

Terms of Reference

The Government's manifesto re-affirmed its support for a free and independent press.

The review's proposed Terms of Reference are:

1. To examine the current and future market environment facing the press and high quality journalism in the UK, including:
 - 1.1. **the overall state of the market**, in terms of profitability and the numbers of news publishers and individual titles, frequency and means of publication, circulation and reader numbers, assessed at local, regional and national levels;
 - 1.2. **the threats to financial sustainability and the business models being developed in response**, including opportunities for further innovation for the news publishing industry and any relevant lessons from overseas markets;
 - 1.3. **content and data flows** – examination of how content and data flows operate and are managed, in particular regarding content created by news publications and distribution through platforms, including questions around the ownership of data;
 - 1.4. **the particular role of the digital advertising supply chain**, and whether it incentivises the proliferation of inaccurate and/or misleading news, whether it is operating fairly and transparently, and whether it is funnelling advertising revenues away from content producers;
 - 1.5. **the particular role and impact of digital search engines, social media platforms and other digital content aggregation platforms with regards to press sustainability** - including an assessment of the effectiveness of initiatives which have been put in place by these platforms to support the provision of a wide range of high quality, pluralistic news journalism and identification of where further action may be needed whether in the form of regulation or further collaboration between the platforms and publishers.

and

2. To report its findings and make recommendations on whether industry and/or government action might be taken to ensure a financially sustainable future for high quality journalism

Key considerations

In examining the above terms of reference, the review will consider the following:

1. The likely impact on consumers of a reduction in high quality news provision, particularly in local areas and the regions, in terms of democratic and social

- engagement, and the role of other information sources, such as local authority newsletters in the provision of local news;
2. The options for increasing the ability of publishers to monetise high quality news content in order to support high quality journalism as a public good. The feasibility of doing this may differ for national, regional and local news publishers;
 3. The operation of the digital advertising supply chain, including funding flows and its role in creating or reducing value for publishers;
 4. Whether changes in the selling and placing of advertising have encouraged the growth of 'click-bait', and/or "fake news" by making it profitable to use one or both to attract more hits to websites, and thus more income from advertisers; and if so, what should and can be done to make this type of content less profitable;
 5. The extent to which news publishers are able to use consumer data to learn more about their readers and attract advertising revenues, and how this may be affected by the General Data Protection Regulation (GDPR);
 6. The different ways in which the press is adapting to the new digital market - both in the UK and from relevant international markets - to identify a wide range of possible solutions, including industry-led, to the challenges identified.
 7. The extent to which consumers understand the digital marketplace, and how digital critical literacy can be enhanced and the impacts this could have.
 8. The impact of the wider news media market on the press sector.
 9. Where the problems identified are likely to be resolved as the digital news market evolves and matures, and where there are underlying and persistent structural market failures which might require Government intervention.

Process and structure

The review will be informed by a group of experts and will be led, overall, by a panel Chair. The expert panel will be made up of individuals with understanding or experience in some of the core sectors under review, including; the press, the digital advertising supply chain, online news, and consumer behaviour and awareness. The expert panel will support the Chair in bringing a range of voices and expertise to the process. The precise nature of the governance of the panel will be developed once the chosen Chair has been approached and is in place. The Chair will not be aligned to one of the particular sectors being examined to ensure the review forms a balanced view of the various competing interests and perspectives. The expert panel and Chair will be supported by a small secretariat from DCMS, and a 9 - 12 month timeframe from commission to publication of the report is envisaged.

Output

The review's report, to be published by DCMS.

Definitions

For the purposes of this review, the press industry is defined as both:

- 1) Members of press self-regulators (i.e. IPSO/IMPRESS)
- 2) News publishers who have their own internal standards code and means of readers making complaints.