horrible outcome”.⁸⁹
40. This also suggests the role of the UK’s public service broadcasters (PSBs) is, in some ways, becoming more important. In Chapter 6 we examine in more detail the need for PSBs (and the BBC in particular) to address shortcomings in service provision given their “anchor” role in the media market.⁹⁰

81 ‘Google takes lion’s share of growing UK ad market as publishers lose out’, *Press Gazette* (25 April 2024): <https://pressgazette.co.uk/marketing/google-takes-lions-share-of-growing-uk-ad-market-as-publishers-lose-out/> [accessed 15 November 2024]

82 Ofcom, *Media Nations: UK 2024*, p 68, ‘How to make big money from podcasts’, *The Sunday Times* (15 October 2023): <https://www.thetimes.co.uk/article/how-to-make-money-from-podcasts-w6ldrdbvr> [accessed 15 November 2024]

83 [Q 127](#) (James Harding)

84 [Q 51](#) (Jonathan Paterson), [Q 126](#) (John Quinlan)

85 [Q 51](#) (Joshi Herrmann)

86 [Q 14](#) (Paul Lee), [Q 32](#) (Douglas McCabe), [Q 115](#) (Andrew Neil)

87 [Q 22](#) (James Frayne), [Q 115](#) (Andrew Neil). For example, Reach Plc, the UK’s largest commercial news publisher (whose titles include the Daily Express and the Daily Mirror as well as local and regional papers) reported a 45 per cent fall in pre-tax profits in 2023. See ‘Mirror and Express publisher hit by advertising drop and Meta shift’, *Financial Times* (5 March 2024): available at <https://www.ft.com/content/93efa90e-128c-4885-a7b8-4d0ea5f17d52> [accessed 15 November 2024]

88 [Q 143](#) (Robert Colvile, Professor Rasmus Kleis Nielsen)

89 [Q 32](#) (Douglas McCabe)

90 For further discussion this see [Q 136](#); written evidence from Maggie Carver DBE DL ([FON0070](#)) and James Frayne ([FON0060](#))

41. Stephanie Peacock MP acknowledged the “huge challenges” facing the media sector and highlighted the Government’s intention to develop a “local media strategy” which will be “across government”.⁹¹

Response options

Tax breaks

Box 1: Previous Government support for the news industry 2019–2024

“Our support for the sector has included the delivery of a £2 million Future News Fund, designed to invest in new technological prototypes, start-ups and innovative business models to explore new ways of sustaining the industry in this changing landscape; the zero rating of VAT on e-newspapers; the extension of a 2017 business rates relief on local newspaper office space until 2025”.

Source: Written evidence from DCMS ([FON009](#))

42. Tax breaks are one option for sector-wide financial support that would help news organisations invest in reliable news, without picking winners. (The 2024 Autumn Budget did not address in detail the issue of newspaper office reliefs which were expected to end in Spring 2025).⁹² Mr Nelson said that the previous Government’s cut to VAT on digital-only sales was “a big help” that had allowed his organisation to “trade its way” out of the pandemic.⁹³ DMG Media suggested that tax exemptions for digital publications should be extended to rolling news websites.⁹⁴ Some US states are introducing tax breaks related to the hiring of local journalists.⁹⁵ Professor Jane Singer of City, University of London said tax breaks should “certainly” be considered.⁹⁶
43. **Tax reliefs are one way to reduce the costs of producing quality journalism. The Government should review the impacts of business rates relief on local newspaper offices. If found to be helpful, this scheme should be extended until 2029. The Government should also issue a consultation before the 2025 summer recess on tax breaks for hiring local journalists.**

Public sector advertising

44. Another way to support local outlets involves public notice advertising in traditional newspapers, which local authorities are required to publish for information like planning applications or tenders. These adverts were worth an estimated £46.3 million in 2022. We heard online-only titles and publishers providing print editions less frequently than every 26 days

91 [Q 164](#) (Stephanie Peacock)

92 See HM Treasury, *Autumn Budget 2024* (October 2024), p 94: https://assets.publishing.service.gov.uk/media/6722120210b0d582ee8c48c0/Autumn_Budget_2024_print.pdf [accessed 6 November 2024]

93 [Q 15](#)

94 Written evidence from DMG Media ([FON0030](#))

95 See for example ‘Tax breaks to hire local journalists approved in New York, a national first’, *POLITICO* (21 April 2024): <https://www.politico.com/news/2024/04/21/new-york-journalism-tax-breaks-00153482> [accessed 14 November 2024]; News Media Alliance, Press Release: *News/Media Alliance Statement: Illinois State Lawmakers Approve \$25 Million in Tax Credits for Journalists* on 30 May 2024: <https://www.newsmediaalliance.org/news-media-alliance-statement-illinois-state-lawmakers-approve-25-million-in-tax-credits-for-journalists/> [accessed 14 November 2024]

96 [Q 142](#) (Professor Jane Singer)

are ineligible to host them, because public notices must be published in a “newspaper” whose definition predates the internet.⁹⁷

45. Mill Media and the PINF advocated changing the rules, arguing that even a minor financial benefit would make a major difference to small (digital) providers.⁹⁸ Newsquest and Reach (which benefit from current arrangements) countered that print organisations remain better placed to serve more audiences, especially those not digitally connected.⁹⁹ The previous Government said that changing the system for local authority notices would not benefit the sector as a whole.¹⁰⁰
46. Alternatively, both Mill Media and Newsquest suggested that a larger proportion of central government advertising (much of which is spent on social media firms) could be spent on local outlets.¹⁰¹ Examples of central government advertising include public health messaging or schemes encouraging EU citizens to apply for settled status.¹⁰² The PINF called for 25 per cent of central government advertising to go to “public interest news providers”.¹⁰³ Creating further reliance on Government brings other considerations, however. Robert Colvile highlighted the example of the Government’s pandemic advertising partnership with newspapers, which he believed “was probably quite a good thing for democracy” but also risked compromising the perception of an independent press.¹⁰⁴ Andrew Neil raised similar concerns.¹⁰⁵
47. Stephanie Peacock MP said she was keen to explore effective uses of Government advertising spend but noted that it must fulfil its primary objective of informing audiences.¹⁰⁶ The Minister cited reach and cost-effectiveness criteria but said she had had a “very positive conversation” with Cabinet Office counterparts responsible for Government advertising. Robert Specterman-Green, Director of Media and Creative Industries at the Department for Culture, Media and Sport (DCMS), suggested a need to “think more broadly about the key performance indicators” when designating advertising spend.¹⁰⁷
48. **Local authority public notice advertising is a substantial source of income for local print news providers (many of which are owned by large conglomerates). The rules generally exclude digital titles and smaller outlets that publish print editions less frequently. Questions remain about using local government advertising to support local media, as this risks becoming a market distortion. However, if this spending is happening anyway, modest changes would help to make the situation more equitable.**

97 Written evidence from Mill Media (FON0066); Newspaper Libel and Registration Act 1881, [section 1](#)

98 Written evidence from Mill Media (FON0066), PINF (FON0032)

99 Written evidence from Newsquest (FON0064)

100 Digital, Culture Media and Sport Committee, [The sustainability of local journalism: Government Response to the Committee’s Seventh Report](#) (Ninth Special Report of Session 2022–23, HC 1278) p vii

101 Written evidence from Mill Media (FON0066), Newsquest (FON0064)

102 See for example Home Office ‘Home Office launches £1 million advertising campaign for EU Settlement Scheme’ (October 2019): <https://www.gov.uk/government/news/home-office-launches-1-million-advertising-campaign-for-eu-settlement-scheme> [accessed 25 October 2024]

103 Written evidence from PINF (FON0032)

104 [Q 143](#) (Robert Colvile)

105 [Q 119](#)

106 [Q 165](#) (Robert Specterman-Green)

107 [Q 166](#) (Robert Specterman-Green)

49. *The Government should consult on changing the definition of a “newspaper” to allow local authorities greater flexibility in determining the most effective use of public notice advertising spend. We suggest local authorities should be permitted to use both online providers and a wider variety of print outlets.*
50. *Local authorities should ensure public notice adverts remain accessible to digitally excluded groups. In line with the findings from our 2023 report on digital exclusion, we recommend local and central government advertising teams explore creative ways to engage digitally excluded groups (for example using community centres and local hubs).*

Innovation schemes

51. Joshi Herrmann of Mill Media said that innovation was the best response to the unprecedented loss of advertising revenue.¹⁰⁸ Professor Nielsen noted that media organisations lagged on research and development investment however, typically falling behind the furniture industry in spending.¹⁰⁹ Our previous report on the creative industries recommended trialling changes to the research and development tax credit scheme to help creative industries to innovate.¹¹⁰
52. In 2019 the Government set up a £2 million Future News Pilot Fund to boost innovation.¹¹¹ The pilot, which was administered by an innovation charity, Nesta, ran for several months and funded 20 projects. Examples included testing Tortoise Media’s membership model for local publications; improving the way mainstream publishers acknowledge the original local source of news stories; and testing audience engagement strategies at the Manchester Meteor.¹¹² Comparable initiatives in Europe, as well as other UK catalyst schemes focussed on small and medium sized enterprises, suggest that a more comprehensive version for news media would be worthwhile.¹¹³
53. Learning lessons about the scope and focus would be key: the limited scale and length of the pilot seems unlikely to be transformative, particularly when overheads are accounted for. As the House of Commons Culture, Media and Sport Committee noted, the project was “neither substantial nor long-term enough to make a significant difference”.¹¹⁴ The Cairncross Review

108 [Q 51](#)

109 [Q 143](#) (Professor Rasmus Kleis Nielsen)

110 Communications and Digital Committee, *At risk: our creative future* (2nd Report of Session 2022–23, HL 125) para 76

111 Digital, Culture, Media and Sport Committee, *Sustainability of local journalism* (Seventh Report, Session 2022–23, HC 153), para 44; Nesta, *Future News Pilot Fund: End of programme report* (August 2020), p 41: https://media.nesta.org.uk/documents/Nesta_Future_News_Pilot_Fund_End_Of_Prog.pdf [accessed 14 November 2024]

112 Nesta, *Future News Pilot Fund: End of programme report* (August 2020), p 3: https://media.nesta.org.uk/documents/Nesta_Future_News_Pilot_Fund_End_Of_Prog.pdf [accessed 14 November 2024]

113 See for example the European Broadcasting Union, ‘Media Innovation Fund’: <https://www.ebu.ch/media/media-innovation-fund> [accessed 14 July 2024]; Department for Business and Trade, ‘Help to Grow’, (February 2024): <https://www.gov.uk/government/news/government-backs-smes-with-new-help-to-grow-campaign-and-small-business-council> [accessed 14 July 2024]; UK Research and Innovation, ‘Innovate UK funding’: <https://www.ukri.org/councils/innovate-uk/> [accessed 14 July 2024]; Digital Catapult, ‘Creative industries to be catalysed by advanced AI solutions’ (13 September 2024): <https://www.digicatapult.org.uk/about/press-releases/post/creative-industries-to-be-catalysed-by-advanced-ai-solutions/> [accessed 6 November 2024]

114 *Sustainability of local journalism*, para 44

had recommended £10 million per year over four years. It also stressed the importance of focusing on technology-driven business transformation for long term financial sustainability.¹¹⁵

54. Professor Nielsen cautioned that funding should only be allocated to those who demonstrate their commitment to innovation.¹¹⁶ Maintaining media independence remains vital too. (We suggest options for the BBC to help catalyse innovation later in this chapter).
55. The PINF highlighted that funding for journalism initiatives could be sought by adding public interest news to the list of eligible causes funded by the Government's dormant asset scheme.¹¹⁷ This scheme was expected to release £350 million for eligible causes from 2024 to 2028;¹¹⁸ a review of the scheme is also expected by February 2025.
56. **Media organisations will need to innovate and take more risks to transition to long-term sustainable business models. The UK already has good innovation initiatives for other industries which help catalyse, scale and monetise new ideas. The news sector needs one too.**
57. *The Government should establish a new Future News innovation catalyst scheme. The objective should be to facilitate technology-driven business transformation to help participants improve their long-term financial sustainability. While the Government should provide the funding, the scheme should be delivered independently. It should learn from the successes and shortcomings of the previous pilot. The number of recipients should be small to ensure the available funding can make a meaningful difference. Some grants should be match funded by recipients to ensure value for money and participant buy-in.*

Training and recruitment

58. Increased financial pressures and the decline of local media outlets have affected recruitment and training routes. Supporting entry-level schemes to attract and train diverse talent, perhaps focusing on regional outlets, is a further way to alleviate newsroom costs without unduly distorting market dynamics. This could build on the previous Community News Project delivered at arms-length by the National Council for the Training of Journalists (NCTJ). This project trained 280 journalists between 2019 and 2023 and resulted in over 100 new community reporter roles in newsrooms.¹¹⁹

115 Dame Frances Cairncross, *The Cairncross Review: A sustainable future for journalism* (February 2019), pp 97–98: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 13 November 2024]

116 Q 142 (Professor Rasmus Kleis Nielsen)

117 Written evidence from PINF (FON0032)

118 The Dormant Asset Scheme is a voluntary industry-led initiative that allows financial institutions to transfer dormant assets (accounts, funds, policies or shares that have been inactive for an extended period) to a central fund for distribution across social and environmental initiatives in the UK. For more information see Department for Culture, Media and Sport, 'Dormant Assets Scheme: statement of intent overview': <https://www.gov.uk/government/news/dormant-assets-scheme-statement-of-intent-overview> [accessed 14 July 2024]

119 Written evidence from the NCTJ (FON0045), NCTJ, 'Community News Project': <https://www.nctj.com/why-choose-nctj/diversity/community-news-project/> [accessed 17 October 2024]

59. This might also address concerns about elitism. Mr Colvile of the Centre for Policy Studies worried that journalism was becoming a “prestige profession”, as those from wealthier backgrounds could better support themselves through the poorly paid lower ranks.¹²⁰ The NCTJ said “72 per cent of journalists had a parent in one of the three highest occupational groups, compared to 44 per cent of all UK workers”.¹²¹ This in turn may influence the editorial outlook of newsrooms.¹²² However, David Dinsmore, Chief Operating Officer of News UK and Anna Bateson, CEO of The Guardian Media Group, believed that access routes were improving, notably via apprenticeships.¹²³ The Minister agreed that routes into journalism need to be “open to everyone, wherever they grow up”, and noted that the Department for Education and DCMS would have to work together to achieve this.¹²⁴
60. **The financial precarity of many jobs in journalism is not conducive to attracting a diverse workforce representative of the UK’s population. We welcome schemes from industry and the National Council for the Training of Journalists to attract and train under-represented groups, particularly outside London. As part of its local media strategy the Government should seek partnership funding to support attraction and training schemes for local news, including apprenticeships.**

BBC

61. Our report on the future of the BBC examined a variety of strategic challenges around growing competition, online fragmentation, and balancing investments in digital media while continuing to serve older audiences (who often prefer linear media).¹²⁵ The corporation told us it is facing “significant financial challenges”.¹²⁶ News programmes and jobs have been reduced or cut.¹²⁷ Deborah Turness, CEO of BBC News, defended making “really tough choices” and argued the corporation was having to “to do more with less”.¹²⁸
62. BBC World Service is another substantial cost.¹²⁹ The Director-General has been reported as saying that Russian and Chinese state media were filling the vacuum left by an underfunded World Service,¹³⁰ and called for

120 Q 141 (Robert Colvile)

121 Written evidence from NCTJ (FON0045)

122 For a discussion on issues around diverse recruitment and geographical challenges see: Oral evidence taken before Communications and Digital Committee on the Work of the BBC on 10 September 2024 (Session 2024–25) Q 9 (Tim Davie)

123 Q 40 (David Dinsmore), written evidence from NCTJ (FON0045)

124 Q 166

125 Communications and Digital Committee, *Licence to change: BBC future funding* (1st Report of Session 2022–23, HL Paper 44), para 32. See also Committee of Public Accounts, *BBC Digital* (Forty-Sixth Report of Session 2022–23, HC Paper 736), para 4

126 Q 58 (Deborah Turness). See ‘BBC funding: TV licence fee to rise by £10.50, government says’, *BBC News* (7 December 2023): <https://www.bbc.co.uk/news/entertainment-arts-67646601> [accessed 14 November 2024]

127 In 2022, the BBC announced a £500 million savings plan. See ‘BBC’s Newsnight to be cut back as part of savings plan’, *BBC News* (29 November 2023): <https://www.bbc.co.uk/news/entertainment-arts-67564479> [accessed 23 October 2024]; ‘BBC News job losses aim to save £24m’ *BBC News* (15 October 2024): <https://www.bbc.co.uk/news/articles/c0m07g49004o> [accessed 23 October 2024]

128 Q 61

129 Q 58 (Jonathan Munro). The BBC World Service is funded by the licence fee with additional grant funding from the Foreign, Commonwealth and Development Office.

130 ‘BBC boss warns of Russian and Chinese propaganda’, *BBC News* (14 October 2024): <https://www.bbc.co.uk/news/articles/cj9jgmexmx4o>

the Government to fund it given other pressures on UK licence fee payers.¹³¹ The 2024 Autumn Budget included an increase in funding for the BBC World Service from the Foreign, Commonwealth and Development Office for 2025–26.¹³²

63. Concerns about the BBC’s priorities and spending choices persist. Efforts to reach more audiences online have been critiqued by various groups for crowding out commercial competitors, while changes to radio services have reduced unique local programming.¹³³ Ofcom said it would review the impacts¹³⁴ and delayed the launch of an online music extension to BBC Radio 2 on competition grounds.¹³⁵ The BBC’s proposal to introduce advertising on podcasts hosted outside BBC Sounds has sparked further criticism. Global said that smaller producers would lose advertising.¹³⁶ James Harding of Tortoise Media said that licence fee-payers would be paying twice.¹³⁷ Rhodri Talfan Davies, Director of Nations at the BBC, acknowledged that continuing to serve linear audiences while strengthening its digital offering is “one of the most delicate balancing acts we have at the moment”, adding that even older audiences are moving towards online formats.¹³⁸
64. The upcoming Charter Review in 2027 offers an opportunity to re-examine the BBC’s future, including funding models and its strategic priorities.¹³⁹ This could include recognising the BBC’s role in global soft power more explicitly. Dr Samir Shah, Chairman of the BBC, described the World Service as “an incredibly important instrument of soft power” and advocated for it to be “properly funded” and “not dependent on actions that we correctly take on public service”.¹⁴⁰ We acknowledge the challenges faced by the World Service, and we note these are being explored by the House of Commons Culture, Media and Sport Committee, and the Foreign Affairs Committee.¹⁴¹ We look forward to seeing the conclusions of their respective inquiries.

131 BBC, *A BBC for the future* (March 2024), p 26: <https://www.bbc.co.uk/aboutthebbc/documents/a-bbc-for-the-future.pdf> [accessed 13 November 2024]

132 HM Treasury, *Autumn Budget 2024* (October 2024), p 89: https://assets.publishing.service.gov.uk/media/6722120210b0d582ee8c48c0/Autumn_Budget_2024_print.pdf [accessed 13 November 2024]

133 See for example HC Deb, 15 June 2023, [cols 419-420](#); Ofcom, ‘Letter from Kevin Bakhurst, Group Director for Broadcasting & Online Content Group, Ofcom to Clare Sumner, Former Director of Policy, BBC’ (24 February 2023): https://www.ofcom.org.uk/_data/assets/pdf_file/0028/255718/ofcom-letter-to-bbc-regarding-planned-changes-to-bbc-provision-of-local-content-and-news.pdf [accessed 14 November 2024]; National Union of Journalists, ‘#KeepLocalRadioLocal’: <https://www.nuj.org.uk/resource/keepbbclocalradiolocal.html> [accessed 14 July 2024]

134 [Q 162](#) (Cristina Nicolotti Squires)

135 Sebastian Enser-Wight of Global said the BBC’s proposals were “almost duplicative of commercial radio’s output” and not “a great use of licence fee payers’ money”, see [Q 79](#). See also Ofcom, *Review of the BBC’s materiality assessment of proposed new streams on BBC Sounds* (16 July 2024), p 3: <https://www.ofcom.org.uk/siteassets/resources/documents/consultations/uncategorised/93904-ofcom-and-the-bbc/review-of-the-bbcs-materiality-assessment-of-proposed-new-streams-on-bbc-sounds.pdf> [accessed 13 November 2024]

136 [Q 79](#) (Sebastian Enser-Wight)

137 [Q 127](#)

138 [Q 58](#) (Rhodri Talfan Davies)

139 [Q 189](#)

140 See oral evidence taken before Communications and Digital Committee on the Work of the BBC on 10 September 2024 (Session 2024–25) [Q 8](#) (Dr Samir Shah).

141 Culture, Media and Sport Committee, ‘New inquiry: CMS Committee to examine future funding of the World Service’ (November 2024): <https://committees.parliament.uk/committee/378/culture-media-and-sport-committee/news/203640/new-inquiry-cms-committee-to-examine-future-funding-of-bbc-world-service/>; Foreign Affairs Committee, ‘The future of the BBC World Service’ (November 2024): <https://committees.parliament.uk/work/8597/the-future-of-the-bbc-world-service/>

65. At the same time, the BBC must address its shortcomings, for example around serving all audiences and concerns about due impartiality. We examine these issues in detail in Chapter 6.
66. Charter renewal discussions could also involve a bigger focus on supporting the wider UK news environment. The BBC could reinvigorate its relationship with independent local news providers, building on its Local News Partnership Scheme. The BBC invests up to £8 million in this scheme each year.¹⁴² As part of this, the Local Democracy Reporting Service (LDRS) funds the salaries of 165 journalists allocated to local news providers. Some stakeholders have called for its expansion, and to broaden the number of recipients beyond big conglomerates.¹⁴³ Further expanding the initiative’s links to apprenticeship schemes could also be explored. Stephanie Peacock MP expressed support for continuing the LDRS, adding that the BBC plays a “really important role underpinning the fragile ecosystem” of local news.¹⁴⁴
67. Technological innovation is another priority. The BBC told us that it is examining potential uses of generative AI, and “actively looking” at options to build a foundation model “in partnership or unilaterally”.¹⁴⁵ We considered the potential for public service large language models (LLMs) in our previous report on generative AI.¹⁴⁶ We note that a BBC-led generative AI tool could come in several forms, including an internal-facing LLM to boost productivity, an externally available open source model, a generative AI ‘news chatbot’, or wider news search application. Looking beyond internal productivity tools, we see potential value in an external-facing generative AI application which surfaces BBC content. This could be developed in partnership with Government investments in publicly accessible compute.¹⁴⁷
68. **The upcoming Charter Review is a key opportunity to refresh the BBC’s relationship with local news. *The Government should give the BBC an objective to engage with local news providers as strategic partners. This should involve expanding the Local Democracy Reporting Service and increasing the proportion of journalists allocated to small (including online-only) outlets. The BBC should also explore expanding its apprenticeship scheme in ways that support local news.***
69. **The BBC must pursue transformational innovation as new technologies fundamentally reshape the news environment. In doing so, it should benefit the wider health of the UK media sector.**
70. ***Developing a public interest news generative AI tool is one option the BBC could explore as it seeks to keep pace with new technologies and changing consumer habits. This might involve a service that is designed to improve public access to authoritative information—perhaps with a particular focus on partnering with local news***

142 See BBC, ‘Local News Partnerships’: <https://www.bbc.com/lnp/> [accessed 16 October 2024]

143 Written evidence from PNIF (FON0032), NewsNow (FON0051)

144 Q 188

145 Q 59 (Rhodri Talfan Davies)

146 Communications and Digital Committee, *Large language models and generative AI* (1st Report of Session 2023–24, HL Paper 54), pp 96–107

147 See for example the previous Government’s plans for an exascale computing facility in Edinburgh: Department for Science, Innovation and Technology, ‘Game-changing exascale computer planned for Edinburgh’ (9 October 2023): <https://www.gov.uk/government/news/game-changing-exascale-computer-planned-for-edinburgh> [accessed 13 November 2024]

organisations. Any major projects of this nature would need to be subject to industry consultation and relevant public value and market impact assessments.

CHAPTER 4: TECH PLATFORMS

The world that was

71. Much has been written about the impacts of tech platforms on the news industry. On the positive side, companies such as Google, Apple, Meta, X and others offer routes to the news market, new audiences and spaces for new business models to develop.¹⁴⁸ Nearly one third of all visits to news publishers' sites come via online intermediaries.¹⁴⁹
72. On the more negative side, industry experts say these changes have led to big tech dominance of the advertising market, upended business models, created strategic dependencies, intermediated access to news and hence control over customer data, reduced bargaining power over the financial value of news, and raised concerns about 'brand blindness' as media firms lose control over the way their content is presented and users struggle to identify sources (or spot those simply masquerading as legitimate outlets).¹⁵⁰ Younger generations are now reading less as short form video becomes more dominant.¹⁵¹ The structure of some social media sites has further incentivised some outlets to offer ever more content and more opinions,¹⁵² and enabled users to self-select news that reinforces existing views.¹⁵³

What role?

73. Tech platforms have different approaches to news. Meta has been moving decisively away from news and seems unlikely to return soon, though the implications of its recent generative AI deal with Reuters remain unclear.¹⁵⁴ Apple by contrast has various commercial arrangements with news outlets.¹⁵⁵ Google's News Showcase provides a partnership and aggregation service with stories selected by editors, as well as numerous news project funding initiatives, alongside innovation-focused funding through the Google News Initiative.¹⁵⁶ X (formerly Twitter) is pursuing its own approach to news; we remain unclear about its long term direction.
74. Some industry experts advocate making tech firms pay publishers directly for news content appearing on their platform.¹⁵⁷ In California, the State

148 Q 49 (Jonathan Paterson), Q 37 (David Dinsmore), Q 70 (Louisa Compton), Q 51 (Joshi Herrmann)

149 Ofcom, *Online news: research update* (March 2024), p 9: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-plurality/2024/0324-online-news-research-update.pdf> [accessed 13 November 2024]

150 Ofcom, *Online news: research update*, p 9; written evidence from News UK (FON0055), Q 36 (Peter Wright), written evidence from DMG Media (FON0030), Professor Stephen Cushion and Emeritus Professor Richard Sambrook (FON0003)

151 Reuters Institute for Study of Journalism, *Digital News Report 2024*, p 13

152 Ofcom, *Online news: research update*, p 12

153 Reuters Institute for the Study of Journalism, *Echo Chambers, Filter Bubbles, and Polarisation: a Literature Review* (January 2022), p 4: <https://reutersinstitute.politics.ox.ac.uk/echo-chambers-filter-bubbles-and-polarisation-literature-review#header--8> [accessed 13 November 2024]. See also written evidence from Dr Charlotte Galpin (FON0027), Norms for the New Public Sphere (FON0035).

154 Meta, 'An update about Facebook news' (29 February 2024): <https://about.fb.com/news/2024/02/update-on-facebook-news-us-australia/> [accessed 25 October 2024], 'Meta signs its first big AI deal for news', *The Verge* (25 October 2024): <https://www.theverge.com/2024/10/25/24279259/meta-reuters-ai-chatbot-deal-news-licensing-media> [accessed 15 November 2024]

155 Appendix on Committee visit to San Francisco

156 Written evidence from Google (FON0058)

157 Written evidence from Dr Jingrong Tong (FON0013)

Senate considered legislation to this effect.¹⁵⁸ Canada negotiated financial agreements between Google and news organisations, recently valued at circa £59 million.¹⁵⁹

75. Making this work is not easy though. When legislation was being considered in California, Google said it was “pausing further investment in the California news ecosystem”.¹⁶⁰ When Australia passed a law, Facebook reportedly withheld news provision and Google warned about damaging news services until financial agreements were reached privately.¹⁶¹ ITN noted that, when Canada sought to implement legislation requiring tech platforms to pay news publishers, “Facebook walked away and pulled news from the platform and has never offered it since”.¹⁶²
76. Hypothecated taxes raised through other sources (such as on digital advertising) may have more appeal, as they would allow governments to spend the money raised on news media support projects. Such taxes might also raise similar challenges however.¹⁶³ These issues will become still more complex as news outlets negotiate payments for generative AI training, explored in the next chapter.

Prominence

77. Boosting the online prominence of quality news journalism is another longstanding industry proposal.¹⁶⁴ We heard mixed views about formalising such ideas through a kitemark scheme however.¹⁶⁵ Deciding who gets prominence would be difficult—most media outlets might stake a claim.¹⁶⁶ DMG Media noted the complexities and suggested that organisational criteria (i.e. having governance and editorial structures) rather than the quality or type of product should be the key consideration.¹⁶⁷ Similar schemes like the

158 ‘Scoop: Google threatens to pause Google News Initiative funding in U.S.’, Axios (21 May 2024): <https://www.axios.com/2024/05/21/google-news-initiative-journalism-funding-california> [accessed 15 November 2024]

159 ‘Meta’s news ban in Canada remains as Online News Act goes into effect’, *BBC News* (19 December 2023): <https://www.bbc.co.uk/news/world-us-canada-6775133> [accessed 15 November 2024]

160 Google, ‘Why the California Journalism Preservation Act is putting support of the news ecosystem at risk’, (April 2024): <https://blog.google/products/news/california-journalism-preservation-act-puts-news-ecosystem-at-risk/> [accessed 31 October 2024]

161 Reuters Institute, ‘In Canada’s battle with Big Tech, smaller publishers are caught in the crossfire’ (7 November 2023): <https://reutersinstitute.politics.ox.ac.uk/news/canadas-battle-big-tech-smaller-publishers-are-caught-crossfire> [accessed 17 October 2024]

162 Written evidence from ITN (FON0053)

163 Forum on Information and Democracy, *A New Deal for Journalism* (June 2021), p 31: https://rsf.org/sites/default/files/sustainability_2021_v4_web_1.pdf [accessed 13 November 2024]

164 Dame Frances Cairncross, *The Cairncross Review: A sustainable future for journalism* (February 2019), pp 10: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779882/021919_DCMS_Cairncross_Review_.pdf [accessed 17 October 2024]; Council of Europe, ‘Recommendation CM/Rec(2022)4 of the Committee of Ministers to member States on promoting a favourable environment for quality journalism in the digital age’ (March 2022): <https://search.coe.int/cm?i=0900001680a5ddd0> [accessed 2 August 2024]. See also written evidence from ITN (FON0053).

165 Q 82 (Shini Pattni, Sebastian Enser-Wight)

166 Q 99 (Angelos Frangopoulos), written evidence from Dr Irini Katsirea (FON0048), ITN (FON0053), DMG Media (FON0030)

167 DMG Media suggested focusing instead on content produced by recognised news publishers as defined in the Online Safety Act. See written evidence from DMG Media (FON0030). Douglas McCabe noted the Online Safety Act also sets precedents for adopting a tiered approach to determining in-scope platforms. See Q 33 (Douglas McCabe)

Journalism Trust Initiative already exist.¹⁶⁸ Google told us that it already promotes trusted news, for example via YouTube’s news section.¹⁶⁹

78. The Media Reform Coalition argued that the way tech firms prioritise content already means that most of the news comes from “dominant news organisations that control large shares of traditional news markets.”¹⁷⁰ Angelos Frangopoulos, CEO of GB News, raised concerns around market barriers and risks of Government involvement.¹⁷¹ Ofcom’s experimental studies suggest that trust scoring tools tend to reinforce existing views on news sources rather than having a practical impact on the types of news which the public want to read.¹⁷²
79. ***We encourage tech platforms to give more prominence to recognised news publishers (as defined in the Online Safety Act 2023), for example through better visual cues or adjusting prominence on user feeds. This should be an industry-led initiative: we do not support a mandatory Government-led kitemark scheme.***

Limiting legitimate content

80. Mr Nelson of *The Spectator* raised concerns about tech firms removing legitimate news content. While the Online Safety Act 2023 has protections for recognised news publishers, he highlighted grey areas such as ‘shadow bans’, where content is not technically taken down but subtly downgraded by opaque algorithms with the result that few users see it. He cited examples of TikTok demoting content critical of the Chinese government and YouTube banning speeches of parliamentarians challenging Government lockdown policies during the pandemic.¹⁷³
81. Channel 4 raised related concerns about YouTube imposing age restrictions on news stories despite the programmes being compliant with Ofcom’s watershed rules.¹⁷⁴ In the time it takes to resolve the dispute, the story is no longer current. Ofcom said that the Online Safety Act would speed up complaints procedures.¹⁷⁵
82. **We are concerned that tech platforms have been imposing age restrictions on news that is Ofcom-compliant. We are also concerned at reports of ‘shadow bans’ and the blocking of other legitimate content.**
83. ***Ofcom should engage with tech platforms at pace to align content moderation policies with Ofcom’s broadcasting codes and the duties contained in the Online Safety Act 2023. When implementing the Act’s protections for news publishers, Ofcom should pay particular***

168 Sky News, ‘The Trust Project’: <https://news.sky.com/info/policies-and-standards> [accessed 2 August 2024]

169 Written evidence from Google (FON0058)

170 Written evidence from the Media Reform Coalition (FON0029)

171 Q 99

172 Ofcom, *Online news: qualitative research* (2024), pp 46–49: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-plurality/2024/annex-3-online-news-qual-research.pdf> [accessed 13 November 2024]. Ofcom’s study explored methods for improving “the breadth and quality of news consumed on social media”, including through following PSBs’ social media accounts; following counter-attitudinal news sources; reviewing news diets; and using a trust score browser extension.

173 QQ 7–13

174 Written evidence from Channel 4 (FON0067)

175 Written evidence from Ofcom (FON0063)

attention to grey areas where content is not blocked but subtly downranked to minimise user engagement.

Algorithmic transparency

84. Dame Melanie Dawes, CEO of Ofcom, told us that the lack of transparency about how tech platforms' recommender algorithms work remained "one of the biggest challenges" around improving the health of the online media ecosystem. She called for the regulator or vetted researchers to be given access for testing.¹⁷⁶ Audits of algorithms could investigate potential biases or the impacts of service changes,¹⁷⁷ something likely to be increasingly important as the political leanings of generative AI products attract increasing scrutiny.¹⁷⁸
85. Under the Digital Markets, Competition and Consumers Act 2024, the Competition and Markets Authority could require greater transparency over recommender algorithms, but there are various limitations.¹⁷⁹ The Online Safety Act 2023 will require some platforms to publish annual transparency reports.¹⁸⁰ The Data (Use and Access) Bill seeks to require tech platforms to provide information to researchers in relation to online safety.¹⁸¹ The EU Digital Services Act requires large platforms to disclose further information on recommender algorithms, indicating that wider transparency in the UK is achievable.¹⁸² Mr McCabe suggested that platforms could run different algorithms in parallel, creating more transparency about the impact of changes on users' feeds.¹⁸³ Google said it already "provides significant transparency to users why they are seeing what they see" and did "not believe further Ofcom powers are necessary".¹⁸⁴
86. **More transparency over tech platforms' algorithms is needed (even if transparency on its own will not be enough). Empowering the regulators quickly is necessary and achievable. *The Government should give Ofcom the necessary powers to investigate tech firm recommender algorithms and the operations of large language models (LLMs). This will become increasingly important amid concerns about the potential for political influence and bias in LLMs.***

176 Q 158 (Dame Melanie Dawes)

177 Ofcom, *Discussion Document: Media plurality and online news* (November 2022), p 49: https://www.ofcom.org.uk/_data/assets/pdf_file/0030/247548/discussion-media-plurality.pdf [accessed 13 November 2024]

178 Centre for Policy Studies, *The Politics of AI: an evaluation of political preferences in large language models from a European perspective* (October 2024), p 4: https://cps.org.uk/wp-content/uploads/2024/10/CPS_THE_POLITICS_OF_AI-1.pdf [accessed 13 November 2024]

179 Department for Digital, Culture, Media & Sport, Department for Business, Energy & Industrial Strategy, *A new pro-competition regime for digital markets - government response to consultation* (May 2022): <https://www.gov.uk/government/consultations/a-new-pro-competition-regime-for-digital-markets/outcome/a-new-pro-competition-regime-for-digital-markets-government-response-to-consultation> [accessed 2 August 2024]

180 Department for Science, Innovation & Technology, 'Online Safety Act: explainer' (May 2024): <https://www.gov.uk/government/publications/online-safety-act-explainer/online-safety-act-explainer#:~:text=Some%20platforms%20will%20be%20required,users'%20experience%2C%20including%20children> [accessed 2 August 2024]

181 *Data (Use and Access) Bill* [HL], clause 123

182 European Commission, 'Questions and answers on the Digital Services Act' (February 2024): https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_2348 [accessed 2 August 2024]

183 Q 33 (Douglas McCabe)

184 Written evidence from Google (FON0058)

CHAPTER 5: GENERATIVE ARTIFICIAL INTELLIGENCE

Fear not for the future?

87. A new frontier is fast emerging around news influenced by artificial intelligence (AI). Some issues extend existing challenges examined in the previous chapter. Others feel new.¹⁸⁵ The full implications for news remain uncertain but some trends are becoming clearer.

Production

88. AI has long been used in news and will likely shape parts of production further,¹⁸⁶ for example automating rote tasks.¹⁸⁷ AI-assisted journalists are already being used.¹⁸⁸ Concerns about job cuts loom.¹⁸⁹ Some publishers are also trialling chatbots which can be fine-tuned on inhouse news.¹⁹⁰ These efficiencies alone are unlikely to transform the nature of news or media finances.¹⁹¹ However, we note that unresolved challenges around hallucinations, biases and audience mistrust may dampen enthusiasm for AI journalism in the short term.¹⁹²
89. Public service media warrant particular scrutiny. Some industry experts have suggested that AI will help public service broadcasters (PSBs) better serve diverging audience needs; others have argued that over-personalisation of news content using AI might undermine the concept of delivering shared experiences that bring audiences together.¹⁹³

Distribution and consumption

90. During our visit to San Francisco we heard that the traditional concept of internet search is being disrupted by generative AI summaries which draw on multiple sources. Aravind Srinivas, Co-Founder of Perplexity AI, outlined the shift away from keyword searches and towards more extended questions with AI tools.¹⁹⁴ Meta's advances in wearable technologies suggest that audio and visual interactions with AI will become more common and seamless. At

185 Appendix of Committee visit to San Francisco

186 See for example: Washington Post, Press Release: *The Washington Post leverages automated storytelling to cover high school football* on 1 September 2017: <https://www.washingtonpost.com/pr/wp/2017/09/01/the-washington-post-leverages-heliograf-to-cover-high-school-football/> [accessed 15 November 2024]; Reuters, Press Release: *Reuters News Tracer* on 15 May 2017: <https://www.reutersagency.com/en/reuters-community/reuters-news-tracer-filtering-through-the-noise-of-social-media/> [accessed 15 November 2024]; BBC Research & Development, 'Natural language processing': <https://www.bbc.co.uk/rd/projects/natural-language-processing> [accessed on 2 August 2024]

187 Written evidence from AGENCY (FON0017), Felix M. Simon (FON0024)

188 Q 51 (Henry Faure Walker, David Higgerson)

189 Written evidence from The Bristol Cable (FON0008)

190 Washington Post, 'Climate answers': <https://www.washingtonpost.com/climate-environment/climate-answers/> [accessed 16 October 2024]

191 Q 32 (Professor Charlie Beckett), written evidence from Felix M. Simon (FON0024)

192 Written evidence from DMG Media (FON0030), Professor Rafael Calvo (FON0047), BBC (FON0059), The Bristol Cable (FON0008), Q 145 (Robert Colvile), Q 10 (Paul Lee), written evidence from Dominic Young (FON0021), YouGov, 'AI in journalism: how would public trust in the news be affected?' (April 2024): <https://yougov.co.uk/technology/articles/49105-ai-in-journalism-how-would-public-trust-in-the-news-be-affected> [accessed 13 November 2024]

193 European Broadcasting Union, *Trusted journalism in the age of generative AI* (June 2024), p 140: https://www.ebu.ch/files/live/sites/ebu/files/Publications/Reports/open/News_report_2024.pdf [accessed 13 November 2024] See the BBC's guidelines for generative AI at BBC, 'Press Release: An update on the BBC's plans for Generative AI (Gen AI) and how we plan to use AI tools responsibly' (28 February 2024): <https://www.bbc.com/mediacentre/articles/2024/update-generative-ai-and-ai-tools-bbc>

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Google we discussed the proliferation of AI-summary tools, like those that can convert lengthy tomes into engaging AI-narrated podcasts.¹⁹⁵ In future, these might be interruptible, enabling users to ask the AI narrators for more information.

91. This all suggests that the trend towards disintermediation of news by tech platforms will continue.¹⁹⁶ Like search engines and social media, large language models (and the applications built on top of them) are likely to have increasing influence over the types of information people see. We cannot yet know what the most popular news applications of the future will look like; much also depends on how Google responds to the challenge to its search business. But some issues are already clear. Providing search users with much longer answers to questions may obviate the need for visiting the actual source of news. Whether the AI provides one answer to a question about current affairs, or a variety of views, may shape the average casual user's views on a topic. Political risks for tech firms loom too, as the way they curate information attracts scrutiny—illustrated recently by the controversy over Google's Gemini AI.¹⁹⁷
92. There is a possibility that diverging regulations in the US, EU, UK and China will influence what types of AI tools (including news chatbots) are used in different jurisdictions—perhaps shaped by rules on using copyrighted or personal data for training. Meta for example did not release its latest AI model in the EU, reportedly citing an “unpredictable” regulatory environment.¹⁹⁸

Monetisation

93. During our visit to San Francisco, we were told that up-to-date news will remain valuable to AI firms, as this is used to provide models with timely and accurate information. Whether, and how much, tech firms will pay remains unclear though.¹⁹⁹ Media firms with business models based on users clicking through to a website might suffer if the AI summary is ‘good enough’ for the average reader.²⁰⁰ Some stakeholders worry that this could make it economically unviable for some news outlets to continue producing quality journalism.²⁰¹
94. James Harding of Tortoise Media told us that generative AI would “increase the value of quality journalism because there will be so much stuff out there that is a mash-up of everything else that is out there”.²⁰² Conversely, Professor Nielsen has warned that generative AI could make some publishers “more efficient at delivering something that audiences and advertisers increasingly

195 *Ibid.*

196 Appendix of Committee visit to San Francisco. See also [Q 145](#) (Robert Colville), written evidence from Ofcom ([FON0063](#)), Media Reform Coalition ([FON0029](#)), BBC ([FON0059](#))

197 See for example: ‘Google apologized for ‘missing the mark’ after Gemini generated racially diverse Nazis’, *The Verge* (21 February 2024): <https://www.theverge.com/2024/2/21/24079371/google-ai-gemini-generative-inaccurate-historical> [accessed 15 November 2024].

198 Meta, ‘Building AI Technology for Europeans in a Transparent and Responsible Way’ (10 June 2024): <https://about.fb.com/news/2024/06/building-ai-technology-for-europeans-in-a-transparent-and-responsible-way/> [accessed 25 October 2024]; ‘Meta pulls plug on release of advanced AI model in EU’, *The Guardian* (18 July 2024): <https://www.theguardian.com/technology/article/2024/jul/18/meta-release-advanced-ai-multimodal-llama-model-eu-facebook-owner> [accessed 15 October 2024]

199 Appendix on Committee visit to San Francisco

200 *Ibid.*

201 Appendix on Committee visit to San Francisco. See also written evidence from Felix M. Simon ([FON0024](#)), NewsNow ([FON0051](#)), NMA ([FON0056](#)).

202 [Q 127](#)

do not value”.²⁰³ Generic content is likely to become less useful to AI firms and discerning readers alike.²⁰⁴

Competition and political influence

95. The AI landscape is fast becoming dominated by OpenAI (backed by Microsoft), Google, Anthropic (backed by Amazon) and Meta, followed by a series of smaller firms.²⁰⁵ A long tail of smaller (likely open source) providers may also emerge, but market consolidation and competition issues already loom.²⁰⁶ If the trend towards generative search continues, many smaller media outlets may struggle to make money or reach consumers—particularly if they do not have licensing deals granting them revenue streams and exposure.²⁰⁷ Elsewhere in the market, there is a risk that a few (larger) media outlets will experience growing dependency on a handful of AI firms. In future, it is conceivable that tech firms might exert extensive financial influence over some news outlets (or even buy them outright via affiliates) and secure a ready supply of timely journalism.
96. We found Ofcom’s media ownership and merger rules poorly suited to this evolving environment. Ofcom has a duty to “maintain a sufficient plurality of providers of television and radio services”, but its current frameworks focus largely on traditional print and broadcast outlets. Ofcom reviews the Media Ownership Rules every three years. The Secretary of State can request that Ofcom carry out a Public Interest Test on potential media mergers.²⁰⁸
97. In 2021 Ofcom called for updates to the Media Public Interest Test framework to include online “news creators”, which would cover online-only news websites.²⁰⁹ This modest change has remained outstanding for three years. The Government recently launched a consultation on implementing this recommendation by amending the definition of a “newspaper” in the Enterprise Act 2002 to include online news publications.²¹⁰ The consultation set out a “policy intention to exclude aggregators ... and online intermediaries” from the updated rules, citing the number of firms that could be caught in scope and Ofcom’s 2021 report as justification. The Government suggested that this approach

203 Professor Rasmus Kleis Nielsen, ‘How the news ecosystem might look like in the age of generative AI’ (March 2024): <https://reutersinstitute.politics.ox.ac.uk/news/how-news-ecosystem-might-look-age-generative-ai> [accessed 2 August 2024]

204 [Q 127](#)

205 Amba Kak, Sarah Myers West and Meredith Whittaker, ‘Make no mistake—AI is owned by Big Tech’, *MIT Review*, (5 December 2023): <https://www.technologyreview.com/2023/12/05/1084393/make-no-mistake-ai-is-owned-by-big-tech/#:~:text=With%20vanishingly%20few%20exceptions%2C%20every,and%20sell%20their%20AI%20products> [accessed 13 November 2024]

206 Federal Trade Commission, ‘FTC Launches Inquiry into Generative AI Investments and Partnerships’ (25 January 2024): <https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-launches-inquiry-generative-ai-investments-partnerships> [accessed 25 October 2024]

207 Written evidence from News Media Coalition ([FON0036](#))

208 The Secretary of State can intervene in a “relevant merger situation” or “special merger situation” involving a broadcaster and/or a print newspaper enterprise on the grounds of “public interest considerations” outlined in the Enterprise Act 2008. The Secretary of State has powers to redefine “broadcasting” or “newspaper”; add or modify media public interest considerations and redefine the conditions for a “special merger situation”. See written evidence from Ofcom ([FON0063](#)).

209 Ofcom, *The future of media plurality in the UK* (November 2021), p 26: https://www.ofcom.org.uk/_data/assets/pdf_file/0019/228124/statement-future-of-media-plurality.pdf [accessed 13 November 2024]

210 Department of Culture, Media and Sport, ‘Consultation on updating the media mergers regime’ (November 2024): <https://www.gov.uk/government/consultations/consultation-on-updating-the-media-mergers-regime/consultation-on-updating-the-media-mergers-regime#proposedchanges> [accessed 6 November 2024]

“reflects the way in which news is consumed in the modern day, whilst avoiding bringing into scope additional entities that are less likely to pose public interest concerns”.²¹¹

98. We were disappointed that the Government did not seek a wider update to the media plurality rules and we struggled to follow its logic in pursuing a limited approach via this consultation. Research by the regulator has highlighted the “significant role” that online news intermediaries play across the news value chain.²¹² The scope of an expanded regime could be limited to the largest news intermediaries without much difficulty. The risk of burden to business is less clear too: if the Secretary of State decides to investigate a merger then presumably there will be public interest grounds for doing so—and if there is no investigation then it is not obvious how significant the burden to business would be.
99. In our evidence session the Minister further suggested that the Digital Markets, Competition and Consumers Act 2024 would address media competition. While the Act may help,²¹³ it is no panacea. The legislation is cross-sector, not specific to news. It remains unclear how far the provisions of that Act would affect tech firms’ practices in news, and how quickly. Experiences from the EU suggest that rapid and robust implementation will be key, but difficult.²¹⁴ ITV warned that “the threat to news business models risks outpacing the speed of implementation”.²¹⁵
100. **Advances in generative AI are enabling tech firms to provide engaging and high quality news summaries. This suggests they are increasingly acting as publishers and may need to be regulated as such. Ofcom’s media plurality framework is rapidly becoming outdated, and the previous Government’s years-long timeline for implementing vital changes has been inadequate. *The Government should commit to a 12 month deadline for responding to future Ofcom priority recommendations on media plurality.***
101. **The Government’s proposed amendments to the media mergers regime are a good start. But we are disappointed it has not sought a wider update to the media plurality regime. The decision to exclude online intermediaries looks oddly short sighted given the rapid advances in tech firms’ ability to produce news summaries. We appreciate that tech firms are not newspapers but this does not mean their evolving role in the news landscape should be overlooked. *We recommend the Government works with Ofcom to set out plans and timelines for capturing online news intermediaries within the scope of the media ownership rules.***

211 *Ibid.*

212 Ofcom, *Online news: research update*, p 6

213 Written evidence from ITV (FON0019); Q 82 (Sebastian Enser-Wight). Interventions might be possible around app stores, advertising, transparency, self-preferencing and bargaining power, for example.

214 ‘EU probes Apple, Meta and Alphabet under landmark new law’, *Financial Times* (25 March 2024), available at: <https://www.ft.com/content/22ce95a6-e473-4102-a330-f7d02cfb6fd1> [accessed 15 November 2024]

215 Written evidence from NMA (FON0056), ITV (FON0019)

Regulatory crossover

102. As generative AI progresses and tech platforms continue to dominate advertising and data flows, we anticipate growing convergence between regulatory remits and their impact on news publishers. Further co-ordination across regulators may be helpful. The News Media Association highlighted the focus of the Information Commissioner’s Office (ICO) on data privacy, saying that its proposals around cookies would undercut news media business models.²¹⁶ DMG Media noted separate work by the Competition and Markets Authority (CMA) on Google’s proposed changes to third-party cookies, which would also damage publisher revenues.²¹⁷ Ofcom has statutory duties to oversee media plurality but still lacks adequate means, while the CMA has powers but its priorities for news are less clear. The issues around the use of personal data for AI training are a further potential challenge.
103. The Digital Regulation Cooperation Forum, which brings together the CMA, ICO, Ofcom and the Financial Conduct Authority, has various related workstreams (for example AI and data protection) but does not appear to have dedicated projects addressing the impacts of regulation on news media.²¹⁸
104. *The Digital Regulation Cooperation Forum should establish a dedicated workstream examining areas of regulatory crossover, conflict and collaboration that will affect the news sector—focusing in particular on privacy, advertising and competition.*

Copyright

105. Our recent report on large language models examined the use of copyright materials for AI training.²¹⁹ In brief, AI firms need significant amounts of data to train their models. This includes text but increasingly audio, video and other types of data. Under the UK’s current text and data mining rules, obtaining permission typically involves acquiring a licence or relying on an exception. Noncommercial research is however permitted.
106. Tech firms have said their use of data for AI training is legitimate—citing legal exceptions and arguing that allowing machines to ‘read’ and ‘learn’ from material should be permitted. Many copyright holders (such as news publishers, academics, performers and similar) have argued in contrast that the copyright law exceptions do not apply, and that tech firms should seek permission or provide remuneration for using their data.²²⁰
107. Our present inquiry examined three implications of this for journalism in more detail.

Competing priorities

108. First is the difficulty of balancing competing strategic objectives. Many stakeholders favour an AI-friendly approach and looser rules on text and data mining—the process by which tech firms obtain the content needed

216 Written evidence from NMA (FON0056), DMG Media (FON0030), IAB (FON0039)

217 Written evidence from DMG Media (FON0030)

218 DRCF, ‘Workplan 2024–25’ (April 2024): <https://www.drctf.org.uk/siteassets/drctf/pdf-files/drctf-workplan-202425/> [accessed 22 October 2024]

219 Communications and Digital Committee, Letter from the Chair to the Secretary of State for Science, Innovation and Technology (2 May 2024): <https://committees.parliament.uk/publications/44563/documents/221372/default/>

220 Communications and Digital Committee, *Large language models and generative AI*, para 232

to train their models.²²¹ There are multiple reasons. Boosting productivity and improving public sector service efficiencies will increasingly require AI knowhow. Yet onerous regulation may make it harder to attract AI investment and talent, or encourage tech firms to withhold products from the UK market. Making AI firms pay more for data might hamper startups. Some argue that deepening geopolitical competition with China makes it important for national security reasons for the UK to ‘win the AI race’.²²²

109. On the other hand, the UK’s diversified economy and longstanding intellectual property rules benefit a range of people and businesses. As our reports on the creative industries and on large language models found, undermining copyright principles will likely damage the UK’s £100 billion creative industries (which the new Government has recognised as a strategic growth sector).²²³ We were told that AI frameworks that do not improve the economic outlook for quality journalism risk eroding the foundations of our democracy.²²⁴ Some suggest that the best response to data scraping by big tech firms should not involve making unethical behaviour cheaper and easier for everyone else,²²⁵ particularly as developers seem prepared to pay vast sums on compute.²²⁶
110. Favouring tech firms without supporting media organisations also risks further splintering the news landscape along lines identified in Chapter 3: wealthier outlets (who can strike licensing deals and may enjoy greater prominence) may serve a small demographic of well-informed news aficionados, while a much larger proportion of the population becomes increasingly poorly served as the economics of mass market journalism worsen, smaller outlets offering alternative perspectives struggle to gain prominence, and local news deserts expand.²²⁷ Baroness Jones of Whitchurch, Parliamentary Under-Secretary of State for the Future Digital Economy and Online Safety at the Department for Science, Innovation and Technology, said she was “trying to find a way through that is acceptable to all sides”.²²⁸

Licences

111. The principle of using real-time and archive news for the development of AI products remains contested.²²⁹ Lawsuits are multiplying on some

221 *Ibid.*, para 234

222 Department for Science, Innovation and Technology, *National AI Strategy* (September 2021): https://assets.publishing.service.gov.uk/media/614db4d1e90e077a2cbdf3c4/National_AI_Strategy_-_PDF_version.pdf [accessed 15 November 2024]; Appendix on Committee visit to San Francisco; Carnegie Endowment for International Peace, *Charting the Geopolitics and European Governance of Artificial Intelligence* (March 2024): https://carnegie-production-assets.s3.amazonaws.com/static/files/Csernatonni_-_Governance_AI-1.pdf [accessed 15 November 2024]

223 Communications and Digital Committee, *At risk: our creative future*, para 34; Communications and Digital Committee, *Large language models and generative AI*, para 45; Department for Business and Trade, ‘Invest 2035: The UK’s Modern Industrial Strategy’ (14 October 2024): <https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy> [accessed 22 October 2024]

224 Written evidence from NMA (FON0056)

225 Written evidence from Radiocentre (FON0025)

226 ‘Thom Yorke and Julianne Moore join thousands of creatives in AI warning’ *The Guardian* (22 October 2024): <https://www.theguardian.com/film/2024/oct/22/thom-yorke-and-julianne-moore-join-thousands-of-creatives-in-ai-warning> [accessed 15 November 2024]

227 Q 32 (Douglas McCabe), Q 143 (Robert Colville, Professor Rasmus Kleis Nielsen)

228 Q 175

229 ‘The Times sues OpenAI and Microsoft over A.I. use of copyrighted work’, *The New York Times* (27 December 2023), available at: <https://www.nytimes.com/2023/12/27/business/media/new-york-times-open-ai-microsoft-lawsuit.html> [accessed 15 November 2024]

fronts even as licensing deals between news organisations and tech firms emerge elsewhere.²³⁰ OpenAI told us that they were leading the way on establishing partnerships. Several stakeholders welcomed this move towards more partnership-based development.²³¹ Sceptics described the deals as an insurance policy against litigation, suggesting it encourages future lawsuits to be directed against challenger AI firms (who may not be able to afford such deals) rather than wealthy incumbents.²³²

112. Whether generative AI licensing deals are one-time offers or long-term partnerships remains uncertain. Under the first scenario, AI firms would extract most of the value of news content from a news publisher upfront and then train new models (by reusing the tokens and ‘vector representations’) without having to relicense when the deal expires. Alternatively, deals might create long-term partnerships which envisage relicensing and align the interests of the AI developer and news publisher—perhaps with a particular focus on up-to-date news from reputable sources, which remains valuable for generative search.²³³
113. The nature of licensing deals made now will set precedents and may influence which firms survive into the future.²³⁴ The terms governing access to real-time news, royalties, opt-outs, anti-cloning protections, transparency and responsiveness to market conditions will be key.²³⁵ Smaller outlets with less data and little bargaining power risk being left out. Collective licensing (for example through organisations like the Copyright Licensing Agency) could provide a more even playing field, alongside a system for responsible data access—though progress, appetite and prospects are mixed.²³⁶ (We note that our report is focused on news: while the principles of intellectual property apply broadly, it is possible that the details of AI licensing agreements will differ across economic sectors).

Text and data mining rules

114. The third implication of AI and copyright rules that we considered was the practical difficulties inherent in developing new text and data mining rules. In 2022 the Intellectual Property Office (IPO) proposed to change the UK’s rules to allow any form of commercial mining. This Committee examined the trade-offs and concluded the IPO had not considered sufficiently the impact on the creative sector. The Government subsequently confirmed it would no longer pursue a “broad copyright exception” and set up a working group to develop a new code of practice.²³⁷ We followed this work closely and

230 Bloomberg Law, ‘AI Models Force Media Firms to Pick Licensing or Litigation’ (5 August 2024): <https://news.bloomberglaw.com/ip-law/generative-ai-forces-media-firms-to-pick-licensing-or-litigation> [accessed 17 October 2024]

231 See for example News Corp, ‘News Corp and OpenAI Sign Landmark Multi-Year Global Partnership’ (22 May 2024): <https://investors.newscorp.com/news-releases/news-release-details/news-corp-and-openai-sign-landmark-multi-year-global-partnership> [accessed 25 October 2024]

232 Appendix on Committee visit to San Francisco

233 *Ibid.*

234 See for example the press release announcing a deal between OpenAI and The Atlantic, which emphasises the importance of the publication being discoverable as generative search evolves. The Atlantic, Press release: *The Atlantic announces product and content partnership with OpenAI* (29 May 2024): <https://www.theatlantic.com/press-releases/archive/2024/05/atlantic-product-content-partnership-openai/678529/> [accessed 15 November 2024]

235 Enders Analysis, ‘AI, press and licensing deals’ (2024): <https://www.endersanalysis.com/reports/ai-press-and-licensing-deals-chosen-few> [accessed 16 October 2024]

236 Communications and Digital Committee, *Large language models and generative AI*, para 253

237 *Ibid.*, para 229

were disappointed by the way the IPO-led roundtables were handled and the lack of progress. We wrote to the Government in May 2024, raising concerns that their

“record on copyright was inadequate and deteriorating ... the Government has set up and subsequently disbanded a failed series of roundtables led by the Intellectual Property Office ... The Government’s reticence to take meaningful action amounts to a de facto endorsement of tech firms’ practices”.²³⁸

115. Recent media reports suggest that the new Government has been exploring an opt-out approach,²³⁹ building on the previous administration’s consultation.²⁴⁰ This might involve specifying that tech firms may acquire data for non-research purposes unless rightsholders specifically decline. Anyone wishing to opt out might use tools like robots.txt to tell AI crawlers to exclude a site. A comparable regime is used in the EU—RELX, an information platform, previously said it worked “tolerably well”.²⁴¹ Google advocates allowing mining for “both commercial and research purposes”.²⁴²
116. But adopting an EU-style opt-out scheme wholesale would be problematic. *The Financial Times* told us that there is no clear enforcement mechanism for infringements, short of costly and uncertain court cases that few can afford.²⁴³ The lack of transparency also makes it hard to prove illegal scraping anyway. DMG Media highlighted the stakes for those considering litigation in the UK: “If a news publisher loses it would then be open season for LLMs to use its copyright content without restriction.”²⁴⁴
117. An assessment by the European Publishers Council found that publishers cannot tell if a crawler is operating for research or commercial purposes, and it is technically difficult or impossible to block crawlers outright. Some third parties might appear to be crawling for academic research but then give or sell data to tech firms, who are one step removed from any abuses.²⁴⁵ A note on Google Search Central acknowledges that “while Googlebot and other respectable web crawlers obey the instructions in a robots.txt file, other crawlers might not”.²⁴⁶ Publishers also worry that blocking crawlers in other

238 Communications and Digital Committee, Letter from the Chair to the Secretary of State for Science, Innovation and Technology (2 May 2024): <https://committees.parliament.uk/publications/44563/documents/221372/default/>

239 ‘UK to consult on ‘opt-out’ AI content scraping in blow to publishers’, *The Financial Times* (16 October 2024): <https://www.ft.com/content/26bc3de1-af90-4c69-9f53-61814514aea> [accessed 17 October 2024]

240 Intellectual Property Office, ‘Artificial Intelligence and IP: copyright and patents’ (October 2021): <https://www.gov.uk/government/consultations/artificial-intelligence-and-ip-copyright-and-patents> [accessed 22 October 2024]

241 Oral evidence taken before the Communications and Digital Committee inquiry on Large Language Models, 7 November 2023 (Session 2023–24), [Q 60](#)

242 Google, ‘Unlocking the UK’s AI potential’ (September 2024), p 20: <https://blog.google/around-the-globe/google-europe/united-kingdom/ai-potential-uk/> [accessed 26 September 2024]

243 Letter from Matt Rogerson, Director of Global Public Policy & Platform Strategy Financial Times to the Chair of the Communications and Digital Committee, (18 October 2024): <https://committees.parliament.uk/publications/45506/documents/225308/default/>

244 Written evidence from DMG Media (FON0030)

245 European Publishers Council, Letter from Matt Rogerson, Director of Global Public Policy & Platform Strategy Financial Times to the Chair of the Communications and Digital Committee, Annex (18 October 2024): <https://committees.parliament.uk/publications/45506/documents/225308/default/>

246 Google Search Central, ‘Introduction to robots.txt’: <https://developers.google.com/search/docs/crawling-indexing/robots/intro#:~:text=The%20instructions%20in%20robots.,the%20instructions%20in%20a%20robots> [accessed 13 November 2024]

ways may affect whether they show up in other online search rankings, and have accused tech firms of exploiting dominance in internet search to gain advantages in obtaining AI training data.²⁴⁷

Government options

118. The complexity of the issues outlined above should not become an excuse for inertia, and we note the Government’s forthcoming plans in this space.²⁴⁸ We welcomed the Prime Minister’s comments recognising the “basic principle that publishers should have control over and seek payment for their work”.²⁴⁹ Jon Slade, Chief Operating Officer of the *Financial Times*, suggested that publishers need more clarity on copyright law.²⁵⁰ This could specify more clearly how copyright applies to text and data mining for large language models used for commercial purposes, and establish enforceable protocols and sanctions for the Government’s future text and data mining regime.
119. At a minimum, this would likely require a transparency mechanism enabling rightsholders to check if their data has been used. Original repositories of raw data might be too unwieldy, but lists of websites or metadata may be manageable.²⁵¹ If tech firms have concerns about revealing commercially sensitive data, vetted researchers, the Government or a regulatory unit could be established to act as an ‘honest broker’ to carry out the checks.²⁵²
120. Any regime would need to require web crawlers to identify themselves, or else tech firms could remain immune from retribution where rightsholders’ data has been misused. Rules would also need to be flexible; it is possible that if internet search and generative AI services converge, web crawling activity may do the same. New rules would also need to be clear about how far protections extend to the real-time use of news to help generative AI tools answer questions—as opposed to simply using archive data to train base models.
121. Enforcement will need more work too, as copyright is typically treated as a private matter, and the UK lacks suitable institutions for addressing breaches. The Intellectual Property Office (IPO) does not have regulatory powers comparable to the Competition and Markets Authority (CMA), for example. DMG Media suggested that the Digital Markets Unit, which sits within the CMA, should address anti-competitive use of web crawlers.²⁵³ We

247 [Q 44](#) (Peter Wright), written evidence from DMG Media ([FON0030](#))

248 ‘UK to consult on ‘opt-out’ AI content scraping in blow to publishers’, *The Financial Times* (16 October 2024): <https://www.ft.com/content/26bc3de1-af90-4c69-9f53-61814514aeea> [accessed 17 October 2024]

249 ‘Journalism is the lifeblood of British democracy. My government will protect it’, *The Guardian* (28 October 2024): <https://www.theguardian.com/commentisfree/2024/oct/28/keir-starmer-journalism-lifeblood-british-democracy-labour> [accessed 13 November 2024]

250 [Q 44](#) (Jon Slade)

251 Model developers typically discard original training data once processed, but a repository of metadata indicating the websites or content domains accessed by web crawlers seems unlikely to present insurmountable technical obstacles. See Oral evidence taken before the Communications and Digital Committee inquiry on Large Language Models, 7 November 2023 (Session 2023–24), [Q 59](#) (Dan Conway). See also reporting on the New York Times court case: ‘Business Insider, ‘Why the New York Times’ lawyers are inspecting OpenAI’s code in a secret room’ (11 October 2024): <https://www.businessinsider.com/ai-future-copyright-lawsuits-new-york-times-times-authors-2024-10> [accessed 17 October 2024]

252 This might involve vetted researchers, the Intellectual Property Office, or a joint unit with the AI Safety Institute. Funding for this could involve a fee paid by rightsholders, or some form of levy paid by the relevant parties.

253 Written evidence from DMG Media ([FON0030](#))

noted however that such enforcement might still focus on the largest tech firms with Strategic Market Status, without sufficiently addressing the long tail of smaller AI firms that may also be breaching rules.²⁵⁴ A wider approach might involve the IPO referring cases to the relevant existing regulator (whose commensurate powers and remits may need reviewing to ensure meaningful action can be taken).

122. Aside from rule changes, the Government could champion AI firms acting responsibly. Start-up companies like UK-based Human Native AI indicate that there is an emerging market for providing licensed AI training content.²⁵⁵ The Government could encourage such moves to make the UK an attractive AI training destination—particularly around technical areas valuable to fine tune specialised AI models. Finally, following the failure of the IPO-led working group process, the Government should be cautious about the risks of discussion forums becoming protracted exercises in entrenching the status quo.²⁵⁶
123. Baroness Jones of Whitchurch acknowledged the need to encourage AI and also “protect the rightsholders”, including news media. She said the Government was “moving at pace” and noted that the prospect of voluntary agreements was “clearly not the case now”. She further suggested that a transparency mechanism was a “good idea”.²⁵⁷
124. **The use of news content to train generative AI has the potential to reshape the economics of the media industry. The UK needs a better framework for governing how this works. There are arguments for and against tougher rules. On the one hand, the UK must remain competitive in AI development, or else lose any claim to international leadership. Economic prosperity, public sector efficiencies and national security all provide good arguments for establishing an AI-friendly training regime.**
125. **But that does not mean the Government should pursue rules that primarily benefit foreign tech firms (who seem prepared to pay vast sums on energy, computing facilities and staff—but not on data). Previous efforts to find a solution have been weak and ineffectual. The Government must aim for a robust framework that helps the creative industries strike mutually beneficial deals with tech firms, aligns incentives, respects intellectual property and champions responsible AI development in the UK. Media organisations, for their part, will need to continue to demonstrate their value—and be clear that their position is not about special pleading or propping up outlets for which there is limited demand.**
126. **While we welcome the new Government’s desire to make progress on this issue, we caution strongly against adopting a flawed opt-out regime comparable to the version operating in the EU. Much better means for ensuring technical viability, transparency, consent**

254 Competition and Markets Authority, ‘Digital Markets Unit’ (18 June 2024): <https://www.gov.uk/government/collections/digital-markets-unit#:~:text=The%20main%20components%20of%20the,penalties%20and%20wider%20administrative%20matters> [accessed 25 October 2024]

255 Fortune, ‘Startup that wants to be the eBay for AI data taps Google vets and a top IP lawyer for key roles’ (15 October 2024): <https://fortune.com/2024/10/15/human-native-ai-startup-building-marketplace-for-data-hires-veteran-google-execs-top-ip-lawyer/> [accessed 17 October 2024]

256 Communications and Digital Committee, *Large language models and generative AI* para 252

257 [Q 178](#)

and enforcement are needed for a new text and data mining regime to work to UK advantage. If the Government gets this right, it can provide speedy regulatory certainty and encourage a new AI-licensing startup scene to flourish too.

127. *Any proposal for a new text and data mining regime must include transparency mechanisms that enable rightsholders to check whether their data has been used. It must offer technical enforceability that goes beyond the likes of robots.txt indicators, which remain inadequate. Meaningful sanctions for non-compliance are essential and the Government's anticipated IP consultation should explore the options for independent regulatory enforcement. Requirements for web crawlers to identify their purpose are needed too. The Government should encourage good practice by championing an emerging market for licensed AI data training providers. We urge the Government to dedicate significant technical, policy and political resource to address these challenges at pace. The Department for Science, Innovation and Technology should outline its plans in response to this report.*
128. *The Competition and Markets Authority should investigate and address tech firms leveraging dominance in one domain, notably internet search, to secure anti-competitive advantages in obtaining data for generative AI training. We suggest this should be an immediate priority given the pace of market developments and impacts on news media business models.*

CHAPTER 6: SERVING AUDIENCES

129. This chapter examines some of the challenges around serving all audiences with honest, accurate, informative and balanced news. First we set out the context of trust in news, online fragmentation, declining engagement and concern about the direction of travel.
130. We then examine three issues concerning the health of the UK broadcasting market in particular: the work of incumbent broadcasters serving a diverse range of audiences; new market entrants complying with the Broadcasting Code; and Ofcom enforcing its rules robustly in a way that upholds public trust. We found room for improvement in all of these areas for the regulated broadcast sector to maintain its ‘anchor’ position in the media market and continue to support a cohesive society.

A difficult landscape

131. The data on UK attitudes to news are mixed. James Frayne, Founding Partner of the political consultancy Public First, argued that “most people trust ... the BBC and their newspapers, but it has diminished significantly”.²⁵⁸ Around 96 per cent of UK adults say they watch, read or listen to news in some form. This suggests relatively strong demand for information. The sources of information are varied—over half of adults say social media is their main news source, though it remains unclear what this involves: authoritative news links, influencer commentary and organic user posts are all captured in this figure.²⁵⁹ The impacts of algorithmically curated news diets remain an ongoing area of research.²⁶⁰
132. Yet separate data from the Reuters Institute show that, between 2015 and 2024, the overall proportion of people in the UK saying they trust “most news most of the time” fell from 51 to 36 per cent. The proportion of people extremely or very interested in news fell from 70 to 38 per cent over the same period.²⁶¹ The causes and consequences of these trends are myriad and linked to some of the factors discussed in Chapter 4.
133. We asked witnesses about the relationship between demand, engagement and trust. Paul Lee, Global Head of Research for Technology, Media and Telecommunications at Deloitte, cautioned against conflating the provenance of news (e.g. the BBC) with the level of trust in the distribution mechanism (e.g. Facebook feeds).²⁶² Douglas McCabe of Enders Analysis thought that headline figures on low trust were not overly troubling and reflected a plural media market and healthy consumer scepticism.²⁶³ Mr Frayne identified young people and new arrivals to the UK as groups where “trust in the mainstream media has never really been established”, but suggested that a “collapse” in trust among other groups “ought to be a worry”.²⁶⁴ Professor Charlie Beckett thought the area of concern centred on where this issue “spills over into fragmentation and cynicism and a complete avoidance of the news media”. He further drew attention to the way online distribution

258 Q 22 (James Frayne)

259 Ofcom, *News consumption in the UK: 2024*, p 5

260 See for example Ofcom, *Online news: research update (March 2024)*

261 Reuters Institute for Study of Journalism, *Digital News Report 2024*, p 62:

262 Q 6

263 Q 22 (Douglas McCabe)

264 Q 22 (James Frayne)

and consumption were reshaping the traditional relationship between media outlets and their audiences:

“You have to be on their side, be more relevant to them and be more accessible. You have to talk about the things that they are interested in rather than things that are important to you.”²⁶⁵

134. Associated issues around competition for attention, the proliferation of platforms and the rise of opinion-led online commentary and influencer culture all raise difficulties for traditional media outlets seeking to engage audiences while maintaining balanced and reliable reporting.²⁶⁶ The disaggregation of news packages into individual articles, short-form clips or online commentary tends to remove context and detail which might provide more balance.²⁶⁷ Anna Bateson, CEO of The Guardian Media Group, thought it was getting harder to achieve “that sense of commonality around truth”.²⁶⁸
135. James Bennet, senior editor at The Economist, raised further concerns about social media becoming a “powerful means of enforcing orthodoxy”, telling us that:
- “the intensity with which people respond to a particular piece of news or a particular opinion piece has a profoundly inhibiting effect on the ambitions of a news organisation to be impartial, or to be objective, or to present a range of views”.²⁶⁹
136. During our visit to San Francisco we heard that some news outlets were increasingly preoccupied with younger audiences and their preference for “authentic” content rather than “authoritative” sources: relatable online influencers that share (and shape) the viewer’s values fall into the first category, whereas establishment titles tend not to. We were told that some US publishers are considering borrowing from influencer culture to attract customers. This might bring a fresh approach to engaging (younger) audiences. It may also bring difficulties around alignment of principles and retaining audiences when the star moves on.²⁷⁰ Whether younger consumers will drive additional changes in the tools that media and tech companies employ—and possibly shape the underlying political slant of content prioritised in personalised generative search—is a further unknown.
137. In some respects these developments continue longstanding trends: consumers have always shaped supplier behaviours, chosen preferred titles and presenters, and switched when dissatisfied. In other ways the implications are more concerning. News UK noted that the traditional role of news in “convening society” is becoming inverted, as users consume disparate stories and follow opinion-shapers on personalised newsfeeds.²⁷¹

265 [Q 22](#). Commentators in the aftermath of the 2024 US presidential election raised further questions about the way certain topics are covered. See for example Tim Shipman (@ShippersUnbound) Tweet on 6 November 2024: <https://x.com/ShippersUnbound/status/1854238191248724113>. For further discussion on journalists engaging with a wider variety of viewpoints see also @ShippersUnbound, tweet on 6 November 2024: <https://x.com/ShippersUnbound/status/1854238191248724113>.

266 [Q 32](#) (Douglas McCabe)

267 [Q 42](#)

268 [Q 41](#)

269 [Q 7](#) (James Bennet)

270 Appendix on Committee visit to San Francisco

271 Written evidence from NewsUK ([FON0055](#))

138. Mr Bennet thought that the UK's media landscape still offered "a nice combination of a reliable narrative about what is actually happening in the world, and a cacophony of views that surround that".²⁷² He issued a stark warning however about the implications if the UK were to follow the US trajectory, where he said audiences find "their own version of reality."²⁷³ Mr Neil issued similar warnings: "I would not like to see Britain go down that road. It is bad for democracy".²⁷⁴
139. The charts below provide an indication that UK voters' trust in and consumption of news media has not yet fractured along party-political lines. We note that the shifts in the UK's political environment are complex and not necessarily well captured by headline statements on party affiliation. But the figures nevertheless provide one suggestion of how the UK compares to the US. Figure 3 shows that in many cases the level of party-political trust/distrust (indicated by the length of the vertical bar) is fairly modest. Figure 4 shows by contrast that the difference in the US is extensive and widespread.
140. The regulation of the UK's broadcasting sector has likely played a role in guarding against partisan splits. Some stakeholders worried however that many audiences (particularly those who feel insufficiently represented by traditional media) will increasingly shift to online alternatives.²⁷⁵ Mr Neil argued that the UK was not yet comparable to the US but believed one risk factor was the "monopoly of opinion" among British broadcasters, cautioning that an "increasing number of people [...] will feel that they are not getting the kind of news that they expect" and consequently turn to alternative sources.²⁷⁶

272 [Q 19](#) (James Bennet)

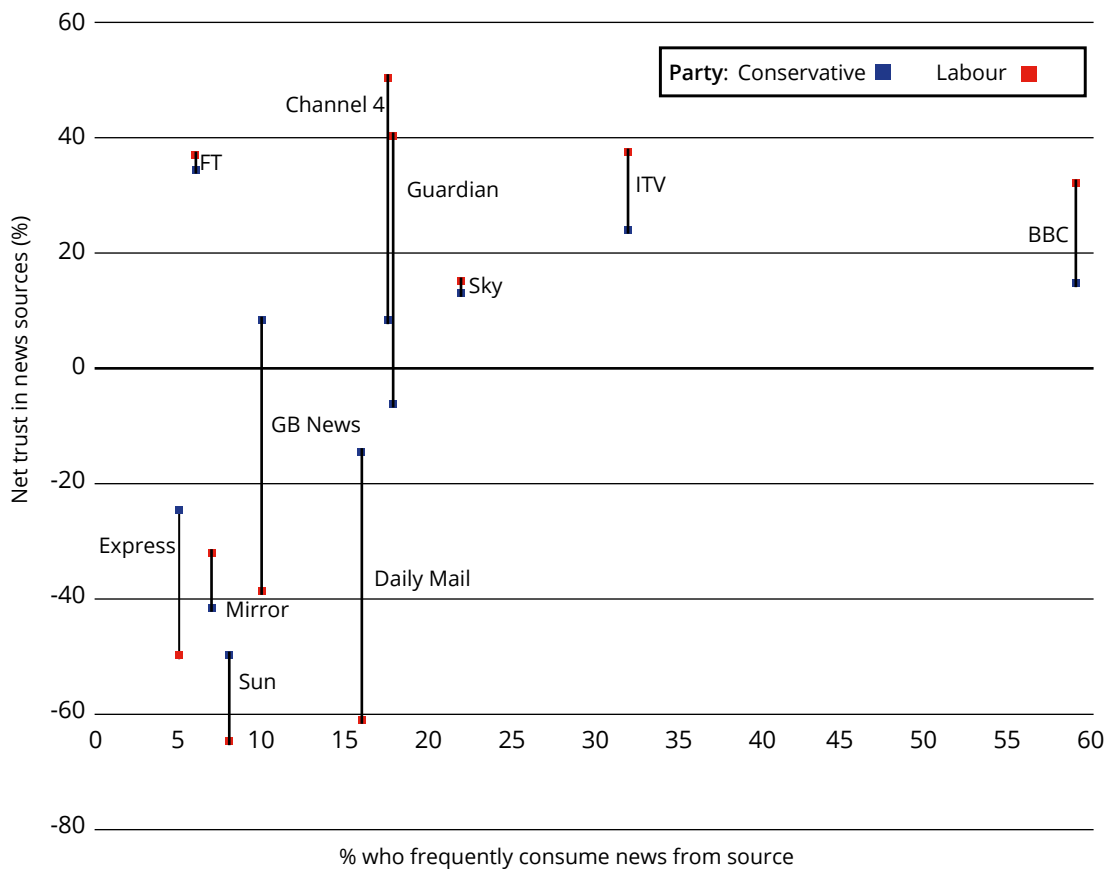
273 [Q 9](#)

274 [Q 116](#)

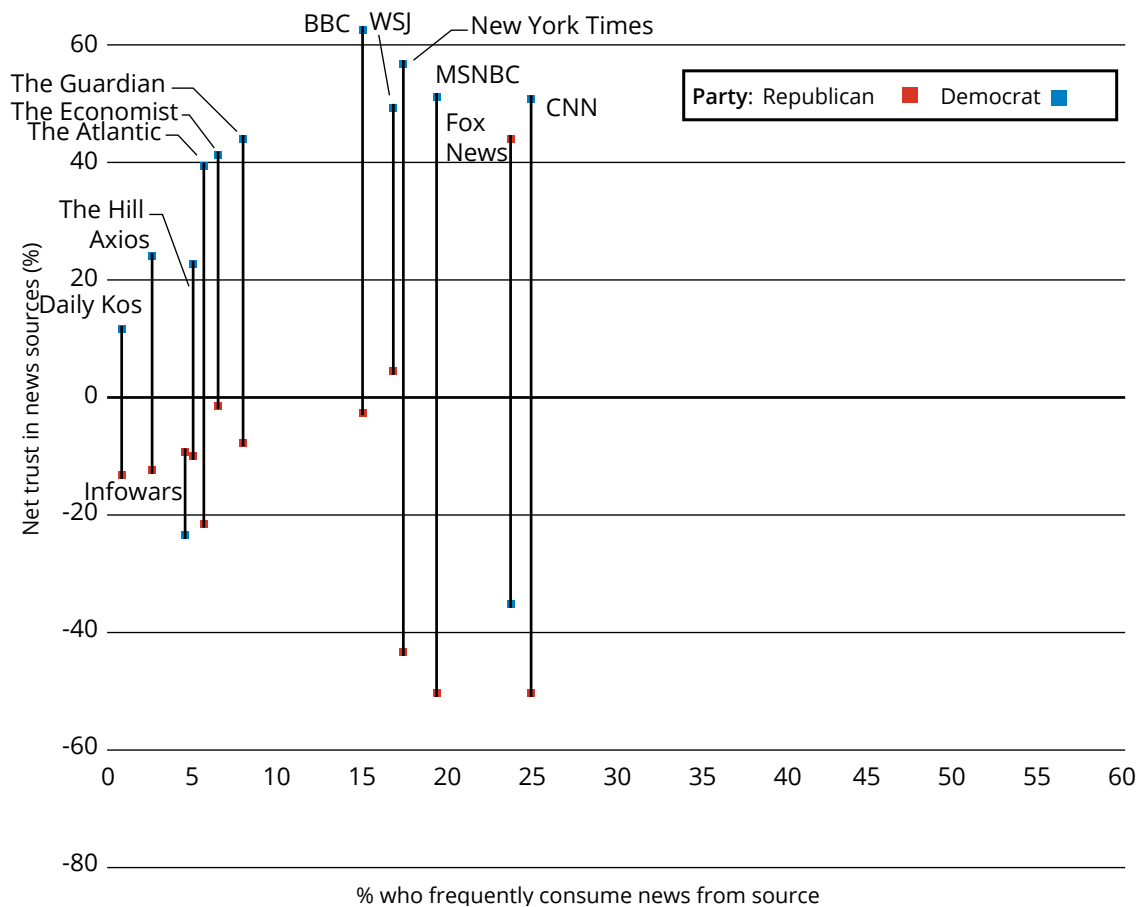
275 See for example written evidence from the Voice of the Listener and Viewer ([FON0015](#)) and [Q 22](#) (James Frayne). For a discussion on the work of the PSBs in this regard see written evidence from Maggie Carter CBE DL ([FON0070](#))

276 [Q 116](#)

Figure 3: UK news outlets consumption and trust



Source: Written evidence from the BBC (FON0069). Original analysis obtained from 'Britain is not America - and the right shouldn't forget it', Financial Times (26 May 2024), available at: <https://www.ft.com/content/a2050877-124a-472d-925a-fc794737d814> [accessed 15 November 2024]

Figure 4: US news outlets consumption and trust

Source: Written evidence from the BBC (FON0069). Original analysis obtained from ‘Britain is not America - and the right shouldn’t forget it’, *Financial Times* (26 May 2024), available at: <https://www.ft.com/content/a2050877-124a-472d-925a-fc794737d814> [accessed 15 November 2024]

Broadcast media

BBC

141. The BBC plays an important part in the delivery of trusted and authoritative news. Its ability to maintain high levels of audience engagement, trust and satisfaction matters. Declining support would mean fewer licence fee payers, fewer justifications for its privileges and probably a deterioration of the BBC’s ‘anchor’ position in the UK media market.²⁷⁷
142. We found mixed progress since our last report in 2022. On some metrics it is doing well: the BBC remains by far the most used news source, though the overall proportion of people turning to the BBC as their first choice appears to be in gradual decline.²⁷⁸ It has also launched a range of initiatives addressing concerns about its approach.²⁷⁹

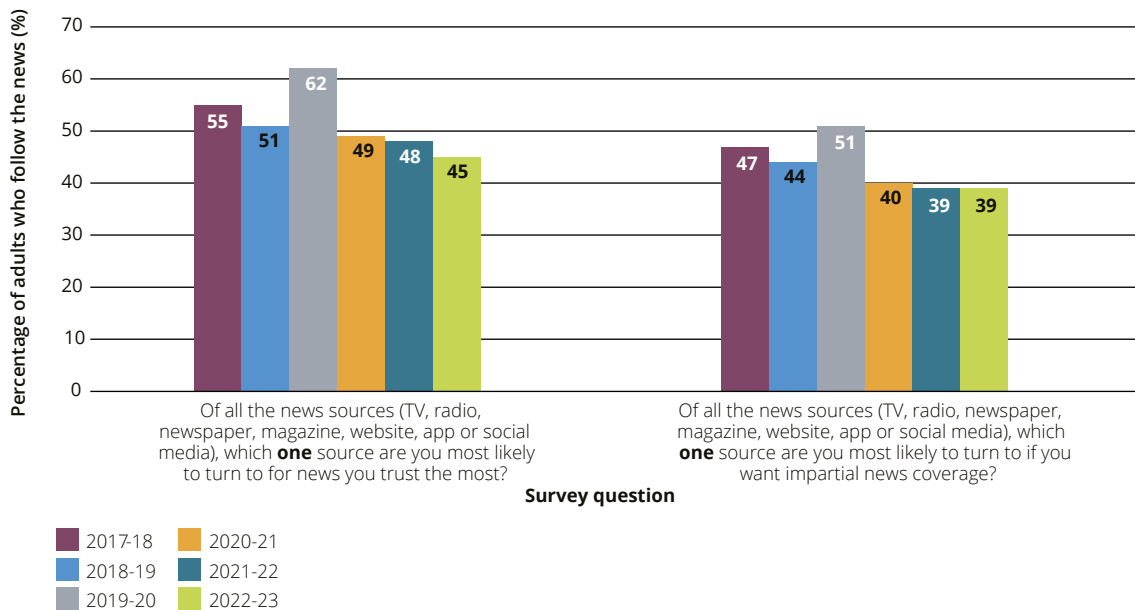
277 Q 136 (Robert Colville). For a discussion on BBC strategic challenges see our report *Licence to change: BBC future funding*, p 3

278 National Audit Office, *BBC Departmental Overview* (2023), p 18): <https://www.nao.org.uk/wp-content/uploads/2023/10/BBC-DO-2022-23.pdf>, [accessed 23 October 2024]

279 The BBC for the future’ strategy sets out plans to “report fearlessly and fairly” in domestic and international journalism. The BBC has been moving production out of London, expanding its social media presence to reach different demographics, updating social media guidance; launching transparency initiatives and holding thematic reviews of its content. See BBC, *A BBC for the future* (March 2024): <https://www.bbc.co.uk/aboutthebbc/documents/a-bbc-for-the-future.pdf> [accessed 15 November 2024]

143. Shortcomings persist in serving less satisfied audiences though.²⁸⁰ Qualitative research suggests that lower socio-economic groups feel “criticised or caricatured” rather than authentically reflected.²⁸¹ Figure 5 demonstrates audience perceptions of the BBC, as calculated by a National Audit Office study. Mr Frayne said that there had been “a very marked decline [in trust] over the course of the past 10 to 15 years among older, Brexit-voting, working-class, provincial leave voters”.²⁸² The BBC responded with data contesting this assessment.²⁸³

Figure 5: Audience perceptions of the BBC



Source: National Audit Office, *BBC Departmental Overview (2023)*, p 18: <https://www.nao.org.uk/wp-content/uploads/2023/10/BBC-DO-2022-23.pdf> [accessed 23 October 2024]

144. The BBC’s Chairman Dr Samir Shah CBE acknowledged challenges and highlighted the corporation’s “thematic reviews” as a good way to examine and improve problems with coverage.²⁸⁴ We welcomed these assessments, though noted that alone they will not solve the problem. Others have questioned their rigour.²⁸⁵ James Frayne thought that more focus on public concerns would help, noting the level of attention that GB News paid to small boat arrivals.²⁸⁶ Professor Charlie Beckett said that newsroom diversity would improve the variety of world views that shape editorial choices.²⁸⁷

280 Ofcom’s 2023 report on the BBC found “viewers of other TV news sources, particularly the non-PSB channels (such as Sky News or CNN), tend to rate news on those channels higher for impartiality than viewers of BBC TV news. However, it is worth noting that BBC TV has a much higher, and broader, reach than these channels”. See Ofcom, *Annual Report on the BBC 2022 – 23* (November 2023), p 11: <https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/bbc/bbc-annual-report/2023/ofcoms-sixth-annual-report-on-the-bbc> [accessed 14 June 2024]

281 Ofcom, *BBC Audiences Review: Understanding what factors may drive lower satisfaction levels among D and E socio-economic groups* (November 2023), p 22: https://www.ofcom.org.uk/_data/assets/pdf_file/0016/272401/BBC-Audiences-Review.pdf [accessed 14 June 2024]

282 [Q 22](#) (James Frayne) and written evidence from Public First ([FON0060](#))

283 Written evidence from the BBC ([FON0069](#))

284 Oral evidence taken before the Communications and Digital Committee, session on the work of the BBC, 10 September 2024 (Session 2024–25), [Q 9](#) (Dr Samir Shah CBE)

285 Written evidence from Professor Stephen Cushion and Emeritus Professor Richard Sambrook ([FON0003](#))

286 [Q 29](#)

287 [Q 30](#)

Tim Davie CBE told us about efforts to move production out of London, though acknowledged that this did not guarantee more diverse intakes (a point also raised by Mr Neil).²⁸⁸

Other PSBs and Sky

145. ITV, Channel 4 and Channel 5 are meant to “meet the needs and satisfy the interests of as many different audiences as practicable”.²⁸⁹ While they each target different demographics, we were told that they confront ongoing challenges in delivering engaging, trusted content due to evolving audience expectations, habits and interests.²⁹⁰ Ofcom data indicate that the PSBs have delivered relatively well against their news provision requirements,²⁹¹ yet viewing numbers continue to fall.²⁹²
146. Jonathan Levy, Managing Editor of Sky News said his organisation complemented the PSBs by being able to “take risks in the public service space” that PSBs do not.²⁹³ We note that Sky News ranks consistently highly on trust and satisfaction,²⁹⁴ but also faces challenges around competition, costs, audience habits, and perceptions of relevance.²⁹⁵
147. Dame Maggie Carver CBE, former chair of Ofcom and ITN said that investment in “a number of distinct, verified and impartial” British news sources online was important to “keep the BBC up to scratch” and provide a “broader overall range” of views.²⁹⁶ Professor Nielsen suggested that a key problem lay in demand rather than supply, noting that plenty of good journalism “is out there for free [but] people are not engaging it”. He argued it was “incumbent on journalists and news organisations to think why that might be”.²⁹⁷ Table 2 sets out the top UK news sources.

Table 2: Top 20 news sources

	2019	2020	2022*	2023	2024
BBC One	58%	56%	53%	49%	43%
ITV1/ITV WALES/UTV/STV	40%	41%	35%	34%	30%
Facebook	35%	34%	32%	30%	30%
BBC iPlayer**	-	-	-	24%	23%
YouTube	6%	6%	8%	7%	19%
Sky News Channel	23%	25%	23%	21%	19%
BBC News Channel	23%	21%	24%	23%	18%

288 [Q 116](#) (Andrew Neil), Oral evidence taken before the Communications and Digital Committee, session on the work of the BBC, 10 September 2024 (Session 2024–25), [Q 9](#) (Tim Davie CBE)

289 Communications Act 2003, [section 264](#)

290 [QQ 66–69](#) (Michael Jerney, Louisa Compton, Guy Davies)

291 Ofcom, [Media Nations: UK 2024](#), p 13

292 *Ibid.*, p 11

293 [Q 89](#) (Jonathan Levy)

294 Ofcom, *News consumption in the UK 2024: Supporting data*, (September 2024), p 22: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2024/news-consumption-in-the-uk-2024---supporting-data.pdf> [accessed 13 November 2024]

295 See for example [Q 116](#), [Q 96](#), written evidence from News UK ([FON0055](#)), ITV ([FON0019](#)). See also Ofcom, [Media Nations: UK 2024](#)

296 Written evidence from Maggie Carver CBE DL ([FON0070](#))

297 [Q 144](#) (Professor Rasmus Kleis Nielsen), [Q 115](#)

	2019	2020	2022*	2023	2024
BBC news online (website/app)	25%	23%	23%	22%	18%
Instagram	13%	14%	16%	16%	18%
X (formerly known as Twitter)	16%	17%	17%	17%	15%
WhatsApp	14%	13%	14%	13%	14%
Channel 4	17%	18%	17%	16%	14%
Google (search engine)	19%	15%	12%	13%	14%
Daily Mail/Mail on Sunday	18%	17%	15%	14%	13%
Channel 4/Channel 4+** (All4/All4+)	-	-	-	8%	12%
ITV/ITVX Premium**	-	-	-	11%	12%
TikTok**	-	1%	7%	10%	11%
The Guardian/Observer	11%	10%	10%	10%	10%
BBC Radio 2	12%	12%	11%	11%	10%
BBC Sounds**	-	-	-	-	9%

Source: Ofcom, *News consumption in the UK 2024: Supporting data (2024)* p 10: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2024/news-consumption-in-the-uk-2024---supporting-data.pdf> [accessed 23 October 2024]

New entrants

148. GB News and TalkTV have been described as alternatives to “mainstream” broadcasters.²⁹⁸ Angelos Frangopoulos, CEO of GB News, said his organisation offered “plurality and choice” to those who “genuinely did not feel that metropolitan-based media reflected or reported what was important to them. They were underrepresented.”²⁹⁹ Mr Nelson thought the newcomers brought more diversity.³⁰⁰ Regular consumers report high levels of trust, accuracy and impartiality.³⁰¹
149. Others were more critical. Professor Steven Barnett said the new entrants were “avowedly partisan”, arguing that GB News displayed a “contempt for balance” with “barely a nod in the direction of competing views”.³⁰² The Voice of the Listener and Viewer warned about the “‘Foxification’ of UK news.”³⁰³
150. Andrew Neil did not believe that the UK was yet comparable to the polarisation visible in US broadcasting, but he warned of this “trend and I think that people will react [... and move to] things that are more congenial to their way of looking at things”. He suggested GB News’ long-term viability may rely more on financial backing than audience revenues.³⁰⁴

298 Written evidence from News UK (FON0055). See also ‘Why Boris Johnson and Nigel Farage are obsessed with ‘Britain’s Fox News’’, *POLITICO* (2 February 2024): <https://www.politico.eu/article/boris-johnson-nigel-farage-gb-news-fox/> [accessed 15 November 2024]

299 Q 196

300 Q 19

301 Ofcom, *News consumption in the UK 2024: Supporting data*, p 25

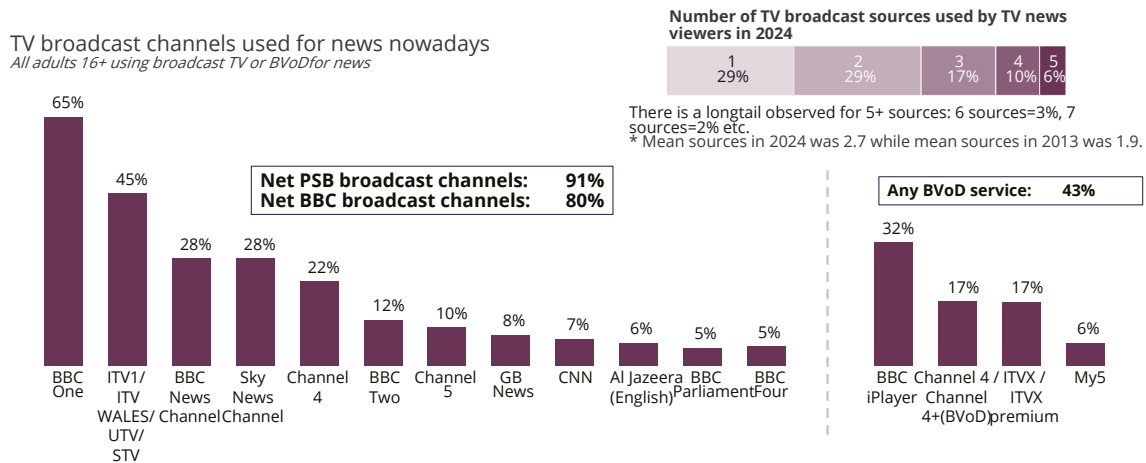
302 Written evidence from Professor Steven Barnett (FON0052)

303 Written evidence from VLV (FON0015)

304 Q 116

151. The CEO of GB News contended that the channel was defying expectations of failure, and said competitors were recognising that “there is a part of the United Kingdom that has not been served”.³⁰⁵ Professor Nielsen said that public service broadcasters needed to adapt, or would otherwise serve “a shrinking, older, privileged part of the public”.³⁰⁶ Figure 6 shows the range of TV channels used to access news in 2024.

Figure 6 : TV channels used to access news in 2024



Source: Ofcom, *News consumption in the UK 2024: Supporting data (2024)* p 20: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2024/news-consumption-in-the-uk-2024---supporting-data.pdf> [accessed 23 October 2024]

Two-tier system?

152. Ofcom has a duty to ensure that “all licensed broadcasters within the UK present their news in a duly accurate and duly impartial way”.³⁰⁷ Complaints to Ofcom have reportedly risen by 600 per cent since the launch of GB News and TalkTV.³⁰⁸ As of October 2024, the regulator found GB News in breach of its rules 12 times since it launched in 2021.³⁰⁹ Mr Frangopoulos said:

“The challenge is that we are doing something different. When the Communications Act was set up in 2003, the rules were set up for the “News at Ten” and the “Nine O’Clock News”. It is a different world now, and our programming is different, certainly from Section 5 [of Ofcom’s Broadcasting Code]. You can read it one way, or you can read it the other.”³¹⁰

153. Stewart Purvis CBE and Chris Banatvala, former TV journalists and senior executives at Ofcom, suggested that the regulator was being overly reticent and creating a “two-tier impartiality system”.³¹¹ Professors Stephen Cushion and Richard Sambrook of Cardiff University were also critical, arguing

305 Q 99

306 Q 137 (Professor Rasmus Kleis Nielsen)

307 Written evidence from Ofcom (FON0063)

308 Data refers to a comparison of complaints between 2021 and April 2024. See ‘Ofcom complaints soar by 600% in age of GB News and TalkTV’, iNews (11 April 2024): <https://inews.co.uk/news/ofcom-complaints-soar-by-600-in-age-of-gb-news-and-talktv-2999438> [accessed 15 November 2024]

309 ‘GB News fines GB News £100,000 over impartiality’, *BBC News* (31 October 2024): <https://www.bbc.co.uk/news/articles/c7v3d44zj03o> [accessed 19 November 2024]

310 Q 98

311 Written evidence from Stewart Purvis CBE and Chris Banatvala (FON0072)

that “free speech does not mean allowing conspiracy theories free reign”.³¹² Numerous others made similar arguments.³¹³

154. Mr Frangopoulos argued in contrast that he was “confident” GB News had “a very comprehensive compliance regime”, noting that the broadcaster was “under a lot of pressure externally, particularly from those who may feel that we are not a positive contributor”. He argued that Ofcom investigations were too slow to allow innovative broadcasters to learn from mistakes and improve compliance.³¹⁴ Others suggested that accounting for audience expectation was important in order to avoid homogeneity in news programmes and provide variety.³¹⁵
155. We questioned Ofcom about its response. Cristina Nicolotti Squires, Head of Broadcasting at Ofcom, said “we have one set of rules that we apply fairly to all broadcasters”.³¹⁶ She previously stated that “there are some people who won’t be happy unless we shut GB News down tomorrow and that’s not the kind of country we live in”.³¹⁷
156. Dame Melanie told us that “there is a degree of flexibility, which is the right thing”.³¹⁸ She had previously suggested in another forum that channels like BBC, ITV, Channel 4, Channel 5 and Sky News need to be “scrupulous” whereas “there are other channels ... that can present the news from a particular perspective” as long as they present a “sufficient range of views”. Dame Melanie further argued that free speech was paramount.³¹⁹ Mr McCabe suggested that Ofcom commit to “a deep study of trust at a more granular level that can be sustained over time”.³²⁰ This might also provide a more stable basis for evaluating audience expectations.

Politicians presenting

157. The use of politicians as presenters has attracted particular attention.³²¹ In March 2024, Ofcom found GB News in breach of the Broadcasting Code on five occasions in relation to the use of politicians as presenters.³²² News UK

312 Written evidence from Professor Stephen Cushion and Emeritus Professor Richard Sambrook ([FON0003](#))

313 Written evidence from Media Reform Coalition ([FON0029](#)), Campaign for Press and Broadcasting Freedom North ([FON0040](#)), Dr Steven Buckley ([FON0001](#)), Professor Steven Barnett ([FON0052](#))

314 [Q 98](#)

315 [Q 25](#) (Douglas McCabe, James Frayne)

316 [Q 160](#) (Cristina Nicolotti Squires)

317 Philip Geddes Memorial Lecture 2024 (7 March 2024), added by St Edmund Hall: https://www.youtube.com/watch?v=q5u_YXv9GOW [accessed 14 November 2024]; ‘Ofcom says it won’t shut down GB News, is unsure if Farage counts as a politician’ *iNews* (24 April 2024), available at: <https://inews.co.uk/news/ofcom-says-it-wont-shut-down-gb-news-is-unsure-if-farage-counts-as-a-politician-3021317> [accessed 15 November 2024]

318 [Q 160](#) (Dame Melanie Dawes)

319 ‘GB News gets away with more than BBC as fewer people watch, suggests Ofcom boss’, *iNews* (4th March 2024), available at: <https://inews.co.uk/news/media/gb-news-gets-away-more-bbc-ofcom-boss-2938731> [accessed 15 November 2024]

320 [Q 22](#) (Douglas McCabe)

321 [Q 160](#) (Cristina Nicolotti Squires). Rule 5.3 of the Broadcasting Code states that no politician may be used as a newsreader, interviewer or reporter in any news programmes unless, exceptionally, it is editorially justified. In that case, the political allegiance of that person must be made clear to the audience. See Broadcasting Code, [section 5](#)

322 Ofcom, Press Release: *Politicians acting as news presenters on GB News broke broadcasting rules* on 18 March 2024: <https://www.ofcom.org.uk/tv-radio-and-on-demand/broadcast-standards/politicians-acting-as-news-presenters-on-gb-news-broke-broadcasting-rules/> [accessed 15 November 2024]

noted that other stations had also used politicians as presenters.³²³ Ofcom told us that its rules “say very clearly that politicians cannot present news”, but added that “they [politicians] can present current affairs, but, again, it is all about due impartiality”.³²⁴

158. Mr Neil found Ofcom’s approach “incredible” and recommended the regulator “find a backbone and quick”.³²⁵ Others expressed similar sentiments.³²⁶ Mr Purvis and Mr Banatvala argued that “Ofcom’s distinction between the two genres [news and current affairs] and hence the allowing [of] politicians to present programmes dealing with controversial matters is one that is self-created”.³²⁷ They suggested some channels were “taking advantage” of the way the Code was drafted.³²⁸
159. Dame Melanie argued in contrast that:
- “It is a matter for Parliament as to whether politicians should or should not be allowed to do things. Our job is to uphold the due impartiality rules and assess whether or not a programme is meeting those rules ... you may present current affairs programmes but the programme editor, the producer, needs to make sure and take special steps ... that there is a sufficiently broad range of views when the discussion is about major matters of public policy. That is how the system is designed to work”.³²⁹
160. Ofcom’s research found that “nearly all participants were instinctively against politicians presenting the news”, noting “politicians would naturally have a viewpoint to promote”. Participants were comfortable with news having stricter rules than current affairs, but “struggled” to distinguish between the formats. They also noted that politicians might not be recognised easily.³³⁰
161. **The UK’s broadcasting market will only thrive if there is healthy competition, a focus on serving all audiences and respect for the rules. New entrants like GB News provide an alternative to the public service broadcasters. Their offering needs to comply with the spirit of the rules, not stretch them to breaking point. Public service broadcasters, for their part, should reflect on why alternative providers are finding a following and how this relates to the way underserved communities are represented in their own news coverage.**
162. **Ofcom’s senior leadership argued that its approach to impartiality had been very clear. We struggled to reconcile this with the evidence. Ofcom’s approach has sparked accusations of a two-tier system on the one hand, and of overreaction on the other. This risks dissatisfaction on all sides. We were reassured that Ofcom is aware of the challenges**

323 Written evidence from News UK (FON0055); ‘David Lammy leaves LBC ahead of election and is replaced by Lewis Goodall’, *Press Gazette* (29 April 2024): <https://pressgazette.co.uk/the-wire/media-jobs-uk-news/lbc-david-lammy-lewis-goodall/> [accessed 15 November 2024]

324 Q 160 (Cristina Nicolotti Squires)

325 Q 117

326 Written evidence from Media Reform Coalition (FON0029), Campaign for Press and Broadcasting Freedom North (FON0040), Dr Steven Buckley (FON0001), Prof Steven Barnett (FON0052)

327 Written evidence from Stewart Purvis CBE and Chris Banatvala (FON0072)

328 *Ibid.*

329 Q 160 (Dame Melanie Dawes)

330 Ofcom, *Audience attitudes towards politicians presenting programmes on television and radio* (April 2024), pp 5–6: <https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/broadcast-codes/politicians-research/audience-attitudes-towards-politicians-presenting-on-tv-and-radio-report.pdf> [accessed 14 June 2024]

and the need to avoid the impression that political sensitivities have influenced regulatory enforcement. But more transparency in future would help, particularly around the thresholds at which alternative interpretations of the rules might apply. Ofcom must also remain alive to the risk that underserved audiences may migrate online or switch off altogether: healthy plurality in broadcasting therefore remains key to the sector's long-term viability.

163. **Better information is also needed about the drivers of audience trust in broadcast news. This is notoriously difficult and not helped by the inconsistency in methods. *Ofcom should conduct more thorough longitudinal audience research with consistent metrics and more granular audience profiles, focusing both on the drivers of trust and confidence in due impartiality being upheld. This could include more detailed assessments of audience views about using politicians as presenters.***

CHAPTER 7: MIS/DISINFORMATION

Box 2: Definitions

Disinformation: “the deliberate creation and spreading of false and/or manipulated information that is intended to deceive and mislead people, either for the purposes of causing harm, or for political, personal or financial gain”.

Misinformation: “the inadvertent spread of false information”. People may unwittingly share false content (misinformation) that has been deliberately planted by malicious actors (disinformation).

Co-ordinated inauthentic behaviour: tactics used in developing a mixture of authentic, fake and duplicated social media accounts across multiple platforms to spread and amplify misleading content.

Source: Cabinet Office, ‘Fact Sheet on the CDU and RRU’ (9 June 2023): <https://www.gov.uk/government/news/fact-sheet-on-the-cdu-and-rru#:~:text=The%20UK%20government%20defines%20disinformation,inadvertent%20spread%20of%20false%20information> [accessed 1 September 2024]; Parliamentary Office for Science and Technology, *Disinformation: sources, spread and impact*, [POSTnote 719](#) (25 April 2024)

Box 3: Government structures

The Government’s policy approach to disinformation is largely led by the Department for Science, Innovation and Technology. Delivery includes work from the Foreign, Commonwealth and Development Office; Ministry of Defence; Home Office, Cabinet Office; and the security and intelligence agencies, among others.

Activities in recent years include new foreign interference offences under the National Security Act 2023 and some limited offences under the Online Safety Act 2023; national security communications campaigns; monitoring and co-ordination units; research programmes; tech platform engagements; media literacy programmes; and international initiatives through Five Eyes, the G7, NATO, the EU and an extensive range of other groupings.

The cross-government Defending Democracy programme, launched in 2019, had an objective to co-ordinate efforts to tackle disinformation. In late 2022 the previous Government announced it had launched a Defending Democracy Taskforce overseen by the Minister for Security. A Joint Election Security Preparedness unit is stood up ahead of elections to provide cross-government co-ordination.

Sources: Written Statement, [HCWS1772](#), Session 2019–21; Home Office, ‘Ministerial Taskforce meets to tackle state threats to democracy’ (28 November 2022): <https://www.gov.uk/government/news/ministerial-taskforce-meets-to-tackle-state-threats-to-uk-democracy> [accessed 1 September 2024]; National Cyber Security Centre, ‘Annual review’ (2023): <https://www.ncsc.gov.uk/collection/annual-review-2023/resilience/case-study-defending-democracy#:~:text=The%20government%20Defending%20Democracy%20Taskforce,drives%20the%20government%20election%20preparedness> [accessed 1 September 2024]; Department for Science, Innovation and Technology, ‘G7 ministerial declaration’ (15 March 2024): <https://www.gov.uk/government/publications/g7-ministerial-declaration-deployment-of-ai-and-innovation/g7-ministerial-declaration> [accessed 1 September 2024]; FCDO, ‘Foreign information manipulation’ (16 February 2024): <https://www.gov.uk/government/news/us-uk-canada-joint-statement-foreign-information-manipulation#:~:text=That%20is%20why%20today%2C%20the,the%20foreign%20information%20manipulation%20challenge> [accessed 1 September 2024]; NATO, ‘Setting the record straight’ (12 January 2024): <https://www.nato.int/cps/en/natohq/115204.htm> [accessed 1 September 2024]; Civil Service World, ‘Cabinet Office signs up fake news detection firm’ (3 April 2024): <https://www.civilserviceworld.com/professions/article/cabinet-office-signs-up-fake-news-detection-firm-to-track-disinformation> [accessed 1 September 2024]

164. This chapter examines mis/disinformation and how it relates to news. The topic is vast and our review was confined to four issues. First is the evolving nature of the challenge. Second is the unease about counter-disinformation measures undermining free speech. Third is the risk of over-reliance on technical solutions, and the need for better long-term strategic responses. Fourth is the role of the media in reducing hype. There is a substantial literature on the principles-based arguments and operational issues which we draw on but do not attempt to summarise here.³³¹

Changing characteristics

165. Professor Ciaran Martin CB, former CEO of the National Cyber Security Centre, told us that the characteristics, narratives, technologies and response options associated with mis/disinformation have evolved considerably over the past decade.³³² Rising international competition, political realignments and the proliferation of new technologies all provide increasing motives, opportunities and means for adversaries to manipulate the information environment, and for false content to spread organically.³³³ Katie Harbarth, formerly Facebook’s Public Policy Director for Global Elections, noted that these changes are driven by supply and demand forces that go beyond any single platform, state or type of technology.³³⁴
166. Generative AI has caused much concern though, as our recent report on large language models found, the implications appear substantial rather than catastrophic.³³⁵ Much of the changes extend existing challenges, rather than create qualitatively new ones.
167. Future concerns might centre on ‘autonomous agents’, which are expected to mature over the next few years.³³⁶ These are AI tools capable of navigating their environment unaided to complete complex tasks—perhaps running marketing campaigns and making payments.³³⁷ In time these may be applied to run self-sustaining disinformation campaigns. Automated AI-run news

331 See for example Parliamentary Office of Science and Technology, *Disinformation: sources, spread and impact*, [POSTnote 179](#), 25 April 2024; US Department of State, Counter-Disinformation Literature Review (July 2023): <https://www.state.gov/wp-content/uploads/2024/05/Learning-Brief-Counter-Disinformation-Literature-Review.pdf> [accessed 15 November 2024]; Carnegie Endowment for International Peace, *Countering Disinformation Effectively* (2024): https://carnegie-production-assets.s3.amazonaws.com/static/files/Carnegie_Countering_Disinformation_Effectively.pdf [accessed 1 September 2024]

332 [QQ 101–105](#)

333 See for example selection of reports from Hybrid Centre of Excellence, ‘Research and Analysis’: <https://www.hybridcoe.fi/research-and-analysis/> [accessed 1 September 2024]; RUSI, ‘The Need for a Strategic Approach to Disinformation and AI-Driven Threats’ (25 July 2024): <https://www.rusi.org/explore-our-research/publications/commentary/need-strategic-approach-disinformation-and-ai-driven-threats> [accessed 1 September 2024]

334 [Q 110](#). See also reports from NATO Strategic Communications Centre of Excellence, ‘Publications’: [https://stratcomcoe.org/publications?tid\[\]=30](https://stratcomcoe.org/publications?tid[]=30) [accessed 1 September 2024]

335 See also written evidence from Getty Images ([FON0043](#)), Sense about Science ([FON0042](#)), News Media Association ([FON0056](#)), AGENCY ([FON0017](#))

336 Boston Consulting Group, ‘GPT was just the beginning’ (28 November 2023): <https://www.bcg.com/publications/2023/gpt-was-only-the-beginning-autonomous-agents-are-coming> [accessed 1 September 2024]; ‘Microsoft to let clients build AI agents for routine tasks from November’, *Reuters* (21 October 2024): <https://www.reuters.com/technology/artificial-intelligence/microsoft-allow-autonomous-ai-agent-development-starting-next-month-2024-10-21/> [accessed 22 October 2024]

337 AutoGPT, ‘Autonomous agents are the new future’ (20 March 2024): <https://autogpt.net/autonomous-agents-are-the-new-future-complete-guide/> [accessed 1 September 2024]

sites (which earn money through advertising) provide an early indicator of future trends.³³⁸

Implications

168. The growing scale of misleading content does not mean a linear increase in reach, however. Meta told us that they were improving techniques to disrupt co-ordinated inauthentic activity, which reduces exposure; some other tech firms are doing likewise.³³⁹ Some studies suggest “trustworthy” information sites are far more visited than “untrustworthy” ones (though this methodology has been disputed).³⁴⁰ Search and news-related services may nevertheless find it increasingly complex to favour reliable sources.³⁴¹
169. Nor does the growth in misleading content mean linear increases in impact. Various studies suggest that the effects of mis/disinformation range from insignificant to extensive, with much uncertainty.³⁴² Dire predictions for the UK’s 2024 general election did not materialise, and there is likely a limit to the overall demand for unreliable content.³⁴³ Professor Martin believed the 2023 audio deepfake in Slovakia’s election, where the pro-Russian party subsequently won, was the “closest European experience we have seen to a fake intervention actually shifting the dial”.³⁴⁴ Moldova’s recent election is another test case, though the parallels with the UK remain limited.³⁴⁵
170. We heard that news organisations therefore had a responsibility to ensure proportionate reporting about disinformation, and avoid unnecessarily undermining confidence in the integrity of the information environment. As Professor Martin put it, “Don’t do the Russians’ job for them by bigging up the threat”.³⁴⁶

Counter-disinformation response options

171. In recent years governments and industry figures across the world have explored a range of potential responses to mis/disinformation. A recent analysis by the Carnegie Endowment indicates varying degrees of success and political sensitivity. Some of these actions include:
- tactical responses relating to specific content, for example independent fact-checking initiatives, pre- or rebuttals, and counter-messaging communications;
 - wider operational responses (often delivered voluntarily by tech platforms or third parties), such as changing recommender algorithms,

338 Written evidence from Fenimore Harper ([FON0016](#)); News Guard, ‘tracking AI-enabled misinformation’: <https://www.newsguardtech.com/special-reports/ai-tracking-center/> [accessed 1 September 2024]

339 Appendix on Committee visit to San Francisco

340 Parliamentary Office of Science and Technology, *Disinformation: sources, spread and impact*, [POSTnote 179](#), 25 April 2024

341 Appendix on Committee visit to San Francisco

342 For a brief summary see Parliamentary Office of Science and Technology, *Disinformation: sources, spread and impact*, [POSTnote 179](#), 25 April 2024

343 Felix M Simon et al, ‘Misinformation reloaded?’ (18 October 2023): <https://misinforeview.hks.harvard.edu/article/misinformation-reloaded-fears-about-the-impact-of-generative-ai-on-misinformation-are-overblown/> [accessed 1 September 2024]

344 [Q 103](#)

345 Reuters, ‘Moldova’s Sandu decries ‘unprecedented’ meddling as EU referendum goes to wire’ (21 October 2024): <https://www.reuters.com/world/europe/moldova-votes-election-eu-referendum-shadow-alleged-russian-meddling-2024-10-20/> [accessed 22 October 2024]

346 [Q 103](#)

labelling or watermarking systems for social media content, and disrupting co-ordinated inauthentic networks;

- regulatory responses, such as requiring tech firms to take some of the measures outlined above, or imposing criminal sanctions for spreading certain content; and
- strategic long-term responses such as changing the state’s deterrence posture, and improving societal resilience through good journalism and media literacy.³⁴⁷

Mission creep?

172. Our evidence suggested some unease about mission creep. As the Carnegie Endowment noted, the term “disinformation” is “often invoked quite loosely to denigrate any viewpoint seen as wrong, baseless, disingenuous, or harmful”. This, in turn, risks deepening mistrust and undermining the legitimacy of tackling mis/disinformation across the board.
173. Tom Slater, Editor at the online *Spiked* magazine, believed for example that a “new anti-disinformation industry” had emerged, which he described as “a kind of anti-dissent industry”. He called for more focus on “not funding organisations that are censoring journalists”.³⁴⁸ Freddie Sayers, Editor in Chief and CEO of UnHerd, similarly believed that a “disinformation movement” had “exacerbated losses in public trust and fastforwarded the collapse in trust in the media and in government”.³⁴⁹
174. We also heard mixed views on the use of factcheckers. David Dinsmore, Chief Operating Officer of News UK said it was the role of journalists and editors to verify information, adding “I certainly do not want a third party coming in”.³⁵⁰ Peter Wright, Editor Emeritus of DMG Media, however said he found fact-checkers to be “helpful sometimes”.³⁵¹
175. James Harding, Co-founder of Tortoise Media, worried that some arguments were “made under the banner of freedom of speech that actually promotes freedom from fact”. He raised concerns about lack of action from tech firms and believed they should do more to “deal with the deliberate dissemination of information that is untrue, divisive and sometimes dangerous”. He said that this differed from the idea of dissent outlined by Mr Slater: “Dissent is something else”.³⁵²

Money

176. Second, and relatedly, is the growing tension between publishers’ free speech, and online advertisers’ desires to ensure their adverts do not appear alongside problematic content. The UK Stop Advertising Funded Crime group has outlined how the complexity of the programmatic advertising

347 For an analysis on the evidence underpinning these types of responses see Carnegie Endowment for International Peace, *Countering Disinformation Effectively* (2024): https://carnegie-production-assets.s3.amazonaws.com/static/files/Carnegie_Countering_Disinformation_Effectively.pdf [accessed 1 September 2024]. See also details in Box 3.

348 [QQ 125, 131](#)

349 [Q 131](#)

350 [Q 42](#) (David Dinsmore)

351 [Q 42](#) (Peter Wright)

352 [Q 131](#)

system³⁵³ makes it almost impossible for brands to know where adverts will end up. Many ‘ghost’ AI-powered news sites earn advertising revenues, sometimes backed by organised crime.³⁵⁴ To protect their reputation, brands use third-party agencies to screen websites.³⁵⁵

177. Mr Sayers said that his news website UnHerd had faced a fall in advertising revenue after receiving a poor rating from the Global Disinformation Index (GDI), which describes itself as a non-profit service “enabling advertisers to reduce the unintended monetisation of deceptive and highly adversarial online content”.³⁵⁶ Mr Sayers argued this was an example of “detached and unaccountable actors” taking “very politicised views on things”.³⁵⁷
178. The GDI argued in response that “publishers have no automatic right to expect advertisers’ money” and that advertisers “aren’t compelled to buy ads alongside content they feel might harm their brand”. The GDI contended that the provision of services to inform advertising transactions was “a key tenet of a free market”.³⁵⁸ Concerns about advertising blacklists and the role of brand safety have become more widespread.³⁵⁹ Stephanie Peacock MP confirmed that public funding for the GDI from the Foreign, Commonwealth and Development Office to “promote initiatives that tackled disinformation” ended in 2023. She added that it is “not for the Government” to dictate where brands should advertise.³⁶⁰
179. **The rise of brand safety organisations has raised complex questions about the extent and implications of their work. *The Government’s online advertising taskforce should review the work and impact of brand safety organisations on news publisher revenue.***

Technical solutions

180. A third theme was about the limits of technical solutions and risks of overreliance. The calls for watermarking on generative AI content are a good example.³⁶¹ Meta, Google and OpenAI are among those working on

353 Programmatic advertising is an automated process for buying and selling digital advertising, which involves a real-time bidding process through which ads can be bought in seconds with little human interaction.

354 UK Stop Advertising Funded Crime, ‘Stop Advertising Funded Crime’: <https://uksafc.org/> [accessed 22 October 2024]

355 WARC, ‘The Future of Programmatic’ (2024): <https://www.warc.com/content/paywall/article/warc-exclusive/the-future-of-programmatic-2024/en-gb/156796?> [accessed 22 October 2024]

356 Written evidence from the Global Disinformation Index (FON0071)

357 [Q 111](#)

358 Written evidence from the Global Disinformation Index (FON0071)

359 ‘News publishers and broadcasters warn over advertising blacklists’, *Financial Times* (26 September 2024): <https://www.ft.com/content/51216ef9-b4b7-43ca-86b6-8da1ff6f65cd> [accessed 15 November 2024]

360 [Q 194](#). The Committee wrote to the (then) Minister for Europe, Nusrat Ghani MP, regarding action on mis/disinformation and the role of brand safety organisations. See Letter from The Rt Hon the Baroness Stowell of Beeston MBE, Chair of the Select Committee on Communications and Digital to Nusrat Ghani MP, Minister for Europe (9 May 2024): <https://committees.parliament.uk/publications/44707/documents/222021/default/>

361 Written evidence from Logically (FON0068), Professor Rafael A. Calvo (FON0047). See also Adobe, ‘Generative AI Content’ (2 August 2024): <https://helpx.adobe.com/uk/stock/contributor/help/generative-ai-content.html> [accessed 1 September 2024]; and our previous report on generative AI: [*Large language models and generative AI*](#), para 223

watermarks.³⁶² Many stakeholders have welcomed these moves. Yet although they are worth pursuing, they are no panacea. Watermarks can be limited or bypassed; an effective system requires widespread collaboration and mutual recognition across developers and platforms; malicious actors can use less scrupulous model providers (or simply fake watermarks directly); and users need to know what they are looking at.³⁶³ None of this seems likely to be solved in the short term.

181. Other common suggestions like content and source labelling are progressing, but remain complex. Much depends on the specific way they are implemented.³⁶⁴ Practices can also change quickly, as X (formerly Twitter) shows. The European Commission has said that the platform’s new blue tick verifier could “deceive” users into believing that the accounts are actually verified.³⁶⁵
182. Making tech platforms change their algorithms is another common proposal. Options exist, as voluntary initiatives³⁶⁶ and the EU’s Digital Services Act show.³⁶⁷ Stakeholder appetite seems mixed. The Media Reform Coalition advocated “imposing responsibilities on platforms to flag, label and deprioritise misleading or factually inaccurate content”.³⁶⁸ Professor William Dutton, Emeritus Professor, University of Southern California, argued in contrast that existing measures under the Online Safety Act would already “lead to over-regulation, oversurveillance and over-censorship”.³⁶⁹

362 See for example The Verge, ‘Meta says you better disclose your AI fakes or it might just pull them’ (6 February 2024): <https://www.theverge.com/2024/2/6/24062388/meta-ai-photo-watermark-facebook-instagram-threads> [accessed 1 September 2024]; The Verge, ‘OpenAI is adding new watermarks to DALL-E 3’ (6 February 2024): <https://www.theverge.com/2024/2/6/24063954/ai-watermarks-dalle3-openai-content-credentials> [accessed 1 September 2024]; The Verge, ‘Google is embedding inaudible watermarks right into its AI generated music’ (16 November 2023): <https://www.theverge.com/2023/11/16/23963607/google-deepmind-synthid-audio-watermarks> [accessed 1 September 2024]; AutoGPT, ‘OpenAI divided over launch of AI watermarking tool’ (6 August 2024): <https://autogpt.net/openai-divided-over-launch-of-ai-watermarking-tool/> [accessed 1 September 2024]

363 MIT Technology Review, ‘Why Big Tech’s watermarking plans are some welcome good news’ (13 February 2024): <https://www.technologyreview.com/2024/02/13/1088103/why-big-techs-watermarking-plans-are-some-welcome-good-news/> [accessed 1 September 2024]; AutoGPT, ‘OpenAI divided over launch of AI watermarking tool’ (6 August 2024): <https://autogpt.net/openai-divided-over-launch-of-ai-watermarking-tool/> [accessed 1 September 2024]; Brookings, ‘Detecting AI fingerprints’ (January 2024): <https://www.brookings.edu/articles/detecting-ai-fingerprints-a-guide-to-watermarking-and-beyond/#:~:text=Relative%20to%20other%20approaches%20to,watermarks%20in%20AI%2Dgenerated%20content> [accessed 1 September 2024]; MIT Technology Review, ‘It’s easy to tamper with watermarks from AI generated text’ (29 March 2024): <https://www.technologyreview.com/2024/03/29/1090310/its-easy-to-tamper-with-watermarks-from-ai-generated-text/#:~:text=The%20first%20one%2C%20called%20a,passed%20off%20as%20human%2Dwritten> [accessed 1 September 2024]

364 Carnegie Endowment for International Peace, *Countering Disinformation Effectively* (2024): https://carnegie-production-assets.s3.amazonaws.com/static/files/Carnegie_Countering_Disinformation_Effectively.pdf [accessed 1 September 2024]

365 BBC, ‘EU says X’s blue tick accounts deceive users’ (12 July 2024): [https://www.bbc.co.uk/news/articles/cw0y1ezpv5xo#:~:text=The%20bloc’s%20tech%20regulator%20said,Digital%20Services%20Act%20\(DSA\)](https://www.bbc.co.uk/news/articles/cw0y1ezpv5xo#:~:text=The%20bloc’s%20tech%20regulator%20said,Digital%20Services%20Act%20(DSA)) [accessed 18 October 2024]

366 National Technology News, ‘Meta introduces AI system to tackle harmful content’ (9 December 2021): https://nationaltechnology.co.uk/Meta_Introduces_AI_System_To_Tackle_Harmful_Content.php [accessed 1 September 2024]

367 European Commission, ‘The Digital Services Act package’: <https://digital-strategy.ec.europa.eu/en/policies/digital-services-act-package> [accessed 1 September 2024]. This includes provisions around profiting from disinformation, tackling co-ordinated inauthentic activity and boosting transparency requirements.

368 Written evidence from the Media Reform Coalition (FON0029). See also written evidence from AGENCY (FON0017).

369 Q 114

One disinformation company, Logically, said that new legislation was unnecessary and that Ofcom should rather focus on getting its guidance right—for example stating explicitly that tech firms should track and address common tactics used by foreign adversaries. Clarifying what the new “false communications” offence means in practice might also help.³⁷⁰

Strategic responses

183. We were more persuaded by long-term strategic responses. These would likely require time, money and sustained commitment—but offer greater self-reliance and raise fewer free speech sensitivities.

Deterrence posture

184. A more muscular deterrence posture could help deter egregious foreign interference efforts. Professor Martin noted that the Russians were “unembarrassable”, indicating the limited impact of diplomatic responses. Yet harder options including offensive cyber are available. The US Cyber Command is thought to have degraded the Internet Research Agency’s technical infrastructure, for example.³⁷¹ The UK’s National Cyber Force, a partnership between the Ministry of Defence and intelligence agencies, cites the possibility of using cyber power to “make it harder for states to use the internet to spread disinformation”.³⁷² Professor Martin argued that:

“the more we can use interventions to take down the disinformation infrastructure of these groups, and the costlier we make it for them to operate, the better”.³⁷³

Media literacy

185. Media literacy initiatives remain a key way to improve societal resilience, and tend to be less intrusive than regulation.³⁷⁴ The Government’s Online Media Literacy Strategy funded initiatives throughout 2021–2025 and Ofcom has new duties under the Online Safety Act.³⁷⁵
186. A 2023 report for the Government by the London School of Economics summarised the various difficulties, including “short-term, small-scale funding” which creates fragmentation, duplication and administrative burdens; “limited coordination [which] leads to duplication and a lack of oversight”; and a “lack of clear benchmarks or specified outcomes” which affects scaling, evaluation and best practice sharing.³⁷⁶
187. Baroness Jones of Whitchurch and Stephanie Peacock MP noted the importance of cross-government media literacy efforts. They also suggested

370 Written evidence from Logically (FON0068)

371 Q 106

372 National Cyber Force, ‘Responsible Cyber Power in Practice’ (4 April 2023): <https://www.gov.uk/government/publications/responsible-cyber-power-in-practice/responsible-cyber-power-in-practice-html#:~:text=to%20the%20strategy,-National%20Cyber%20Force,interests%20at%20home%20and%20abroad> [accessed 1 September 2024]

373 Q 106

374 Q 111 (Professor Dutton), written evidence from Dr Madrid-Morales (FON0049)

375 Department for Science, Innovation and Technology, ‘Year 3 online media literacy action plan’ (23 October 2023): <https://www.gov.uk/government/publications/year-3-media-literacy-action-plan-202324/year-3-online-media-literacy-action-plan-202324> [accessed 1 September 2024]

376 Lee Edwards et al, *Cross-sectoral challenges to media literacy* (August 2023), p 23: https://assets.publishing.service.gov.uk/media/651167fabf7c1a0011bb4660/cross-sectoral_challenges_to_media_literacy.pdf [accessed 1 September 2024]

that the Government’s media literacy plans will be replaced by Ofcom’s new strategy.³⁷⁷ We did not find this wholly reassuring. Ofcom’s three-year media literacy strategy argues that:

“while Ofcom has an important part to play, media literacy must be everyone’s business—online platforms, parents, educators, third-sector organisations, providers of health and social care, professionals working with children, broadcasters (including the public service broadcasters) and others”.³⁷⁸

188. We remain uncertain about how well a regulator (as opposed to Government) is placed to drive progress in areas critical to media literacy—such as setting up real-world interventions, administering grant funding and influencing the plethora of Government departments central to this work. Baroness Jones of Whitchurch said her department was “looking now at the independent curriculum and assessment review into education in schools” and talking with the Department for Education.³⁷⁹

The role of news media

189. A robust media sector provides good options for responding to foreign interference efforts. Professor Martin suggested that agreements for structured dialogue between the Government and media could help media organisations balance their duties to report without becoming “unwitting agents” of foreign states by amplifying false narratives (and perhaps, more controversially, hack and leak materials).³⁸⁰ He cited successful examples from Australia as a model.³⁸¹
190. Finally we heard that a healthy media sector, staffed by professionals producing stories that engage the public, remains one of the most enduring solutions to fears about mis/disinformation eroding a shared understanding of fact.³⁸² The controversies surrounding the recent US election are illustrative. Commentators have highlighted the difficult choices in deciding whether highly contested assertions (such as the integrity of the US 2020 election) should be treated as demonstrably false claims or protected as legitimate political talking points.³⁸³ Ensuring such challenges are dealt with appropriately may become increasingly difficult as the information environment fragments.³⁸⁴ But as stakeholders throughout our inquiry argued, well-funded and professional news organisations remain the best placed actors to navigate such sensitivities.³⁸⁵

377 Q 181

378 Ofcom, *A Positive Vision for Media Literacy* (October 2024) p 3: <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/media-literacy-research/making-sense-of-media/media-literacy/ofcoms-three-year-media-literacy-strategy-final.pdf> [accessed 15 November 2024]

379 Q 181 (Baroness Jones of Whitchurch)

380 This refers to material illicitly obtained and then published. It is typically associated with foreign interference campaigns.

381 Q 107 (Professor Ciaran Martin)

382 Written evidence from the News Media Association (FON0056)

383 ‘News Organizations Cut Away From Trump’s Misleading Speech’ (31 May 2024), *The New York Times*: <https://www.nytimes.com/2024/05/31/business/media/cnn-nbc-trump-speech.html> [accessed 29 October 2024]; The Verge, ‘J.D. Vance is anti-Big Tech, pro-crypto’ (16 July 2024): <https://www.theverge.com/24199314/jd-vance-donald-trump-yp-antitrust-big-tech-ftc-lina-khan-elizabeth-warren-google> [accessed 1 September 2024]; ‘The New York Times is facing backlash over its coverage of Donald Trump and the 2024 election’, CNN (5 March 2024): <https://edition.cnn.com/2024/03/05/media/new-york-times-trump-coverage-backlash/index.html> [accessed 6 November 2024].

384 Written evidence from the News Media Association (FON0056)

385 See for example written evidence from News UK (FON0055)

191. **We welcome efforts to improve trust in the information environment, but we caution against a counter-mis/disinformation strategy that relies too heavily on measures in the Online Safety Act, or technical fixes like watermarks, labelling and algorithmic tweaking. Some of these are doubtless welcome, but such solutions are unlikely to tackle the root causes of supply and demand. They raise questions about potential overreach and free speech sensitivities. And they risk creating strategic dependencies on overseas tech firms to address highly sensitive societal challenges.**
192. *The Government should focus more on strengthening long-term resilience. We suggest four priorities.*
- (1) *First is recognising more explicitly the value of a financially sustainable news sector: this is the best way to maintain a shared understanding of facts.*
 - (2) *Second, the Government could engage further with media organisations about protocols for responding to major foreign interference efforts, particularly around elections.*
 - (3) *Third, the Government should adopt a more muscular deterrence posture to impose greater costs on adversaries, for example using responsible cyber power to degrade adversary infrastructure. This could feature in the Strategic Defence Review currently underway.*
 - (4) *Fourth is media literacy. We are not yet convinced that the Government has a good plan. More resources and effort are needed to scale ‘what works’ in media literacy, and avoid a tangle of short-term fragmented projects. Ofcom is already taking on major burdens: we hope it is not left to be the main lead for such a complex policy issue. The Government needs its own strategy. DSIT should set out its future plans for media literacy and timeline for evaluating its current activities in response to this report. The Department for Education should use the opportunity of the Curriculum and Assessment Review to ensure that media literacy is given more time and prominence in schools.*

CHAPTER 8: SLAPPS

Investigative journalism and SLAPPS

193. The final issue we examined was the legal and security risks of investigative journalism. Professor Nielsen summarised the challenges: “it is expensive, it is uncertain and you might get sued”.³⁸⁶ The most pernicious form of intimidation involves ‘strategic litigation against public participation’, or SLAPPS.³⁸⁷ The previous Government described these as “an abuse of the legal process, where the primary objective is to harass, intimidate and financially and psychologically exhaust one’s opponent”.³⁸⁸ Fiona O’Brien, Bureau Director of Reporters Without Borders, said SLAPPS make journalists “self-censor, stop reporting on stories, and stop doing investigations because [of] the fear of legal action” and insurmountable legal fees.³⁸⁹
194. Over the past two years we have engaged with numerous departments and the Solicitors Regulation Authority to advocate proportionate protections.³⁹⁰ Valuable progress includes action to prevent sanctioned individuals receiving waivers to sue UK journalists; the establishment of a SLAPPS Taskforce; and more proactive work from the regulator. Susan Coughtrie, Director of the Foreign Policy Centre, cautioned however that “none of it will actually hold water if the legislative and regulatory side does not bear fruit”.³⁹¹

Background to legislation

195. In 2022 the Government consulted on SLAPPS and committed to legislate. In 2023 the Government amended the Economic Crime and Corporate Transparency (ECCT) Bill to include some anti-SLAPP protections.³⁹² We welcomed this, while noting that the definition was restricted to economic crime and hence excluded a wide range of topics. The (then) Lord Chancellor and the Secretary of State for Culture, Media and Sport committed to more comprehensive legislation “at the earliest opportunity”.³⁹³
196. In February 2024 a Government-backed Private Member’s Bill sponsored by the then Labour MP Wayne David had its second reading.³⁹⁴ This sought to address the ECCT’s deficiencies. Due to the 2024 General Election the Bill was not passed.

Getting legislation right

197. Any anti-SLAPP legislation must be balanced. The principle of preventing abuses is sound, though doing this in ways that maintain access to justice is more complex. As former justice minister Lord Bellamy argued, “the

386 [Q 139](#)

387 Solicitors Regulation Authority, ‘Warning notice’ (31 May 2024): <https://www.sra.org.uk/solicitors/guidance/slapps-warning-notice/> [accessed 15 November 2024]

388 Ministerial Statement [UIN HCWS103](#), (Session 2023–24)

389 [Q 149](#)

390 Communications and Digital Committee, ‘Correspondence on lawfare and free speech’: <https://committees.parliament.uk/work/6604/lawfare-and-free-speech/publications/3/correspondence/>

391 [Q 149](#)

392 This included a definition of a SLAPP, powers to strike out baseless claims at an early stage, and a costs protection scheme.

393 Letter, Lord Chancellor and the Secretary of State for Culture, Media and Sport to the Chair (11 September 2023): <https://committees.parliament.uk/publications/42202/documents/209733/default/>

394 [Strategic Litigation Against Public Participation Bill](#)

key problem is to distinguish access to justice from harassment. It is quite difficult, but it can be done”.³⁹⁵

198. New rules should make it harder for claimants and less lucrative for law firms to pursue SLAPP cases. Not everyone seems enthusiastic. The Society of Media Lawyers, a recent industry group, says calls to tackle SLAPPs “grossly exaggerates the problem”, lacks a “proper evidential basis” and risks “oppressive regulatory pressure”. The group stated that its members “play an important role in providing access to justice” and criticised the idea of “accepting, as an established fact, that there is a SLAPP issue requiring a legislative response”.³⁹⁶

199. The experience of the Private Member’s Bill suggests that more transparent engagement will be needed to uphold public confidence that the Government is taking the right approach. Sayra Tekin, Director of Legal at the News Media Association, said the first version of the Bill (which was developed with significant Government involvement) contained numerous deficiencies that would have made the situation worse, not better.³⁹⁷ We wrote to the (then) Lord Chancellor recommending changes, but struggled to understand why an anti-SLAPP Bill was so drafted in the first place.³⁹⁸ Ms Tekin believed that the issues stemmed in part from Ministry of Justice officials who she thought were:

“trying to balance the interests of claimant lawyers against SLAPP victims, which seems to be entirely the wrong starting point ... It perhaps gives an indication of why this Bill ... has been framed in this way, because it is extremely claimant litigants-friendly ... We have gone from a Government [who] said, “Abuse of the system will not be tolerated” to ... tolerating a certain level of abuse—harassment, harm, distress—not as a corollary of bringing litigation but the very intent of it.”³⁹⁹

200. In July 2024 the new justice minister Lord Ponsonby of Shulbrede said that the Government had “every intention” of continuing discussions about SLAPPs.⁴⁰⁰ The Minister for Sport, Media, Civil Society and Youth acknowledged that SLAPPs legislation was not in the King’s speech. She told us that legislation was a Ministry of Justice lead and assured us that she would discuss it with them.⁴⁰¹

201. **The new Government is failing to prioritise anti-SLAPP legislation. This is troubling and has serious potential consequences for press freedom and the future of the news industry. There has already been a public consultation. Viable legislative options and precedents exist. What is missing now is political will. Its absence reflects poorly on the new Government’s values and commitment to justice. We are not persuaded that the complexity of the issue, or the need for cross-**

395 HL Deb, 25 April 2024, [col 419GC](#)

396 The Society of Media Lawyers, Letter to Mr Nick Emmerson (27 October 2023): <https://inforrm.org/wp-content/uploads/2023/11/The-Law-Society-271023.pdf> [accessed 15 November 2024]

397 [Q 150](#). Issues included failing to address pre-action protocols sufficiently, unhelpful requirements on proving intent, and a “pernicious” concept that the intent to cause a degree of harassment, distress or alarm may be a legitimate aim in the ordinary course of litigation.

398 Communications and Digital Committee, letter to the Lord Chancellor (14 May 2024): <https://committees.parliament.uk/publications/44726/documents/222221/default/>

399 [Q 150](#)

400 HL Deb, 24 July 2024, [cols 500–502](#)

401 [QQ 192–193](#)

government engagement, are a valid excuse for lengthy delays. *The Government should publish draft legislative proposals before the 2025 summer recess and allow time for proper scrutiny. If necessary it should explore using the Victims, Courts and Public Protection Bill, announced in the recent King’s Speech, as a vehicle.*

202. **Anti-SLAPP legislation is unlikely to be supported by everyone in the legal profession. Some concerns are valid, others less so. The Ministry of Justice must learn lessons from the experience of developing the Strategic Litigation Against Public Participation Bill introduced in the previous session of Parliament. We heard that it was initially drafted in ways that would make the situation worse. We would like to understand the process by which this came about.**
203. *In response to this report the Ministry of Justice should publish an exhaustive list of stakeholders it engaged with in relation to the development of the Private Member’s Bill between May 2023 and May 2024. This should include the names of organisations, meeting dates and topics, and substantive written correspondence.*

Solicitors Regulation Authority

Flawed evidence base?

204. We were pleased to hear that the Solicitors Regulation Authority (SRA) has made significant progress on SLAPPs. Its CEO Paul Philip said the SRA had received 71 cases, of which 48 were live (as of May 2024) and two of the most serious had been referred to the Solicitors Disciplinary Tribunal. The SRA had also issued warning notices.⁴⁰² These actions represent a substantial improvement since we first took evidence from them.⁴⁰³
205. We struggled however to follow the logic behind its recent approach to gathering evidence. A thematic review published in February 2023 found “no evidence” of abusive practices.⁴⁰⁴ The methods though involved reviewing just two closed files per firm, and excluded all of the firms under investigation for conducting suspected SLAPP activity. Other reviews apparently followed similar practices.⁴⁰⁵ The Society for Media Lawyers has cited the 2023 review’s finding as evidence that SLAPPs are overblown.⁴⁰⁶
206. We asked Mr Philip if it was a coincidence that the SRA had found no evidence of SLAPPs wrongdoing, if the SRA reviews deliberately excluded all of the firms under investigation for alleged SLAPPs. He acknowledged the conundrum but said that the reviews should not “prejudice the investigation”, and believed that the SRA needed to avoid accusations of “inappropriate” behaviour or “fishing expeditions”. He suggested that statutory powers for inspections would be needed to enable more targeted assessments.⁴⁰⁷

402 [Q 154](#) (Paul Philip)

403 Oral evidence taken before the Communications and Digital Committee inquiry on Lawfare and free speech, 24 January 2023 (Session 2022–23) [Q 16](#) (Paul Philip)

404 Solicitors Regulation Authority, ‘Review shows law firms need to do more on SLAPPs’ (14 February 2023): <https://www.sra.org.uk/sra/news/press/2023-press-releases/conduct-dispute-thematic-review/> [accessed 6 September 2024]

405 [Q 154](#)

406 The Society of Media Lawyers, ‘Letter to Mr Nick Emmerson’ (27 October 2023): <https://inform.org/wp-content/uploads/2023/11/The-Law-Society-271023.pdf> [accessed 15 November 2024]

407 [Q 154](#)

207. **We applaud the progress made by the Solicitors Regulation Authority (SRA) in recent years. However, we do not agree that it should conduct thematic evaluations of SLAPPs that deliberately exclude the law firms accused of malpractice. Predictably and implausibly, these evaluations have found limited evidence of wrongdoing. This risks creating a flawed evidence base to inform public debate. With transparent governance structures and information firewalls between teams, it should be possible to conduct multiple separate engagements with the same firm without prejudicing the outcome of investigations.**
208. *The SRA’s future reviews of SLAPP activity should not exclude law firms subject to ongoing investigations. The Government should also review whether the SRA has the necessary inspection powers to enable more targeted assessments.*

Inadequate fines

209. We have made repeated calls to raise the SRA’s £25,000 fining limit (only recently raised from £2,000) which applies to traditional solicitors’ firms. The SRA can fine other types of licensed bodies (Alternative Business Structures) and the solicitors working there up to £250 million and £50 million respectively. We have been unable to discern any clear rationale for this discrepancy.⁴⁰⁸ The SRA has described its fining powers as “pea-shooter against a tank”.⁴⁰⁹
210. In 2023 we sought to amend the Economic Crime and Corporate Transparency (ECCT) Bill to address this imbalance. The Government’s subsequent changes to the Bill empowered the SRA to levy higher fines for cases related specifically to economic crime. The implications for tackling SLAPPs remains unclear. Mr Philip told us that the Act had increased his fining powers only for a “very definite list of economic crimes but not for this type of issue at all.”⁴¹⁰ Juliet Oliver, General Counsel at the SRA, said they would need to try to prove that the conduct of the solicitor “prevented the investigation or detection of economic crime” and had breached the SRA’s rules.⁴¹¹ This appears to be a high bar. Mr Philip has “formally requested” broader fining powers and said the matter lies with the Legal Services Board.⁴¹²
211. **The £25,000 fining limit for the Solicitors Regulation Authority is too low. The changes in the Economic Crime and Corporate Transparency (ECCT) Act 2023 are a welcome start but appear too tightly circumscribed to have the desired effect. The Legal Services Board should work with the Ministry of Justice to raise the fining limit to £250 million for SLAPPs. We would be grateful for a progress update before the 2025 summer recess.**

408 See Letter from the Chair to Rt Hon Alex Chalk KC MP, Lord Chancellor and Secretary of State for Justice, Ministry of Justice (14 May 2024): <https://committees.parliament.uk/publications/44726/documents/222221/default/>

409 Oral evidence taken before the Communications and Digital Committee inquiry on Lawfare and free speech, 24 January 2023 (Session 2022–23) [Q 17](#) (Paul Philip)

410 [Q 153](#)

411 [Q 154](#)

412 [Q 153](#)

Outsourcing the problem

212. During previous inquiries we have heard numerous allegations that law firms engage private investigative or PR firms to intimidate and smear defendants.⁴¹³ The SRA has said that some solicitors are not doing enough to ensure the organisations they instruct are acting lawfully and ethically. Few firms in the regulator’s recent review had a written policy on due diligence in checking third party agents, for example.⁴¹⁴ The SRA said however that their powers of investigation do not extend to third parties.⁴¹⁵
213. *The Government should extend the SRA’s remit to ensure that activities commissioned directly by solicitors can be subject to regulatory oversight. This would prevent lawyers from outsourcing harassment to third parties without scrutiny.*

National Action Plan for the Safety of Journalists

214. We heard praise for the Government’s SLAPPs taskforce. Susan Coughtrie said it was usefully joining up action on physical surveillance, trolling and other harassment that typically accompanies SLAPPs.⁴¹⁶ Fiona O’Brien noted ongoing challenges though, including limited funding for a new tracker led by the National Union of Journalists, a “lack of engagement” from social media platforms, and police forces that have “largely been absent”.⁴¹⁷ There is still no standard way of recording intimidation or assaults against journalists across police forces, for example.⁴¹⁸ Further worries were raised about transnational repression. The Government has provided welcome recognition of the issue,⁴¹⁹ but the scale of security threats (including kidnap and assassination efforts) remains concerning.⁴²⁰
215. **We commend the Government’s progress in establishing the SLAPPs Taskforce. We urge participants to maintain momentum. Particular attention should be paid to engaging the police to establish a standard way of reporting intimidation of journalists, and tackling transnational repression from foreign states.**

Proceeds of crime

216. The use of illicit money to fund SLAPPs remains a concern. We have been told previously that payment for legal services to facilitate SLAPPs is not covered by Anti-Money Laundering legislation.⁴²¹ The Law Society has highlighted risks around “professional enablers” evading money laundering or due diligence checks.⁴²² Clare Rewcastle Brown, a journalist, previously

413 Communications and Digital Committee, [Oral evidence](#), 7 May 2024; [Oral evidence](#), 24 January 2023; [Oral evidence](#), 31 March 2022

414 Solicitors Regulation Authority, ‘SLAPPs thematic review’ (19 April 2024): <https://www.sra.org.uk/sra/research-publications/strategic-lawsuits-against-public-participation-thematic-review/> [accessed 23 October 2024]

415 [Q 155](#) (Paul Philip)

416 [Q 151](#)

417 [Q 152](#)

418 *Ibid.*

419 HC Deb, 26 February 2024, [col 8](#)

420 ‘Met police and MI5 foil 15 plots by Iran against British or UK-based enemies’ *The Guardian* (18 February 2023): <https://www.theguardian.com/uk-news/2023/feb/18/met-police-mi5-foil-15-iranian-plots-against-british-or-uk-based-enemies> [accessed 15 November 2024]

421 Letter from the Lord Chancellor and the Secretary of State for Culture, Media and Sport, SLAPPs (30 June 2023): <https://committees.parliament.uk/publications/40903/documents/199190/default/>

422 The Law Society, ‘Professional enablers’ (15 May 2024): <https://www.lawsociety.org.uk/topics/anti-money-laundering/professional-enablers> [accessed 23 October 2024]

told us that she had informed a law firm that the funds used for a SLAPP case were illicit: “Invariably, they have said that they have satisfied themselves ... They clearly do not have the due diligence that the financial services industry has”.⁴²³

217. The previous Government told us that the regulator could update its guidance on money laundering.⁴²⁴ This appears unlikely to solve the more fundamental issue that the statutory basis for the regulator to intervene is weak. The SRA told us that:

“in order for us to sanction lawyers for wrongdoing if they accept criminal property as funding for SLAPP cases, it would in our view be important for legislation to be enacted to make the position under POCA clear: for example, by putting beyond doubt that section 327 (the offence of ‘concealing, converting, transferring, disguising, removing’ stolen property) applies to the taking of monies for legal fees in certain circumstances.”⁴²⁵

218. Gathering more evidence on these risks appears difficult given the regulator’s limited ability to conduct spot checks or require source of wealth investigations. Changing the Proceeds of Crime Act 2002 would therefore have merit in clarifying the law, preventing abuses and enabling the regulator to obtain evidence of wrongdoing.⁴²⁶

219. **We remain concerned that SLAPPs can be financed by illicit money. We appreciate the sensitivities: everyone has a right to pay for legal representation. But SLAPPs are not a form of access to justice—they are an abuse of the system. The Government has been oddly reluctant to deal with this problem.**

220. *The Government should amend section 327 of the Proceeds of Crime Act 2002 to clarify that subsection (1) applies to the acceptance of proceeds of crime as payment for legal services. If necessary this could specify the application to services provided in relation to litigation which has the intention or effect of suppressing reporting on matters of public interest.*

221. *The Government should also update Anti-Money Laundering legislation to ensure solicitors have to conduct more comprehensive due diligence, including source of wealth and customer background checks, for cases that concern matters of public interest. The SRA should be given powers to conduct spot checks to provide an effective deterrent.*

423 Oral evidence taken before the Communications and Digital Committee inquiry on Lawfare and free speech, 31 March 2022 (Session 2021–22) [Q 6](#) (Clare Rewcastle Brown)

424 Letter from the Lord Chancellor and the Secretary of State for Culture, Media and Sport, SLAPPs (30 June 2023): <https://committees.parliament.uk/publications/40903/documents/199190/default/>

425 Solicitors Regulation Authority, Letter to the Chair of the Communications and Digital Committee (19 April 2023): <https://committees.parliament.uk/publications/39112/documents/192242/default/> The SRA notes that consequential changes to money laundering regulations would also need to follow.

426 We wrote to the (then) Chancellor of the Exchequer in January 2023, to the Home Secretary in April 2023 and to the Lord Chancellor in March 2024 recommending these changes. For our suggested amendment see Communications and Digital Committee, letter to the Home Secretary—Annex (21 April 2023): <https://committees.parliament.uk/publications/39136/documents/192446/default/>

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Chapter 2: The case for action and its limits

1. There are powerful economic, democratic and foreign policy arguments for supporting the future of honest, accurate and informative news. Although the value of news is clear, its prospects are not. The Government's task is to establish the conditions that enable UK media to stand on its own feet and ensure that public service broadcasters are able to thrive. The Government should focus on sector-wide structural changes which drive innovation while maintaining media independence. Any interventions must also work with market trends, not create artificial demand. (Paragraph 25)

Chapter 3: Financial health

2. Tax reliefs are one way to reduce the costs of producing quality journalism. (Paragraph 43)
3. *The Government should review the impacts of business rates relief on local newspaper offices. If found to be helpful, this scheme should be extended until 2029. The Government should also issue a consultation before the 2025 summer recess on tax breaks for hiring local journalists.* (Paragraph 43)
4. Local authority public notice advertising is a substantial source of income for local print news providers (many of which are owned by large conglomerates). The rules generally exclude digital titles and smaller outlets that publish print editions less frequently. Questions remain about using local government advertising to support local media, as this risks becoming a market distortion. However, if this spending is happening anyway, modest changes would help to make the situation more equitable. (Paragraph 48)
5. *The Government should consult on changing the definition of a "newspaper" to allow local authorities greater flexibility in determining the most effective use of public notice advertising spend. We suggest local authorities should be permitted to use both online providers and a wider variety of print outlets.* (Paragraph 49)
6. *Local authorities should ensure public notice adverts remain accessible to digitally excluded groups. In line with the findings from our 2023 report on digital exclusion, we recommend local and central government advertising teams explore creative ways to engage digitally excluded groups (for example using community centres and local hubs).* (Paragraph 50)
7. Media organisations will need to innovate and take more risks to transition to long-term sustainable business models. The UK already has good innovation initiatives for other industries which help catalyse, scale and monetise new ideas. The news sector needs one too. (Paragraph 56)
8. *The Government should establish a new Future News innovation catalyst scheme. The objective should be to facilitate technology-driven business transformation to help participants improve their long-term financial sustainability. While the Government should provide the funding, the scheme should be delivered independently. It should learn from the successes and shortcomings of the previous pilot. The number of recipients should be small to ensure the available funding can make a meaningful difference. Some grants should be match funded by recipients to ensure value for money and participant buy-in.* (Paragraph 57)

9. The financial precarity of many jobs in journalism is not conducive to attracting a diverse workforce representative of the UK's population. We welcome schemes from industry and the National Council for the Training of Journalists to attract and train under-represented groups, particularly outside London. As part of its local media strategy the Government should seek partnership funding to support attraction and training schemes for local news, including apprenticeships. (Paragraph 60)
10. *As part of its local media strategy the Government should seek partnership funding to support attraction and training schemes for local news, including apprenticeships.* (Paragraph 60)
11. The upcoming Charter Review is a key opportunity to refresh the BBC's relationship with local news. (Paragraph 68)
12. *The Government should give the BBC an objective to engage with local news providers as strategic partners. This should involve expanding the Local Democracy Reporting Service and increasing the proportion of journalists allocated to small (including online-only) outlets. The BBC should also explore expanding its apprenticeship scheme in ways that support local news.* (Paragraph 68)
13. The BBC must pursue transformational innovation as new technologies fundamentally reshape the news environment. In doing so, it should benefit the wider health of the UK media sector. (Paragraph 69)
14. *Developing a public interest news generative AI tool is one option the BBC could explore as it seeks to keep pace with new technologies and changing consumer habits. This might involve a service that is designed to improve public access to authoritative information—perhaps with a particular focus on partnering with local news organisations. Any major projects of this nature would need to be subject to industry consultation and relevant public value and market impact assessments.* (Paragraph 70)

Chapter 4: Tech platforms

15. *We encourage tech platforms to give more prominence to recognised news publishers (as defined in the Online Safety Act 2023), for example through better visual cues or adjusting prominence on user feeds. This should be an industry-led initiative: we do not support a mandatory Government-led kitemark scheme.* (Paragraph 79)
16. We are concerned that tech platforms have been imposing age restrictions on news that is Ofcom-compliant. We are also concerned at reports of 'shadow bans' and the blocking of other legitimate content. (Paragraph 82)
17. *Ofcom should engage with tech platforms at pace to align content moderation policies with Ofcom's broadcasting codes and the duties contained in the Online Safety Act 2023. When implementing the Act's protections for news publishers, Ofcom should pay particular attention to grey areas where content is not blocked but subtly downranked to minimise user engagement.* (Paragraph 83)
18. More transparency over tech platforms' algorithms is needed (even if transparency on its own will not be enough). Empowering the regulators quickly is necessary and achievable. (Paragraph 86)
19. *The Government should give Ofcom the necessary powers to investigate tech firm recommender algorithms and the operations of large language models (LLMs). This*

will become increasingly important amid concerns about the potential for political influence and bias in LLMs. (Paragraph 86)

Chapter 5: Generative Artificial Intelligence

20. Advances in generative AI are enabling tech firms to provide engaging and high quality news summaries. This suggests they are increasingly acting as publishers and may need to be regulated as such. Ofcom’s media plurality framework is rapidly becoming outdated, and the previous Government’s years-long timeline for implementing vital changes has been inadequate. (Paragraph 100)
21. *The Government should commit to a 12 month deadline for responding to future Ofcom priority recommendations on media plurality. (Paragraph 100)*
22. The Government’s proposed amendments to the media mergers regime are a good start. But we are disappointed it has not sought a wider update to the media plurality regime. The decision to exclude online intermediaries looks oddly short sighted given the rapid advances in tech firms’ ability to produce news summaries. We appreciate that tech firms are not newspapers but this does not mean their evolving role in the news landscape should be overlooked. (Paragraph 101)
23. *We recommend the Government works with Ofcom to set out plans and timelines for capturing online news intermediaries within the scope of the media ownership rules. (Paragraph 101)*
24. *The Digital Regulation Cooperation Forum should establish a dedicated workstream examining areas of regulatory crossover, conflict and collaboration that will affect the news sector—focusing in particular on privacy, advertising and competition. (Paragraph 104)*
25. The use of news content to train generative AI has the potential to reshape the economics of the media industry. The UK needs a better framework for governing how this works. There are arguments for and against tougher rules. On the one hand, the UK must remain competitive in AI development, or else lose any claim to international leadership. Economic prosperity, public sector efficiencies and national security all provide good arguments for establishing an AI-friendly training regime. (Paragraph 124)
26. But that does not mean the Government should pursue rules that primarily benefit foreign tech firms (who seem prepared to pay vast sums on energy, computing facilities and staff—but not on data). Previous efforts to find a solution have been weak and ineffectual. The Government must aim for a robust framework that helps the creative industries strike mutually beneficial deals with tech firms, aligns incentives, respects intellectual property and champions responsible AI development in the UK. Media organisations, for their part, will need to continue to demonstrate their value—and be clear that their position is not about special pleading or propping up outlets for which there is limited demand. (Paragraph 125)
27. While we welcome the new Government’s desire to make progress on this issue, we caution strongly against adopting a flawed opt-out regime comparable to the version operating in the EU. Much better means for ensuring technical viability, transparency, consent and enforcement are needed for a new text and data mining regime to work to UK advantage. If the Government gets

this right, it can provide speedy regulatory certainty and encourage a new AI-licensing startup scene to flourish too. (Paragraph 126)

28. *Any proposal for a new text and data mining regime must include transparency mechanisms that enable rightsholders to check whether their data has been used. It must offer technical enforceability that goes beyond the likes of robots.txt indicators, which remain inadequate. Meaningful sanctions for non-compliance are essential and the Government's anticipated IP consultation should explore the options for independent regulatory enforcement. Requirements for web crawlers to identify their purpose are needed too. The Government should encourage good practice by championing an emerging market for licensed AI data training providers. We urge the Government to dedicate significant technical, policy and political resource to address these challenges at pace. The Department for Science, Innovation and Technology should outline its plans in response to this report.* (Paragraph 127)
29. *The Competition and Markets Authority should investigate and address tech firms leveraging dominance in one domain, notably internet search, to secure anti-competitive advantages in obtaining data for generative AI training. We suggest this should be an immediate priority given the pace of market developments and impacts on news media business models.* (Paragraph 128)

Chapter 6: Serving audiences

30. The UK's broadcasting market will only thrive if there is healthy competition, a focus on serving all audiences and respect for the rules. New entrants like GB News provide an alternative to the public service broadcasters. Their offering needs to comply with the spirit of the rules, not stretch them to breaking point. Public service broadcasters, for their part, should reflect on why alternative providers are finding a following and how this relates to the way underserved communities are represented in their own news coverage. (Paragraph 161)
31. Ofcom's senior leadership argued that its approach to impartiality had been very clear. We struggled to reconcile this with the evidence. Ofcom's approach has sparked accusations of a two-tier system on the one hand, and of overreaction on the other. This risks dissatisfaction on all sides. We were reassured that Ofcom is aware of the challenges and the need to avoid the impression that political sensitivities have influenced regulatory enforcement. But more transparency in future would help, particularly around the thresholds at which alternative interpretations of the rules might apply. Ofcom must also remain alive to the risk that underserved audiences may migrate online or switch off altogether: healthy plurality in broadcasting therefore remains key to the sector's long-term viability. (Paragraph 162)
32. Better information is also needed about the drivers of audience trust in broadcast news. This is notoriously difficult and not helped by the inconsistency in methods. (Paragraph 163)
33. *Ofcom should conduct more thorough longitudinal audience research with consistent metrics and more granular audience profiles, focusing both on the drivers of trust and confidence in due impartiality being upheld. This could include more detailed assessments of audience views about using politicians as presenters.* (Paragraph 163)

Chapter 7: Mis/disinformation

34. The rise of brand safety organisations has raised complex questions about the extent and implications of their work. (Paragraph 179)

35. *The Government's online advertising taskforce should review the work and impact of brand safety organisations on news publisher revenue. (Paragraph 179)*
36. We welcome efforts to improve trust in the information environment, but we caution against a counter-mis/disinformation strategy that relies too heavily on measures in the Online Safety Act, or technical fixes like watermarks, labelling and algorithmic tweaking. Some of these are doubtless welcome, but such solutions are unlikely to tackle the root causes of supply and demand. They raise questions about potential overreach and free speech sensitivities. And they risk creating strategic dependencies on overseas tech firms to address highly sensitive societal challenges. (Paragraph 191)
37. *The Government should focus more on strengthening long-term resilience. We suggest four priorities.*
- (1) *First is recognising more explicitly the value of a financially sustainable news sector: this is the best way to maintain a shared understanding of facts.*
 - (2) *Second, the Government could engage further with media organisations about protocols for responding to major foreign interference efforts, particularly around elections.*
 - (3) *Third, the Government should adopt a more muscular deterrence posture to impose greater costs on adversaries, for example using responsible cyber power to degrade adversary infrastructure. This could feature in the Strategic Defence Review currently underway.*
 - (4) *Fourth is media literacy. We are not yet convinced that the Government has a good plan. More resources and effort are needed to scale 'what works' in media literacy, and avoid a tangle of short-term fragmented projects. Ofcom is already taking on major burdens: we hope it is not left to be the main lead for such a complex policy issue. The Government needs its own strategy. DSIT should set out its future plans for media literacy and timeline for evaluating its current activities in response to this report. The Department for Education should use the opportunity of the Curriculum and Assessment Review to ensure that media literacy is given more time and prominence in schools. (Paragraph 192)*

Chapter 8: SLAPPs

38. The new Government is failing to prioritise anti-SLAPP legislation. This is troubling and has serious potential consequences for press freedom and the future of the news industry. There has already been a public consultation. Viable legislative options and precedents exist. What is missing now is political will. Its absence reflects poorly on the new Government's values and commitment to justice. We are not persuaded that the complexity of the issue, or the need for cross-government engagement, are a valid excuse for lengthy delays. (Paragraph 201)
39. *The Government should publish draft legislative proposals before the 2025 summer recess and allow time for proper scrutiny. If necessary it should explore using the Victims, Courts and Public Protection Bill, announced in the recent King's Speech, as a vehicle. (Paragraph 201)*
40. Anti-SLAPP legislation is unlikely to be supported by everyone in the legal profession. Some concerns are valid, others less so. The Ministry of Justice must learn lessons from the experience of developing the Strategic Litigation

Against Public Participation Bill introduced in the previous session of Parliament. We heard that it was initially drafted in ways that would make the situation worse. We would like to understand the process by which this came about. (Paragraph 202)

41. *In response to this report the Ministry of Justice should publish an exhaustive list of stakeholders it engaged with in relation to the development of the Private Member's Bill between May 2023 and May 2024. This should include the names of organisations, meeting dates and topics, and substantive written correspondence.* (Paragraph 203)
42. We applaud the progress made by the Solicitors Regulation Authority (SRA) in recent years. However, we do not agree that it should conduct thematic evaluations of SLAPPs that deliberately exclude the law firms accused of malpractice. Predictably and implausibly, these evaluations have found limited evidence of wrongdoing. This risks creating a flawed evidence base to inform public debate. With transparent governance structures and information firewalls between teams, it should be possible to conduct multiple separate engagements with the same firm without prejudicing the outcome of investigations. (Paragraph 207)
43. *The SRA's future reviews of SLAPP activity should not exclude law firms subject to ongoing investigations. The Government should also review whether the SRA has the necessary inspection powers to enable more targeted assessments.* (Paragraph 208)
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48. *The Government should amend section 327 of the Proceeds of Crime Act 2002 to clarify that subsection (1) applies to the acceptance of proceeds of crime as payment for legal services. If necessary this could specify the application to services provided in relation to litigation which has the intention or effect of suppressing reporting on matters of public interest.* (Paragraph 220)

49. *The Government should also update Anti-Money Laundering legislation to ensure solicitors have to conduct more comprehensive due diligence, including source of wealth and customer background checks, for cases that concern matters of public interest. The SRA should be given powers to conduct spot checks to provide an effective deterrent. (Paragraph 221)*

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Dunlop
 Lord Hall of Birkenhead
 Baroness Harding of Winscombe
 Baroness Healy of Primrose Hill
 Lord Kamall
 Lord Knight of Weymouth
 The Lord Bishop of Leeds
 Lord McNally
 Baroness Primarolo (to 9 October 2024)
 Lord Storey
 Baroness Stowell of Beeston (Chair)
 Baroness Wheatcroft
 Lord Young of Norwood Green

Declarations of interest

Lord Dunlop
No relevant interests declared

Lord Hall of Birkenhead
Former Director General, BBC
Previous professional engagements with witnesses

Baroness Harding of Winscombe
Family member is a director at Ofcom
Previous professional engagements with witnesses

Baroness Healy of Primrose Hill
No relevant interests declared

Lord Kamall
Previous work with think tanks commenting on the BBC
Previous work with CapX and engagements with the Centre for Policy Studies

Lord Knight of Weymouth
No relevant interests declared

The Lord Bishop of Leeds
No relevant interests declared

Lord McNally
Fellow, Chartered Institute of Public Relations
Fellow, Public Relations and Communications Association

Baroness Primarolo
No relevant interests declared

Lord Storey
No relevant interests declared

Baroness Stowell of Beeston (Chair)
Former Head of Corporate Affairs, BBC (until 2010)

Baroness Wheatcroft
Chair, Financial Times appointments and oversight committee
Occasional freelance journalist
Involved in proposals for pro bono legal support

Lord Young of Norwood Green
Former Governor, BBC

A full list of Members' interests can be found in the Register of Lords' Interests:
<https://members.parliament.uk/members/lords/interests/register-of-lords-interests>

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <https://committees.parliament.uk/committee/170/communications-and-digital-committee/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral evidence and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

- | | | |
|----|---|---------------------------------|
| * | James Bennet, Senior Editor, The Economist | <u>QQ 1–20</u> |
| * | Josephine Hansom, Vice President and Youth Practice Lead, Savanta | |
| * | Paul Lee, Global Head of Research for Technology, Media and Telecommunications, Deloitte | |
| * | Fraser Nelson, Editor, The Spectator | |
| * | Professor Charlie Beckett, Professor of Practice, Director of Polis and the Polis/LSE JournalismAI project, London School of Economics and Political Science | <u>QQ 21–33</u> |
| * | Douglas McCabe, Chief Executive Officer and Director of Publishing and Tech, Enders Analysis | |
| ** | James Frayne, founding partner, Public First | |
| ** | David Dinsmore, Chief Operating Officer, News UK | <u>QQ 34–46</u> |
| ** | Jon Slade, Chief Commercial Officer, Financial Times | |
| ** | Peter Wright, Editor Emeritus, DMG Media | |
| * | Anna Bateson, Chief Executive Officer, Guardian Media Group | |
| ** | Henry Faure Walker, Chief Executive Officer, Newsquest | <u>QQ 47–54</u> |
| ** | David Higgerson, Chief Digital Publisher, Reach | |
| ** | Jonathan Paterson, Managing Editor, The News Movement | |
| ** | Joshi Herrmann, Founder & Editor-in-Chief, The Manchester Mill | |
| ** | Deborah Turness, Chief Executive Officer, News and Current Affairs, BBC; Jonathan Munro, Director of Journalism, BBC and Rhodri Talfan Davies, Director, Nations, BBC | <u>QQ 55–63</u> |
| ** | Michael Jerney, Director of News, ITV | <u>QQ 64–70</u> |
| ** | Louisa Compton, Head of News and Current Affairs, Channel 4 | |

- * Guy Davies, Commissioning Editor of Factual, Channel 5
- * Sebastian Enser-Wight, Chief Strategy Officer, Global and Tom Cheal, Managing Editor, LBC Radio, part of Global [QQ 71–87](#)
- * Sam Shetabi, Creator Network Director, Acast; and Shini Pattni, Legal Counsel, Acast
- * David Rhodes, Executive Chairman EMEA, Sky News; and Jonathan Levy, Managing Editor and Executive Director, Sky News [QQ 88–94](#)
- * Angelos Frangopoulos, Chief Executive Officer, GB News [QQ 95–99](#)
- * Professor Ciaran Martin, Professor of Practice in the Management of Public Organisations, Blavatnik School of Government, University of Oxford and former Chief Executive Officer, HMG’s National Cyber Security Centre [QQ 100–108](#)
- * Freddie Sayers, Editor-in-Chief and Chief Executive Officer, UnHerd [QQ 109–114](#)
- * Katie Harbath, Founder & Chief Executive Officer, Anchor Change
- ** Professor William Dutton, Emeritus Professor, University of Southern California (USC)
- * Andrew Neil, Chairman, The Spectator [QQ 115–119](#)
- * James Harding, co-founder, Tortoise Media [QQ 120–133](#)
- * John Quinlan, Chief Executive Officer, Joe Media Group
- * Tom Slater, Editor, Spiked Magazine
- * Robert Colville, Director, Centre for Policy Studies [QQ 134–147](#)
- * Professor Rasmus Kleis Nielsen, Director, Reuters Institute for the Study of Journalism and Professor of Political Communication, University of Oxford
- * Professor Jane Singer, Professor Emerita of Journalism Innovation, City University of London
- * Susan Coughtrie, Director, Foreign Policy Centre [QQ 148–152](#)
- ** Sayra Tekin, Director of Legal, News Media Association
- * Fiona O’Brien, Bureau Director, Reporters Without Borders
- * David Hooper, independent media lawyer
- * Paul Philip, Chief Executive Officer, Solicitors Regulation Authority; and Juliet Oliver, General Counsel, Solicitors Regulation Authority [QQ 153–156](#)

- ** Dame Melanie Dawes, Chief Executive Officer, Ofcom; and Cristina Nicolotti Squires, Group Director of Broadcasting and Media, Ofcom [QQ 157–162](#)
- ** Stephanie Peacock MP, Parliamentary Under-Secretary of State (Minister for Sport, Media, Civil Society and Youth); and Robert Specterman-Green, Director, Media and Creative Industries, HM Government—Department for Culture, Media and Sport [QQ 163–195](#)
- * Baroness Jones of Whitchurch, Parliamentary Under-Secretary of State for the Future Digital Economy and Online Safety; and Sam Cannicott, Deputy Director for AI Capability, HM Government—Department for Science, Innovation and Technology

Alphabetical list of all witnesses

- 24houlondon [FON0061](#)
- * Acast ([QQ 71–87](#))
- Agency: Assuring Citizen Agency in a World with Complex Online Harms [FON0017](#)
- * Anchor Change ([QQ 109–114](#))
- Dr Natalie Alana Ashton, Research Associate, Vrije Universiteit Amsterdam [joint submission] [FON0035](#)
- Chris Banatvala [joint submission] [FON0072](#)
- Professor Steven Barnett, Professor of Communications, Westminster School of Media and Communication, University of Westminster [FON0052](#)
- ** BBC ([QQ 55–63](#)) [FON0059](#)
[FON0069](#)
- * Professor Charlie Beckett ([QQ 21–33](#))
- The Bristol Cable [FON0008](#)
- Broadcast 2040+ Campaign [FON0034](#)
- Dr Steven Buckley, Lecturer in Media and Communication, City, University of London [FON0001](#)
- Professor Simon Burnett, Professor of Information Management, Robert Gordon University [joint submission] [FON0010](#)
- Professor Rafael Alejandro Calvo, Chair in Design Engineering, Imperial College London [FON0047](#)
- Campaign for Press and Broadcasting Freedom (North) [FON0040](#)
- Maggie Carver CBE DL [FON0070](#)
- * Centre for Policy Studies ([QQ 134–147](#))
- ** Channel 4 ([QQ 64–70](#)) [FON0067](#)

- ★ Channel 5 ([QQ 64–70](#))
 - Dr Esyin Chew, Director of EUREKA Robotics Centre, Cardiff School of Technologies, Cardiff Metropolitan University [joint submission] [FON0033](#)
 - Community Policy Forum [FON0050](#)
 - Crail Matters [FON0011](#)
 - Professor Rowan Cruft, Professor, University of Stirling [joint submission] [FON0026](#)
[FON0035](#)
 - Professor Stephen Cushion, Professor, Cardiff University [joint submission] [FON0003](#)
- ★★ DMG Media ([QQ 34–46](#)) [FON0030](#)
- ★ Emeritus Professor William Dutton ([QQ 109–114](#))
- ★ James Bennet, Senior Editor, The Economist ([QQ 1–20](#))
- ★ Enders Analysis ([QQ 21–33](#))
 - Fenimore Harper [FON0016](#)
- ★★ Financial Times ([QQ 34–46](#)) [FON0073](#)
- ★ Foreign Policy Centre ([QQ 148–152](#))
 - Dr Ingo Frommholz, Head of AI and Data Science Research, University of Wolverhampton [joint submission] [FON0031](#)
 - Dr Charlotte Galpin, Associate Professor in German and European Politics, University of Birmingham [FON0027](#)
- ★ GB News ([QQ 95–99](#))
 - Getty Images (UK) [FON0043](#)
 - Dr Michele Giavazzi, Postdoctoral Fellow, Ludwig Maximilians University Munich [joint submission] [FON0035](#)
- ★ Global ([QQ 71–87](#))
 - The Global Disinformation Index [FON0071](#)
 - Google [FON0058](#)
 - Professor Sebastian Groes, Professor of English Literature, University of Wolverhampton [FON0023](#)
- ★ Guardian Media Group ([QQ 34–46](#))
 - Hacked Off [FON0020](#)
 - Professor Tom Harrison, Professor of Education, University of Birmingham [joint submission] [FON0037](#)
 - Dr Jonathan Heawood, Senior Research Fellow and Executive Director, Norms for the New Public Sphere project, and Chief Executive Officer, Public Interest News Foundation [joint submission] [FON0026](#)
[FON0035](#)

	Dr Michael Higgins, Senior Lecturer in Media and Communication, University of Strathclyde [joint submission]	FON0004
**	HM Government—Department for Culture, Media and Sport (QQ 163–195)	FON0009
*	HM Government—Department for Science, Innovation and Technology (QQ 163–195)	
*	David Hooper (QQ 148–152)	
	Mr Shuyang Hu, Robotics Innovator; Doctoral Researcher, Eureka Robotic Centre, Cardiff Metropolitan University [joint submission]	FON0033
	IAB UK	FON0039
	IMPRESS	FON0041
	International Broadcasting Trust	FON0006
	ITN	FON0053
**	ITV (QQ 64–70)	FON0019
*	Joe Media Group (QQ 120–133)	
	Dr Irini Katsirea, Reader in International Media Law, University of Sheffield	FON0048
*	Professor Rasmus Kleis Nielsen (QQ 134–147)	
	Dr Akshi Kumar, Senior Lecturer in Computer Science, Director-Post Graduate Research, Department of Computing, Goldsmiths, University of London	FON0002
*	Paul Lee, Global Head of Research for Technology, Media and Telecommunications, Deloitte (QQ 1–20)	
	Dr Rodolfo Leyva, Lecturer in Quantitative Methods, University of Birmingham	FON0012
	LGB Alliance	FON0054
	Local TV Network	FON0038
	Logically	FON0068
	Sebastijan Maček, Journalist/Translator, Slovenian Press Agency [joint submission]	FON0031
*	Professor Ciaran Martin (QQ 100–108)	
**	Mill Media (QQ 47–54)	FON0066
	Dr Dani Madrid-Morales, Lecturer in Journalism and Global Communication, University of Sheffield	FON0049
	Media Reform Coalition	FON0029
	National Council for the Training of Journalists (NCTJ)	FON0045
	National Union of Journalists (NUJ)	FON0005

	Dr Francois Nel, Reader/Associate Professor of Media Innovation and Entrepreneurship, University of Central Lancashire	FON0044
	NewsNow Publishing	FON0051
**	Newsquest Media Group (QQ 47-54)	FON0064
**	News Media Association (QQ 148-152)	FON0056
	News Media Coalition	FON0036
**	The News Movement (QQ 47-54)	FON0062
**	News UK (QQ 34-46)	FON0055
**	Ofcom (QQ 157-162)	FON0063
	Professor Sarah Pedersen, Professor of Media and Communication, Robert Gordon University [joint submission]	FON0010
	Professor Fabienne Peter, Professor of Philosophy, University of Warwick [joint submission]	FON0026 FON0035
	Dr Gianfranco Polizzi, Postdoctoral Research Associate, University of Liverpool [joint submission]	FON0037
	Professional Publishers Association	FON0046
**	Public First (QQ 21-33)	FON0060
	Public Interest News Foundation	FON0032
	Stewart Purvis CBE [joint submission]	FON0072
	Radiocentre	FON0025
**	Reach (QQ 47-54)	FON0065
*	Reporters Without Borders (QQ 148-152)	
	Dr Thomas Rhys Evans, Associate Professor in Occupational Psychology, University of Greenwich	FON0014
	Professor Jacob Rowbottom	FON0018
	Richard Sambrook, Emeritus Professor, Cardiff University [joint submission]	FON0003
	Dr Michael Samuel, Lecturer in Digital Film and Television, University of Bristol	FON0007
*	Savanta (QQ 1-20)	
	Sense about Science	FON0042
	Felix Marvin Simon, Dieter Schwarz Scholar, Oxford Internet Institute, University of Oxford	FON0024
**	Emerita Professor Jane Singer (QQ 134-147)	
*	Sky News (QQ 88-94)	
	Professor Angela Smith, Professor of Language and Culture, University of Sunderland [joint submission]	FON0004
*	Solicitors Regulation Authority (QQ 153-156)	

- * The Spectator ([QQ 1-20](#); [QQ 115-119](#))
- * Spiked Magazine ([QQ 120-133](#))
Dr Jingrong Tong, Senior Lecturer, University of Sheffield [FON0013](#)
- * Tortoise Media ([QQ 120-133](#))
TransActual [joint submission] [FON0022](#)
Trans Media Watch [joint submission] [FON0022](#)
- * UnHerd ([QQ 109-114](#))
Voice of the Listener & Viewer [FON0015](#)
Dr Chris Wyatt, Research Impact & Policy Manager,
University of Wolverhampton [joint submission] [FON0031](#)
Frances Yeoman, Head of Journalism, Liverpool John
Moores University [FON0057](#)
Dominic Young, Chief Executive Officer/founder,
Axate [FON0021](#)

APPENDIX 3: CALL FOR EVIDENCE

Inquiry summary

A healthy news ecosystem is vital to our democratic society. Changes are underway which will have major consequences for the future of the UK's news media.

The House of Lords Communications and Digital Committee will examine a selection of strategic challenges facing the sector, focusing on impartiality, trust and the impact of tech platforms. Some of these issues are longstanding, while others are new. Some are driven by external factors, others are internal to news organisations themselves. In combination they pose a formidable challenge to the UK news sector and raise questions about the viability of maintaining a trusted information environment underpinned by a healthy and financially sustainable news system.

Our inquiry will explore immediate and long-term actions needed from industry, regulators and Government to respond. It builds on the Committee's recent inquiries on the future of journalism, BBC funding, and large language models.

Concerns have been growing over the challenges around due impartiality. Audiences continue to say that impartiality is key, but have very different views on what this means in practice.⁴²⁷ Public service broadcasters, notably the BBC, are under particular pressure to serve all audiences and demonstrate their relevance in an increasingly complex and fragmented media environment.⁴²⁸

Current trends suggest this task is becoming ever more complex. Political realignments among the public and societal divides pose ongoing challenges to serving audiences from all walks of life. Opinionated online content is growing in popularity. Furthermore, the increasing availability of news online has also been associated with 'bias by omission', where audiences are exposed to a wider variety of events and interpretations which have not been covered by a particular news organisation.⁴²⁹ Coverage of the conflicts in Gaza and Ukraine provide recent examples.

Trust in news remains in long-term decline, falling from 51 per cent in 2015 to 33 per cent in 2023.⁴³⁰ People are accessing news less frequently and are becoming less interested.⁴³¹ The UK faces a general election amid fears about AI-enabled mis- and dis-information, alongside concern that over-emphasising such issues can be unhelpful and problematic. Over 2 billion people from 50 countries are going to the polls in 2024, making it the largest global election year in history.⁴³²

427 JIGSAW research/Ofcom, Drivers of perceptions of due impartiality: The BBC and the wider news landscape (June 2022): https://www.ofcom.org.uk/_data/assets/pdf_file/0027/239175/4-Drivers-of-perceptions-of-due-impartiality-the-BBC-and-the-wider-news-landscape.pdf [accessed 19 November 2024]

428 Communications and Digital Committee, *Licence to change: BBC future funding* (1st report, Session 2022-23, HL Paper 44)

429 JIGSAW research/Ofcom, Drivers of perceptions of due impartiality: The BBC and the wider news landscape (June 2022): https://www.ofcom.org.uk/_data/assets/pdf_file/0027/239175/4-Drivers-of-perceptions-of-due-impartiality-the-BBC-and-the-wider-news-landscape.pdf [accessed 19 November 2024]

430 Nic Newman, 'United Kingdom', Reuters Institute, University of Oxford (June 2023): <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2023/united-kingdom> [accessed 19 November 2024]

431 Nic Newman, 'United Kingdom', Reuters Institute, University of Oxford (June 2023): <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2023/dnr-executive-summary> [accessed 19 November 2024]

432 World Economic Forum, '2024 is a record year for elections. Here's what you need to know' (December 2023): <https://www.weforum.org/agenda/2023/12/2024-elections-around-world/> [accessed 19 November 2024]

Recent advances in large language models have led some media organisations to voice unease about their industry’s long-term financial sustainability.⁴³³ Some large US technology platforms are also moving away from external news content, with significant financial implications for media organisations who have relied on them for audience engagement and revenue.⁴³⁴ Online news intermediaries continue to play a key role in curating and recommending the type of news that people see; Ofcom has already raised questions about the impacts on media plurality.⁴³⁵ Such influence may grow as generative AI tools become more widespread.

Our inquiry will examine the implications of the issues summarised above, and explore the extent to which responses must come from industry, Government or regulators. We aim to identify tangible actions that can be taken (a) over the next 12 months to address immediate issues, and (b) over the next five years to address long-term concerns.

Inquiry questions:

1. What impacts (positive and negative) do large technology platforms and online news aggregators have on the UK’s news environment, including media plurality? And how might this change?
2. How is generative AI affecting news media business models and how might this evolve?
3. How are perceptions of due impartiality evolving and what challenges do news organisations face around impartial reporting?
4. What factors affect trust in news and how might this evolve?
 - To what extent is trust linked to perceptions of impartiality, or to other trends in online news?
 - What impact do concerns around disinformation have on trust in the information environment? (And to what extent does this differ between different sections of society?)
5. How well are news organisations responding to factors affecting their business models, and are any changes needed?
6. How adequately are UK news organisations providing impartial and trusted news? What actions are needed to address any shortcomings?
 - How should news organisations balance competing demands to provide content that aligns with particular values on the one hand, and provides trusted and impartial news on the other?
 - How adequately are news media organisations ensuring that efforts to provide trusted information and tackle disinformation do not alienate some sections of society in the process?
7. How well is regulatory oversight working? Are any changes needed, for example:
 - In the way Ofcom oversees due impartiality and the extent of its remit?

433 Written evidence from DMG Media to the Communications and Digital Committee’s inquiry ‘Large language models’ ([LLM0068](#))

434 ‘Meta unfriends the news industry in growing rift with publishers’, *The Financial Times* (July 2023): <https://www.ft.com/content/8ebb8854-426b-46f8-9c5c-b8f988c298f7> [accessed 19 November 2024]

435 Ofcom, *Media plurality and online news*, (November 2022): https://www.ofcom.org.uk/_data/assets/pdf_file/0030/247548/discussion-media-plurality.pdf [accessed 19 November 2024]

- In the way Ofcom oversees media plurality?
8. Are there any actions the Government should take to address concerns around due impartiality, trust, and the influence of technology platforms?
- Are changes needed to the Media Bill?
 - Are changes needed to the way the Government addresses mis- and dis-information?

The Committee invites written contributions to its inquiry by Monday 12 February 2024.

APPENDIX 4: COMMITTEE VISITS

Committee visit to ITN

On 12 March 2024, the Committee visited ITN's offices in London. In attendance were Baroness Stowell of Beeston (Chair), Lord Dunlop, Lord Hall of Birkenhead, Baroness Healy of Primrose Hill, The Lord Bishop of Leeds, Lord Storey and Lord Young of Norwood Green.

The purpose was to learn more about the work of the UK's public service broadcasters and their approach to producing news. We discussed the work of ITV, Channel 4 and Channel 5 newsrooms in catering to different audiences, and the importance of ensuring news stories are selected to appeal to a broad range of demographic groups. We further discussed the opportunities and challenges of providing news in different formats across multiple platforms—and the implications for needing multi-skilled teams able to deliver on these requirements.

Committee visit to San Francisco

The Committee visited San Francisco from 7 to 11 October 2024. In attendance were Baroness Stowell of Beeston (Chair), Lord Hall of Birkenhead, Baroness Healy of Primrose Hill, Lord Kamall and Lord Knight of Weymouth.

The primary purpose was to learn about the work of US technology firms and media organisations in relation to our inquiry into the future of news. We also used the opportunity to examine issues with generative AI as a follow-up to our recent report on large language models. We further held meetings relating to our inquiry on the challenges facing AI-first and creative technology firms seeking to scale up in the UK. We are grateful to all those who participated in our work.

The section below provides an overview of our view on some key themes that emerged from the visit. The subsequent sections provide a non-exhaustive summary of our engagements.

Our view on key themes

We found much uncertainty about the impacts of technology on news. The roles of large technology platforms, and how they viewed their position in the market, varied considerably. The relationships between them and news providers will continue to evolve as generative AI plays an increasingly influential role in the production, discovery and monetisation of news.

Some trends around the most recent advances in large language models were however becoming clearer. Generative AI tools were thought to be likely to have increasing influence over the types of information people see. Whether the AI applications provide one answer to a question about current affairs, or a variety of views, could prove decisive in shaping the average casual user's views on a topic. We heard that these new tools would likely drive a shift in consumer behaviour—away from clicking on links, and towards long-form AI-generated summaries that draw on multiple sources (perhaps increasingly involving voice activated tools). News media business models based on users clicking through to viewing a website might therefore suffer if the AI summary is 'good enough' for the average reader. Some stakeholders worried that these trends could make it economically unviable for some news outlets to continue producing quality journalism.

The interests of publishers and AI developers appeared to be aligned around the value of high-quality, timely data needed to train and ground AI models.

It was less clear though whether AI firms would be prepared to pay sufficient amounts to sustain the continuation of high quality journalism that provides a plurality of viewpoints. We further heard that the value of journalism lay not just in breaking news: much of the information available on the internet is accepted as fact because it has been originally produced and verified through journalistic endeavours. If generative AI tools lead to a situation where quality journalism becomes increasingly uneconomical, it was unclear how well future AI tools would function.

Many news providers were pursuing a variety of licensing deals with AI firms, though how favourable these arrangements were in practice remained unclear. The terms may involve AI firms gaining access to archive or real time news (or both), in exchange for payment and/or exposure. We heard concerns that the types of licensing deals may be, effectively, a time-limited offer that do not guarantee a sufficient link between the growth of the AI marketplace and a commensurate expansion in news providers' revenue.

Our discussions suggested that we were still in the early stages of generative AI-influenced news. Widespread changes to audience habits may occur over the next few years, though the details of what this might look like remained uncertain. Media organisations were already experimenting with AI and may shift from using 'AI as an efficiency' to 'AI as a service' over the next few years too. The negative impacts of generative AI on news advertising revenues, exposure and audience engagement could be envisaged, but the full effects were likely to take some time to feed through and newsrooms were likely to adapt along the way. This all suggested that the long-term implications for the financial health of the media sector would play out over the next five years or more, rather than in a matter of months.

Finally, we heard that progress in generative AI capability is not linear: those at the forefront are likely to draw increasingly far ahead. It therefore matters what types of AI firms and services flourish, and where the UK chooses to focus its efforts. Some stakeholders envisaged a future of 5-10 major providers of base models, who effectively act as commodities (comparable to the situation with cloud compute providers). A plethora of smaller open source and specialised models may be built on top. Some stakeholders suggested this second layer is where the transformative value to society will be at, and where the UK should focus its efforts in developing public-interest AI tools and standards.

Meta

We met with Andy O'Connell, Vice President, Product Policy; Matt Scutari, AI Policy Director; Elizabeth Kendall, Global Public Policy Director, Media and IP; Marc Dinsdale, Director of Digital Media Partnerships & News; Megan Thomas, Public Policy Manager and Richard Earley, Head of UK Content Regulation Policy

Meta provided updates on their latest products, including wearable technologies and generative AI tools. Meta discussed developments on their Llama model and the moves towards multimodal and specialist use cases.

We discussed issues relating to the spectrum of 'open' and 'closed' source models. Meta outlined the importance of openly accessible development, which we heard promoted better innovation, competition and transparency. We further discussed the need for guardrails and safety interventions, particularly around identifying AI-generated content.

We heard about Meta’s in-application AI assistant, Meta AI, and the increased popularity of voice interaction. Meta highlighted the importance of models being trained locally in order to reflect cultural nuances and better serve consumers.

Meta executives reiterated previous comments about the limited extent to which audiences seek out news on its platforms. We discussed Meta’s decision to switch off news tools in Canada, as well as concerns about the use of copyrighted data, licensing arrangements and the differences between the UK, EU and US approaches in this regard.

Finally, we discussed the steps Meta is taking to counter misinformation and disrupt co-ordinated inauthentic activity on its platforms.

Google

We met with executives Kent Walker, President of Global Affairs; Jaffer Zaidi, Vice President for News Partnerships; Prabhakar Raghavan, (then) Senior Vice President, Knowledge and Information Products; and Katie O’Donovan, Director of Government Affairs and Public Policy, UK.

We discussed the merits and challenges of Google’s initiatives to support the news industry, including lump-sum payments, licensing deals and innovation funding. Google said it was testing new approaches for supporting local news, and suggested that more innovative business models might emerge and help attract better talent into journalism.

We heard about the implications of AI for the news industry. Google suggested that news organisations’ internal use of AI may evolve from a focus on efficiency towards exploring opportunities for new products and services. We heard that text-to-speech products, as well as summarisation tools (for example Google’s Notebook LM), could provide opportunities for efficiency. We further discussed future options for publishers to generate and monetise content using AI tools, as well as future trajectories for deeper interaction with generative AI audio content.

We discussed copyright concerns, including the potential challenges and opportunities of adopting an EU approach to copyright. We discussed whether licensing agreements may be most useful for grounding AI tools to ensure they provided accurate answers, rather than for the initial training of foundation models. On regulation more broadly, we discussed the potential tension between competition regulators wanting openness on one hand, and privacy regulators preferring information to be protected.

Finally, we discussed Google’s Search business. We discussed suggestions that some younger audiences are seeking authenticity over authority, which in turn has implications for how younger demographics seek out and use information online. We discussed whether this indicated a commensurate political shift in the prioritisation and ranking of topics and news. Google said that developments among younger audiences did not mean that Google needed to change the way its search engine ranked information.

Apple

We met with executives including Roger Rosner, Vice President, Applications and Nick Ascheim, Head of Apple News Business.

We discussed the role that Apple News played in the media environment, notably as the most used news app in the US. We heard that its top stories were chosen by

human editorial teams based in each global region where the service was offered; the choices were intended to provide a balance of outlets and ensure topics were relevant to the user.

Alongside human-selected top stories, we heard about how Apple News provided algorithmically-driven personalised news recommendations. We heard that editorial quality and balance remained an important consideration for this feature. Apple News did not have user engagement tools common to social media platforms (such as ‘likes’).

Apple News featured stories from partner media organisations; Apple told us that it did not crawl the open internet for content. Apple had commercial arrangements so that publishers may earn a share of revenue via engagement time on Apple News+ (the app’s subscription product for paywalled content) or via advertising the publishers sell themselves or that third parties sell on their behalf.

We further discussed the implications of generative AI for news, and how this would affect different types of news outlets, as well as wider trust in the information environment. Apple executives noted the challenges, though highlighted that there were still opportunities for quality news to remain resilient in the face of AI-generated content.

OpenAI

We met with executives including Jason Kwon, Chief Strategy Officer; Tom Rubin, Chief of Intellectual Property and Content; Chris Lehane, Vice President of Global Affairs; and Mark Gray, Copyright Counsel.

We discussed the trajectory for future developments in AI, including the possibility for humans to interact with the AI model throughout its reasoning process and the potential for more ‘agentic’ capabilities (for example asking ChatGPT to research, plan and book a vacation).

We further discussed AI safety issues, including the potential for autonomous artificial agents capable of navigating their environment without oversight. OpenAI told us that significant effort was being dedicated to improving guardrails and ensuring safe and responsible development.

We heard about the partnerships that OpenAI has developed with news providers. OpenAI expressed a commitment to collaborating on ways to drive readers of news content back to publishers. The details of recent licensing deals with news publishers, and opportunities for renewal, remained unclear. OpenAI suggested that there was particular value in using news content to ensure ChatGPT and search provided grounded and accurate answers. We noted that the relative value of news archive content for training base models may be less significant.

Perplexity

We met with Aravind Srinivas, CEO and co-founder of Perplexity, a search engine which provides users with AI-generated summaries of search results with citations to sources.

We discussed competition in the internet search market, and the role of generative search in disrupting the digital advertising landscape which often relied on users clicking through to websites. We heard that consolidation in the browser market made it difficult for start-up companies to strike partnerships with web browsers.

Although Perplexity offered summaries of the news, we heard that it did not see itself as an alternative to news sites. Its selection of the top news sources was AI-driven, though its algorithms would summarise content from websites (rather than social media posts). We discussed the potential implications of AI-generated summaries on news publisher web traffic.

While Perplexity offers a premium subscription, we heard that further monetisation can come from corporate sponsorship of associated queries. Perplexity emphasised that sharing revenue from these activities was a valuable way to develop mutually beneficial partnerships between publishers and tech firms. Perplexity also said that it was looking to engage with more publishers outside the US, where it had made some deals.

Scale AI

We met with Vijay Karunamuthy, Field Chief Technology Officer and Max Fenkell, Head of Government Relations.

Scale AI executives discussed their work on providing businesses, researchers and governments with comprehensive and high quality data to support safe AI development and deployment.

We heard that the availability of well-structured data sets was important for developing the next generation of models, and to train models for specific use cases (such as in health care or finance). Scale AI discussed the importance of good data governance and opportunities for developing in-house proprietary models.

We heard that the particular value of news lay in being authoritative and timely; such content could be used to ground AI models and ensure they provided accurate answers to questions about real-time issues. News sources could also be used to help a model better assess the validity of information it received from other sources on the web and give greater weighting to authoritative sources.

We also discussed the restrictions on data training and the need to avoid AI 'eating its own tail'. Scale AI executives outlined the difficulties in using synthetic data. We heard there may be better prospects of success in some cases (perhaps in science, maths and coding) and limited likelihood in others (notably creativity and cultural awareness). The prospects for synthetic video and audio material would be an area of future research.

SmartNews

We met with SmartNews executives including Rich Jaroslovsky, Adviser to the CEO at SmartNews, a news aggregation app available in the US and Japan.

SmartNews executives discussed their focus on the value of news to democracy. One example was the news app's algorithms being designed in ways that promote unexpected content that may not necessarily align with the user's political outlook. We heard that news aggregators could seek to engage younger audiences by offering them a range of articles that enabled them to test different ideas and viewpoints easily.

We heard that SmartNews was selective in its news partners, using a set of criteria to confirm whether media outlets met its guidelines. Partners entered into a commercial arrangement and worked with an in-house team of former journalists on story selection.

We heard criticism of tech firms offering short-term or ad-hoc payments to publishers. SmartNews argued that a successful approach required long-term licensing deals that accurately reflect the cost and value of the news content. They suggested that the most viable long-term proposition involved aligning the interests of AI firms and publishers, not treating the latter as a temporary engagement partner.

Reddit

We met with Ben Lee, Chief Legal Officer.

Reddit discussed its position as one of the world's largest repositories of publicly available human-generated content.

Reddit expressed concern about AI firms obtaining this content for AI training without permission, and outlined the copyright and privacy implications for the users posting in the network. They suggested that unauthorised crawling risked becoming a disincentive for people to engage in the open internet, and raised concerns about the resulting trend towards information and communication moving into 'walled gardens' in private apps.

Reddit further discussed the value of human-led content moderation, while noting that AI could also help users apply the rules of engagement established by user communities.

Mozilla

We met with Masayo Nobe, Vice President of Legal and Michael Feldman, Managing Counsel, Product and Privacy.

Mozilla spoke about the need for policy and regulation to be developed in a way which allow AI to be developed for public benefit. Mozilla discussed the steps this might involve, including options for standards and regulations to encourage the development of openly accessible low-cost models that could be used by many people and institutions in society.

Mozilla discussed several public policy gaps. One example was 'open washing', which referred to the misapplication of the term 'open source' to AI development. We heard that this enabled companies to reap benefits attached to the concept without providing sufficient openness and transparency. Mozilla suggested that better definitions would be helpful.

We also heard about the risks of consolidation between tech firms and limited availability of compute, which in turn underscored the value of competition legislation. Mozilla suggested new rules could be introduced to allow for an amount of compute to be publicly available, or to promote open-access development.

San Francisco Chronicle

We met with Bill Nagel, Publisher and Emilio Garcia-Ruiz, Editor in Chief. We discussed the continued evolution of news business models in the face of technological and behavioural change. This included changing audience habits and the implications for the presentation of news content. We heard that some US media organisations were considering hiring influencers to promote news among younger audiences. We discussed the challenges of this regarding the retention of influencers and alignment of values. The Chronicle noted that the delivery

mechanisms for news may change but the core substance and principles of quality journalism must be preserved.

We further heard that some publishers were driving readers to closed environments (i.e. in applications or paywalled content) in order to build revenue streams that did not rely on intermediaries. The shift towards moving content off the open web might also have been linked to concerns about unauthorised use by AI firms.

We discussed concerns about the relationship between tech firms and news publishers, noting in particular challenges that had arisen in the past from the rise of social media and other online intermediaries. We further discussed uncertainty around the types of deals being struck with AI firms and how these may unfold in future, alongside the issues raised by legal challenges to tech firms' practices.

Journalism roundtable

We met with a number of journalists and local news providers including Lance Knobel, CEO and co-founder, Cityside Journalism; Neil Chase, CEO, CalMatters; Soo Oh, Editor and data journalist, The Markup; and Shirin Ghaffary, Reporter, Bloomberg.

We heard about the impact of declining local journalism on democracy. For example, we were told that the lack of reporting on local institutions and public interest matters was becoming economically unviable. We also heard that it was important for local news organisations to appeal to a broad demographic, and address criticisms that local news had previously catered largely to older and wealthier groups.

We discussed the challenges facing local news organisations and the need for organisations to adapt and experiment with new business models, alongside other considerations around the rise of non-profit news providers, and the trade-offs around receiving government funding. Participants discussed suggestions about adopting lessons from influencer culture, and the difficulties involved for a news brand in relying on individual journalists as influencers to attract younger audiences.

We heard about AI being used to generate news sites to promote special interests and 'clickbait' outlets. Some participants were optimistic about the opportunities for publishers to use AI for journalism and distribution.

Financial Times

We met with Cristina Criddle, Technology Reporter at the Financial Times.

We discussed trends in the work of tech platforms, alongside wider issues that other stakeholders had raised relating to market competition and the level of influence tech firms had over access to information. Other topics discussed included developments in AI, including its uses in the newsroom and relationships between publishers and platforms.

Andreessen Horowitz (a16z)

We met with Anjney Midha, General Partner at Andreessen Horowitz (a16z).

We discussed the different approaches to developing large language models in the US and Europe. There had been suggestions that the US market tended to focus on increasing the capacity of models (larger and more capable), whereas

the European market had focused more on efficiency (smaller and nimbler). We discussed the possibility that capability and efficiency may become the two main fronts of AI research.

We further discussed the actions needed from countries seeking to become centres for AI development. Key points included access to low cost energy computing capacity (compute) and forward-looking regulation to attract researchers and developers. Further ideas included making it easier for companies to list in the UK to compensate for the lack of UK growth venture capital funding. We also heard about initiatives in France and Canada that provided access to compute and allowed for closer partnerships between academia and industry.

We discussed developments in the debate about open or closed model development, and heard that open source models can generate revenue by adopting an ‘open core’ model, which requires licensing for commercial development.

Finally we discussed the value of live journalism to generative AI search products which require accurate and authoritative information.

Investor Roundtable on AI growth opportunities

We met with members of GBx, a community of British founders and investors based in San Francisco. Attendees include Tom Blomfield, Group Partner at Y Combinator and co-founder of Monzo; Alastair Paterson, CEO and co-founder of Harmonic Security; Morgan Beller, General Partner at NFX; Doug Bewsher, investor and former CMO at Salesforce and Skype; and Julian Green, entrepreneur and former Director at Google X.

The discussion focused on AI growth opportunities and challenges in the UK, which were examined in our large language models report. The roundtable was also intended to inform our inquiry on scaling up AI and creative tech companies.

Participants were broadly positive about some elements of the business landscape in the UK, including talent and pro-innovation financial policies such as the Seed Enterprise Investment Scheme and research and development tax credits. However, they identified six key factors which limited the opportunities for AI growth in the UK: entrepreneurial talent; a small domestic market; lack of local expertise; limited links between universities and industry; limited government procurement opportunities; and limited support or incentives to launch an initial public offering (IPO) in the UK.

Talent

We heard that the UK had a significant amount of technical talent, and that many companies kept their engineering teams based in the UK even if other parts of the business moved to the US to access a larger market and greater funding. Some attendees suggested that the ambition of many British-founded companies was geared towards eventual acquisition by a US company, rather than competition and market share. We discussed potential solutions to this issue within the education system and the availability of successful entrepreneur role models.

Smaller domestic market

Participants suggested that most AI companies seeking to scale up would need to enter the US market at some point, often as soon as possible. We heard that the UK’s medium-sized market meant that founders focusing on UK growth risked missing opportunities in the US because they had moved too late. Some

participants suggested that the UK needed to take steps to reposition itself as the gateway to the European market, which could open access to a wider market closer to the UK, and potentially encourage more international start-up companies to set up as UK limited companies.

Capital

We heard mixed opinions on the availability of growth capital in the UK. Some argued that the arrival of US venture capital funds had injected sufficient investment in growth, and that foreign and domestic capital sources were effectively interchangeable at later stages. Others suggested that domestic patient capital—in pension funds, for example—was not being targeted at growth companies as an asset class. We also heard that a lack of ambition deterred US venture capital investors, who were looking for higher return multiples than UK founders suggested they would be able to achieve.

Networks

Participants said that even if capital was available in the UK, some founders moved to San Francisco to benefit from the community of previous founders and investors who had experience of building and scaling up companies. Some noted that this issue was not unique to the UK—founders moved to the Bay Area from elsewhere in the US as well as other countries. We heard that the Government could do more to incentivise successful British founders to return to the UK and incubate a similar environment domestically.

Universities

While participants agreed that the UK's top universities were producing high quality talent, we heard that they still struggled to commercialise research. Imperial College London was cited as a market leader in this respect. Attendees said that other universities had historically taken large equity stakes in spinout companies, but suggested that this was starting to improve. They further suggested that more could be done to deploy university resources and assets, including endowments, to support start-up companies. Participants highlighted California's lack of non-competition laws as a key driver of local spinout success, and advocated for the UK to make it easier for academics to move between research and industry.

Procurement

We heard that other countries, including Denmark, the Netherlands and the US had better initiatives to help start-up companies demonstrate proof of concept and engage in contracts with government.

Public markets

Participants noted that fewer UK companies were choosing to list on the London Stock exchange. Higher valuations were available elsewhere, particularly in the US. We heard mixed opinions on whether it mattered where a company launched its IPO, if its headquarters and engineering talent remained in the UK.

Some participants suggested that the capital and compute-intense race to build foundation models may ultimately lead to a situation where a small group of providers offered base models which effectively acted as commodities. Some participants suggested that the UK should therefore focus on innovation at the application layer of AI, rather than try to compete with US tech giants in developing foundation models. Participants suggested that the UK's existing

success in financial services, gaming, media and advertising could form the basis for the growth of smaller AI models designed to solve specific issues in these industries.