

Media(4)-05-11 : Paper 2

Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol

Communities, Equality and Local Government
Committee

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Dear Alan

Task and Finish Group on the media in Wales

Thank you for agreeing to attend the inquiry meeting on 1 December to give oral evidence on behalf of Media Wales and Trinity Mirror.

In its meeting on 17 November the Task and Finish Group agreed that I should write to you to seek clarification on a number of points in advance of your attendance.

Members of the Task and Finish Group have provided a number of questions, and I would be grateful if you would provide us, via the Clerk, with written answers to the following questions by 29 November.

1. According to Dr Andy Williams' projection, if the circulation decline of the Western Mail continues at the current rate, no-one will be left buying the paper in 10 years' time. Do you accept this projection as accurate?
2. How much longer, in your view, will the Western Mail be published as a daily paper?
3. When the NUJ referred to speculation that the Western Mail could be turned into a weekly paper, a statement from Trinity Mirror said there were no plans to make such a change. Under what circumstances could such a change take place?

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How low would the Western Mail's circulation have to fall before such a change was considered?

4. What plans, if any, does Trinity Mirror have to halt circulation decline in its Media Wales titles?
5. Does the Trinity Mirror board accept the argument that having a national daily newspaper is an essential requirement of Welsh democracy?
6. On November 17, following the announcement of job cuts and title closures at Birmingham, Trinity Mirror said it had offered the relevant titles for sale before making the closure announcement. Does this indicate a change of policy by the group, which has previously refused to offer titles it intends to close for sale?
7. Are you able to give a guarantee on behalf of Trinity Mirror that Media Wales titles would be offered for sale if at any future stage there was a plan to close them or, for example, to turn the Western Mail into a weekly – and that a reasonable period of time would be allowed before such a plan would be implemented?
8. How have redundancies in the newspaper sales and marketing departments affected the company's ability to maximise circulation?
9. The Western Mail styles itself the national newspaper of Wales. Yet there are parts of Wales where it is not easy to buy the paper. Why is that the case? Does Trinity Mirror have a policy of not wanting to promote the Western Mail in North Wales in order to protect the Daily Post?
10. The NUJ has told us that since 1999, Trinity Mirror has had more than £161m in pre-tax profits from Media Wales. What has happened to the money, and how much of it has been invested in Wales? How does Trinity Mirror justify the very high profit margins nudging 40% enjoyed at Media Wales until quite recently? Was it irresponsible to achieve such results through cuts in editorial and other staff?
11. The NUJ and Dr Andy Williams were very critical of Sly Bailey's level of remuneration – last year it was more than £1.7m – describing it as obscene and a reward for failure. Given the performance of the group in terms of circulation, revenue, numbers employed and share price since she became chief executive, do you agree that they have a point?
12. Does Trinity Mirror accept that it was a serious strategic error to give away virtually the entire contents of its newspapers free online? Other newspapers do not publish virtually all their content free online and there appears to be evidence that circulation decline is less as a result. Does Trinity Mirror have any plans to change policies in this respect, and if not, why not?

13. Shortly after Sly Bailey took over as chief executive, she said the aim was to have 20% of advertising revenue from digital within a short space of time. Why has that ambition not been realised?
14. Why is the circulation decline of the Western Mail so much more marked than that of the Daily Post?
15. What were the factors that led to the editorial redundancies at Media Wales announced in July 2011?
16. What was the difference between the company's expected and actual revenues in the first six months of 2011?
17. In the spring of this year, Trinity Mirror announced its intention to make £25m in savings this year. What was the level of savings sought by Trinity Mirror from Media Wales? What degree of leeway was Media Wales given in terms of the level of cuts to be made? How did you decide where to impose the cuts?
18. From past experience, it is quite likely that Trinity Mirror will announce its intention to make further savings of a similar magnitude next spring. What cuts would you envisage making at that time? The NUJ has suggested that further cuts would be likely to entail title closures. Do you agree?
19. Given declining circulation and the recent cut in the number of journalists working in the Celts' (weekly papers) district offices, how do you see the titles' short to medium term future?
20. Do you accept that closing down local newspaper offices has a negative impact on circulation – and that the closure of offices in Neath, Aberdare and Ebbw Vale had such an impact?
21. When you gave evidence to an earlier Assembly inquiry in 2009, you said space would be taken for “reporters' surgeries” in towns where offices had been shut. Has this happened, and if not, why not?
22. Do you believe 10 journalists, now reduced to nine, five of them trainees, can adequately cover the geographically distinct areas which represent the seven Celtic weeklies? If so, what commitment can you give to minimum levels of coverage of courts, crime and local government, the traditional cornerstones of good weekly papers? How are those areas – and others – meant to be covered properly when half the available staff are trainees and some (if not all) of them live in Cardiff? How much time is made available for journalists in the Valleys to get out and about, discover their patch and get to know and make proper local contacts?

23. Do you agree that generic copy shared across several titles ultimately contributes to killing the identity of individual papers and aggravates further the issue of declining circulation?

24. Given the higher than average number of Valleys homes without an internet connection, if weekly titles are closed, is there not an increased danger of people becoming disenfranchised through a lack of distinct local news about their area? Also, given the readership demographics of Media Wales' titles, if older readers abandon the papers, is it not highly unlikely that they would be replaced by younger ones?

25. Are Trinity Mirror's policies in Wales contributing towards a growing democratic deficit and how does that square with the group's alleged commitment to the communities its papers serve? Who should be held to account for Trinity Mirror's actions in Wales since 2003?

26. Do you agree with the view that Trinity Mirror's business model (particularly in relation to its Welsh titles) is no longer fit for purpose? What, apart from more cuts, does Trinity Mirror's future business strategy consist of? What policies for growth does it have?

27. Given that Media Wales submitted a bid for National Assembly money to produce a Welsh language news website, the company is presumably not averse to the idea of accepting public funds for news provision. Can you envisage a future in which newspapers like the Western Mail could only survive with some form of public subsidy?

We look forward to receiving your responses, and hope that this information will inform a productive evidence session.

Please do not hesitate to contact the Clerk of the Committee, Marc Jones (029 20 898505), should you have any further queries.

Yours sincerely

Ken Skates AM
Chair, Task and Finish Group on the future of the media in Wales