

SCOTTISH PARLIAMENT

Education, Lifelong Learning and Culture Committee
Inquiry into the Scottish local newspaper industry

First session: January 13, 2010

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Background

On Nov 4, 2009, the Education, Lifelong Learning and Culture (ELLC) Committee launched an inquiry into the decline of Scotland's local newspaper industry, with the following issues among those noted for consideration:

- the rise of the internet/digital media;

- the economic recession;
- the impact of the decline on local democracy.

The Committee first took oral evidence from newspaper publishers and journalists on January 13 – with topics and issues raised forming the substance of this report. A further evidence-taking session has been scheduled for January 20, which will also see the ELLC Committee review all evidence heard and consider its next steps.

MSPs Present:

Karen Whitefield (Lab, Convener)	Ken Macintosh (Lab)
Kenneth Gibson (SNP, Deputy Convener)	Christina McKelvie (SNP)
Claire Baker (Lab)	Elizabeth Smith (Con)
Aileen Campbell (SNP)	Ted Brocklebank (Con, [CPG Media])

Witnesses (first session):

- Jim Raeburn, Director, Scottish Daily Newspaper Society;
- Michael Johnston, Divisional Managing Director, Johnston Press Scotland;
- Bill Steven, Managing Director, Scottish and Universal Newspapers;

Discussion

Before allowing questions from assembled MSPs, Committee Convener Karen Whitefield welcomed the witnesses and invited them to offer an outline of the current state of the local newspaper industry in Scotland, the difficulties and concerns, these included: fall in circulation; profit and expenditure; decline in advertising (motor, real estate, local business) as well as the migration of classified advertising to the internet and also increasing competition (particularly in the Central Belt).

Local authority publications

Witnesses were first asked if there was any way of quantifying the impact community and local authority newspapers had on the local newspaper industry. Witness observations included:

- Local authority newspapers had definitely had an impact on certain marketplaces, London for example. In Scotland, however, certain newspaper groups have partnerships with local authorities (LAs) who use their pages to publish information or even use their distribution networks to help deliver their publications. Relationships were therefore more a “partnership” north of the Border.
- LA publications are a challenge because some have sought advertising revenues as a way of funding. They are, however, not a significant challenge at the moment.

IFCNs and STV

Focus then turned to independently funded consortia and the role of STV, BBC *vis à vis* local press and commercial classifieds. This included discussion on the possible consolidation of local media groups and greater flexibility of cross-media ownership to ensure sustainable regional counterweights to a more megalithic BBC – whose plans to add extra local news coverage further threaten the existence of local newspapers. It was also noted that:

- The *Digital Britain Report* has set out proposals to create independently funded news consortia (IFCNs) to ensure the continuation of quality regional broadcast news. Westminster has announced three pilot IFCNs, in Scotland (STV area), Wales and Northeast England (Tyne Tees taking in Scottish Borders). *The Scotsman* publisher Johnston Press is now part of a consortium competing against the Trinity Mirror Group for the right to run the Scottish news pilot.
- STV is important to the Scottish broadcasting environment, however, the broadcaster faced many challenges as the TV landscape in Britain has changed dramatically in recent years.

Advertising

One of the newspaper industry's most significant worries is the loss of advertising. The downward trend in print media advertising (a result of the current downturn) has been exacerbated by:

- The loss of local and Scottish Government advertising - local authorities have started to transfer recruitment advertising to their own and/or COSLA websites.
- The Scottish Government is in the process of allowing public information notices (PINs) to be advertised electronically.

Balance and bias (democracy)

Witnesses were asked for their views on the role local newspapers play in regional as well as national democracy. Observation included:

- Johnston Press considered itself to be impartial, with local titles reflecting the tone of the local community. The bigger the local newspaper, the greater the voice and personality of the publication, with editors not being afraid to speak out on issues communities felt strongly about.
- Community issues are also at times political ones, with the "meat of newspapers" including issues such as hospital closures – which can all too easily appear to be political.
- Johnston Press has Editorial Review Group, a body of senior editors which meets regularly to discuss editorial policy and issues related to content. While Johnston publications are family newspapers read by all and reflecting all issues and concerns, they are still commercially driven enterprises with success achieved by obtaining and maintaining an audience. Being party political would not serve the company well. The group would speak out on issues of community concern while still reflecting the hopes and aspirations of the readers.

Journalism – ensuring and retaining quality

The next issue under scrutiny: the training young journalists and retaining quality journalism at local level – bearing in mind financial pressures and recent redundancies in the industry. Here it was noted that:

- Johnston Press is a commercial concern; the market is tough and journalists along with newsprint form the bulk of expenditure. There are no "sacred cows" in the industry - what is of prime importance is that the company survives.
- Johnston Press has a duty to all employees to ensure that the business is viable. There had been a significant number of redundancies over the past year, with technological developments playing a part in the changing nature of the industry.

Despite pressures, Johnston Press would at all times engage with employees and their representatives on future developments.

- The past year has been difficult for Scottish and Universal Newspapers (S-UN) too. Office consolidation has seen administrative and sales staff retrenched, however, the group is attempting to retain the number of journalists by creating hubs.
- Following a freeze in hiring, S-UN was now recruiting.
- Johnston Press is delighted that the ELLC Committee has recognised the role the local press plays in training younger journalists - and retrenched staff effectively equalled diminished opportunities.

Cultural contribution

The campaigning nature of local newspapers as well as cultural contribution of the local press was then addressed. Also raised in this section: the question of whether or not any office consolidation would also have a negative impact on local news coverage and reasons for the demise of the local newspaper industry. Here it was noted that:

- The local newspaper industry boasts an immense cultural awareness; S-UN not only employs local journalists but also a network of correspondents too which enhances local coverage.
- Local newspapers act as a vital forum. It is no accident that local newspapers had traditionally been published on local market day – when the local towns would be at their busiest.
- Digital versions can still engage local communities by seeking comment, feedback and articles from readers.
- Johnston Press had closed down some titles in 2009 (free titles) and that if things did get worse, it might be necessary to shut more. But while communities might feel that they had had the “heart ripped out of them” in such instances, it was still important to bear in mind that the company is a commercial concern.
- S-UN journalists would still have “their patch” and would still be active in various locations throughout the country. Some remote working would be involved, however, this would be better than removing coverage entirely.
- Johnston Press is aware of demographic changes taking place in Scotland’s communities and the industry is now undergoing a period of transition while it creates and reviews new digital opportunities – while retaining print ones.
- Standard of education is an important issue, moreover the youth demographic has always been a difficult target for the industry.

Circulation

The final issue to be considered was whether or not a balance can be struck to ensure a paper could remain both local – and competitive. Here it was noted DC Thomson had reported that the *Sunday Post* had experienced a 30 per cent decline in sales while the *Aberdeen Citizen* had only reported a five per cent fall. Weeklies had also reported a significant drop in sales too, with the *Airdrie and Coatbridge Advertiser* also experiencing a 30 per cent decline. On the other hand, the *Arran Banner* was purchased by virtually everyone and boasted a 90 per cent saturation rate. Here it was noted that:

- The more “parochial” the paper the stronger it will perform. One should concentrate work in the blueprint area – for as one moves out of the target area relevance is lost.
- Serving more isolated communities make publications stronger too.
- Exact nature of online content has to be determined too: whether it should be free to view, pay per view, or a cross-promotion of articles from print to on-line edition and vice versa.

The issue of political bias/perceived bias was once again raised. Here it was once again noted that:

- It was not Johnston Press’ objective to be party political – what is more important is that “news has a voice”.

- **End of first session** -

Witnesses (second session)

- Paul Holleran, Scottish Organiser, National Union of Journalists;
- Martin Boyle, Programme Co-ordinator for Journalism, Cardonald College.

Discussion

Committee Convener Karen Whitefield introduced the second panel of witnesses and invited them to provide their own views on the issues affecting the print media industry in Scotland, particularly the local newspaper industry. Here it was noted that:

- The main issue facing the industry was the decline in profits and potential competition from the BBC.
- The newspaper industry had been one of the most profitable businesses – however, little investment had been made when times were good. The local print media had not invested in technology as much as it should have, it had not fully developed websites, nor had it explored means of engaging with broadcasters who – with 24-hr broadcasting - are increasingly encroaching upon their “turf”.
- The local print media played an important role providing “the collective cultural and historical memory of an area”. A local newspaper is embedded in an area and “almost everyone looks at it, talks about it and knows it”
- There is increasing support for an idea introduced by President of Sarkozy of France - giving newspapers to people when they reach the age of 18. This would encourage readership as well as provoke thoughts on democracy and local culture.
- If the network of local journalists throughout Scotland could be tapped into to provide local coverage, Scotland would boast one of the strongest news networks in Europe.

Public information notices

The importance of public information notices and public sector advertising to the local newspaper industry was discussed, with views sought on the industry seeking indirect state subsidies – when executives were paid large bonuses while also retrenching staff.

- It is important that public sector advertising continues to be provided through local papers. This is especially important in areas of Glasgow where there are low levels of internet take-up/access.
- Public information notices provide an education process and – if they are to vanish from the local press there would be a “democratic deficit”.
- There is a real danger of “information poverty”. The requirements of all citizens, including the aged (who might not have access to other information sources. i.e. the internet) had to be taken into account. Information retrieval has changed. The internet has affected “serendipity” - coming upon a piece of information or article quite by chance. In the age of the Google search, one looks for specific pieces of information with the element of chance all but lost.
- There is a constant fight to try and maintain editorial standards and ensure that people are properly trained, and that there are sufficient staff with a good mix of experience.
- Some newspaper groups had made questionable acquisitions in recent years – and (drawing a parallel with banks) a case could be made for greater regulation of the industry.

National news consortia (IFCNs/STV)

Once again witnesses were asked for their views on national news consortia (IFCNs/STV - raised earlier). Here it was observed that:

- What is being discussed is adding another layer to the media environment. There are potential positives, but there would also be two rather than one “behemoth” that would start encroaching upon the Scottish regions with local newspapers feeling the squeeze.

Staff reductions (journalism quality)

The issue of staff reductions was raised again with witnesses asked whether or not this was also impacting on the profession’s ability to attract new recruits. Here it was observed that:

- In local papers fewer people are required to do more. This tended to tie people to the telephone creating press release journalism; there is less contact building today and more “cutting and pasting” from news releases.
- A situation has arisen which sees under pressure journalists “just stick stuff in” the publication. Quality and balance of newspapers had suffered.
- Workplace stress has increased, particularly among editors.
- New software is being considered which would do away with the need for sub-editors. New technology is doing away with another tier of checks and balances in the industry which is “frightening”.
- Editors are now in charge of two or three titles which diminishes the local nature of the product.
- NUJ courses are still oversubscribed, however, there is little doubt that fewer students have been able to go straight into journalism.
- Some 10 years ago, the NCTJ (which boasted union, employer and academic involvement) had a Scottish committee, however, employers had decided to scrap it. The NUJ subsequently approached the editors’ guild and academics

about forming the Scottish journalists training forum. This has been highly successful, however, employers are not involved.

Balance and bias

Views on editorial independence were once again sought. Here it was noted that:

- Editorial independence is a complex issue. Universities and colleges have a role to play in teaching students about taking a balanced approach to party politics. Most local newspapers attempt to maintain a sense of balance, with Scottish papers deserving credit for their mature handling of issues at local level.

Assisting the industry

The Committee had called the inquiry to hear what Holyrood and the Scottish Government could do to help the newspaper industry. After listening to some of the evidence during the course of the day, witnesses were asked if there was anything further that could be done to assist the industry. It was observed that:

- Scotland has a “proud history of journalism” and this should be maintained and newspapers should be seen as a priority sector. Government should promote journalism training as relevant to the future of Scotland.
- Journalism has provided an important service to communities – the local newspaper industry should be saved from any further decline.
- The industry should look at what the young are doing – online for example – and examine how it can harness news developments and technologies. Innovation needs to be examined and encouraged for the industry to remain relevant.