

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee
Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth,
cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries,
heritage, communications and sport

CWLC COV82

Ymateb gan Reach CCC / Response from Reach PLC

Reach

12th August 2020

Helen Mary Jones MS
Chair, Culture, Welsh Language and Communications Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

Dear Chair

Thank you for the opportunity to appear before the Committee last week. I was already in the process of writing to the committee so Jim Mullen, our CEO, has asked me to include the points you raised in your letter to him in this reply.

We do understand the concern of the committee about changes at Reach but would like to reassure members about the commitment of Reach plc to continue to serve our Welsh audience – whether they choose to access our content via print or our digital services.

Our investment and commitment to our digital services, in addition to maintaining our print publications, are key to the future of our organisation and to the continuation of effective democratic scrutiny of events in Wales. While we were very pleased to hear the appreciation of the committee for the Western Mail and other print publications it is disappointing there is not more of an appreciation of the success of Wales

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Online which continues to attract a leading audience in Wales. In June the site had 9.7 million unique visitors, compared with 4.9 million in June last year. This is far in excess of the audience achieved by BBC Wales News.

I was pleased to see one of the committee members retweeting a political story from Wales Online recently. Far from the suggestion that we do not regularly cover Committee matters from the Senedd, the truth is we regularly cover them – the links below are some recent examples. In addition to news coverage like the examples below, we regularly refer to proceedings in live blogs or to inform wider reporting. We monitor the

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scrutiny committee agendas daily, and at the start of the pandemic covered several hearings live – giving them a far wider audience and more comprehensive coverage than would otherwise have been the case.

<https://www.walesonline.co.uk/news/wales-news/schools-wales-education-kirsty-williams-18556320>

<https://www.walesonline.co.uk/news/health/coronavirus-wales-lockdown-second-wave-18609096>

<https://www.walesonline.co.uk/news/health/coronavirus-test-covid19-false-negative-18527236>

<https://www.walesonline.co.uk/news/health/frontline-healthcare-workers-reflect-wales-18599788>

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The impact of the COVID-19 pandemic on circulation sales has been significant but the impact on advertising, particularly at a local level, has been even more dramatic with around 80% of advertisers at a local level stopping advertising across the industry when the impact was at its worst.

It is essential that Reach continues to adapt to the changing media landscape and we believe passionately that the success of our commercial model is key to ensuring a healthy independent local media sector in Wales and across the UK.

There were a number of aspects of the Committee's concerns that we can immediately address.

The first is that there is no "merging Media Wales with the English Midlands" and to characterise this as such is to misrepresent the changes we are making. The Media Wales operation remains as part of the Reach structure with all editorial decisions for our Media Wales titles remaining under Paul Rowland's remit. What we are doing is increasing the efficiency of our organisation by pooling some logistical/commercial operations. By acting more efficiently we can prolong the profitability of our print titles and ensure that we continue to provide the scrutiny that the Committee values.

In terms of the concern around Wales not having a voice at a senior level in Reach – the fact is Wales now has greater representation on the Executive Board than it has ever had with me as Chief Operating Officer of the Group, a former editor of the Western Mail with responsibility for regional titles including those in Wales.

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In terms of creating an 'all-Wales' division – this would currently be more disruptive and costly than maintaining the existing structure as historically the North Wales titles have always been part of the Daily Post series produced in Liverpool. We do not wish to add further complexity and disruption to this proposed reorganisation. It should be remembered that protecting the status quo around editorial control in Wales was a driving factor in the way we have implemented these required changes.

With around 20 journalist roles likely to go in Wales as a result of the changes we will still employ around 120 journalists in Wales. We also continually look to innovate and develop new products - illustrating how digital will be part of the solution for local community news.

Reach has significant financial commitments including pension contributions of several million pounds per month. While we were able to take short-term measures to help us through the early months of this crisis we are now at a point where a more permanent solution is required to provide the business with a stable platform and enable it to protect its news titles for the long term.

We will be pleased to meet with the Deputy Minister for Culture, Sport and Tourism to discuss the planned changes and as we referenced at the meeting we will continue to communicate with all members who wish to discuss these matters. We would also welcome Committee support around the recent CMA proposals to address the imbalance in the digital marketplace and would welcome an opportunity to discuss this further with the Deputy Minister. I attach a copy of the CMA recommendations for the Committee's information.

Yours sincerely



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