

Scottish Government's response to the recommendations of its Public Interest Journalism Working Group

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Introduction/Ministerial Foreword

The media landscape of Scotland and the world is changing. Led by the rise of digital technology, the way we access our news and information on a day-to-day basis has transformed in the last 20 years. While many news publishers have successfully adapted their offer to the online sphere, it's clear that new platforms and opportunities also give rise to new and unprecedented challenges which we, both in industry and Government, must meet head on.

As articulated in the Public Interest Journalism Working Group's report, the shift in the media landscape over the past 20 years has had a profound impact on newspaper circulation figures – according to Press Gazette, UK national newspaper sales have fallen by nearly two thirds over the last two decades¹. New challenges have arisen around monetising online content, due to audience expectations that online news should be free to access. This has made it even more difficult for high quality news publishers to survive. In addition, it can be difficult for trustworthy, high-quality news sources to attract audiences and build trust in a landscape which is shared by a vast number of news sources, generated by both professional and amateur journalists, as well as bad actors determined to spread misinformation, disinformation and clickbait.

In recent years, the Covid-19 pandemic has arguably accentuated these existing challenges, leaving the sustainability of public interest journalism in a precarious position. This is why the short-life Public Interest Journalism Working Group was established in January 2021 by my predecessor, Fiona Hyslop, Cabinet Secretary for Economy, Fair Work and Culture, to consider the long-term sustainability of public interest journalism in Scotland and recommend ways to ensure its ongoing resilience and relevance.

In the [2021 Programme for Government document](#) we outlined two commitments: the first to listen and respond to the recommendations of the Public Interest Journalism Working Group, and the second to ensure journalism in Scotland remains transparent and strong, as a key element of Scottish democracy. I am delighted to have received the recommendations from the Working Group and I would like to take this opportunity thank the members for their hard work in developing the recommendations within this report.

It is a free, independent and strong press which upholds a democratic society, as well as providing us with high-quality, reliable news and information, and that is why we must ensure the longevity, independence and strength of public interest journalism in Scotland. The recommendations set out in the Working Group's report helps articulate the challenges facing public interest journalism in Scotland and offers a range of actions to address those challenges.

¹ [UK national newspaper sales slump by two-thirds in 20 years amid digital disruption \(pressgazette.co.uk\)](https://www.pressgazette.co.uk/news/uk-national-newspaper-sales-slump-by-two-thirds-in-20-years-amid-digital-disruption/)

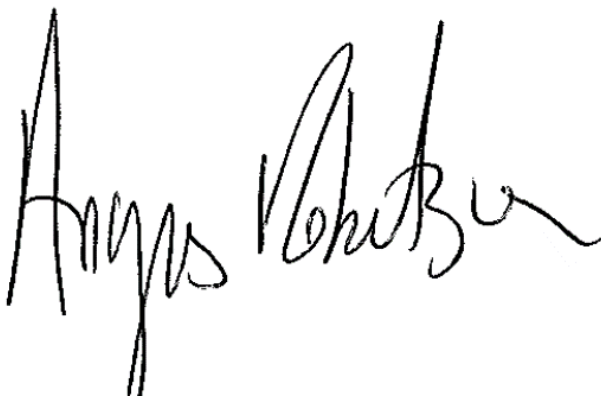
As a former journalist, I have first-hand knowledge of the importance of a thriving, free, and independent public interest journalism sector as a bedrock of a well-functioning democracy. It is right that this report has been produced by an independent working group of journalists, as the separation between the news media and the state is fundamental to ensuring journalism can do its job and hold power, including the government, to account. I am committed to supporting a free, independent and strong press and to ensuring its long-term sustainability in Scotland. This report is an excellent step in that ongoing journey.

I warmly welcome the Working Group's report and recommendations. The report is thorough, well-researched, and the recommendations are extremely pertinent to the challenges facing the sector, providing thoughtful and innovative solutions.

In my response below, I set out in full the Scottish Government's answer to each of the recommendations and how we intend to progress work to support the sustainability of public interest journalism in Scotland, in partnership with industry.

I anticipate that the Working Group's report will provide a solid starting point for discussion and debate in our news industry, and more widely, around the future of public interest journalism in Scotland. Furthermore, I am optimistic that the report and the response below will ignite a series of actions across industry to firmly secure a sustainable future for our public interest journalism sector. The working group's proposal for a public interest journalism institute is one which I and Scottish Government wholeheartedly support, while remaining respectful of the necessary independence required. As a politician and a Minister I recognise where our potential involvement might be limited by the scope of our powers, or be seen to encroach on the industry's independence and credibility, and so I have outlined below how we will work with the news publishing industry to propel this innovative idea forward.

I would encourage all those working within Scotland's news publishing sector, as well as the public, to read, consider, and enthusiastically debate both the working group's innovative and dynamic ideas and recommendations and my response. I very much look forward to being a part of this debate and I am eager to see how these conversations and actions progress in the near future, to strengthen and support Scotland's vital public interest journalism sector.

A handwritten signature in black ink, reading "Angus Robertson". The signature is written in a cursive style with a large initial 'A' and 'R'.

Angus Robertson, Cabinet Secretary for Constitution, External Affairs and Culture

What is the Scottish Government already doing to support public interest journalism in Scotland?

The Scottish Government already commits resources to the sector in several important ways including through marketing spend (£3,683,701.27 in 2020/21), through Scottish Funding Council (SFC) supporting research and education, and through Skills Development Scotland (SDS). The funding provided from Scottish Government to SFC and SDS to deliver university courses, college courses and apprenticeships provide routes into the journalism sector.

In 2020-21, there were 175 enrolments in Journalism courses at Scottish colleges in Higher Education and 5 in Further Education – this includes courses at Borders College, City of Glasgow College and Glasgow Clyde College.

Furthermore, in 2020-21, there were 795 enrolments in Journalism courses at Scottish Higher Education institutes. This includes 675 enrolments on undergraduate courses and 120 at postgraduate study level.

The Modern Apprenticeship in Creative Digital Media includes an explicit journalism route, which was developed by a key group of industry representatives from broadcast, national and regional press titles and the online digital platforms across the sector. This Framework also supports an enhancement to achieve the National Council for Training of Journalists certificate in addition to the SVQ Diploma.

This work is all significant in ensuring a strong and vibrant future for public interest journalism in Scotland, however the Scottish Government is always keen to hear how we can go even further to support our Scottish public interest news providers.

Recommendation 1 – Scottish Public Interest Journalism Institute

The Public Interest Journalism Working Group recommends that the Scottish Government should work with stakeholders to establish a new Scottish Public Interest Journalism Institute.

The Scottish Government wholeheartedly agrees that there is considerable merit in creating an infrastructure to sustain the sector in Scotland. It recognises the value a Scottish Public Interest Journalism Institute could have in supporting the resilience and sustainability of the sector through functions such as research, grant making, providing training and support, and promoting media literacy.

The Scottish Government believes that such an Institute should be independent of government, to ensure the clear separation of press and state, retain the independence and credibility of the sector, and maintain a well-functioning democracy. While the Scottish Government is clear that creation of an Institute should be led by industry experts, we are keen to support the Working Group, or its successors, towards that goal. The Scottish Government proposes to use its convening powers to bring together institutions and stakeholders at a cross-industry roundtable in Autumn 2022, to consider the best model for an Institute, and to transition the current Working Group into a new Steering Group with a remit to consider how best to deliver the Institute. This remit would include exploring funding options and scoping appropriate leadership, outside of Government, to establish and subsequently run the Institute.

Recommendation 2 – Charitable status

The Working Group recommends that Scottish Government and OSCR, the Scottish charity regulator, should take steps to enable non-profit public interest news providers to register as charities; and the Scottish Government should also create an alternative legal status, with similar tax benefits to charitable status, for other non-profit public interest news providers.

The Working Group also states that it hopes that its proposed Scottish Public Interest Journalism Institute will be granted charitable status.

In regard to the Working Group's recommendation to take steps to enable non-profit public interest news providers to register as charities, decisions on charitable status are a matter for OSCR as the independent Scottish Charity Regulator.

The Scottish Government is aware that some public interest news publishers may be able to gain charitable status as the law stands, but that this decision would lie with OSCR. The Scottish Government acknowledges that the proposed Scottish Public Interest Journalism Institute could apply for charitable status if established, however the Scottish Government must not seek to influence this decision.

In regard to the Working Group's recommendation for the Scottish Government to 'create a new legal status for public interest news providers that operate on a non-profit basis and have demonstrably high standards of journalism, but do not wish to register as charities' – this is outside of the Scottish Parliament's legislative competence as tax reliefs are a reserved issue. Therefore, the Scottish Government is unable to progress this recommendation.

Recommendation 3 – Media literacy

The Working Group recommends that the Scottish Government should embed media literacy in the school curriculum, and launch a voucher scheme for young people aged 15-19 to access public interest journalism free of charge.

The Working Group also recommends that the Scottish Government should work with Ofcom and public interest news providers to develop a bespoke media literacy strategy for Scotland, with an awareness campaign aimed at all ages, and with elements embedded in the school curriculum.

The Scottish Government acknowledges the important role media literacy initiatives play in tackling the issues of disinformation and misinformation. It is vital that people in Scotland have an ability to critically assess information online and in print, to ensure a functioning democratic society with an informed, media-confident populace.

Ofcom published a [document setting out its approach to online media literacy](#) on 6 December 2021. The Scottish Government will engage with Ofcom to ensure that the implementation of its plan is relevant to the Scottish media landscape.

The Scottish Government believes that media literacy can make an important contribution to the four capacities of Curriculum for Excellence, supporting young people to become successful learners, confident individuals, effective contributors and responsible citizens, both in terms of supporting the development of critical thinking skills but also in allowing them to develop skills that will prepare them for the world of work.

The 2021 SNP manifesto included a commitment to support teachers with materials to teach our young people about the dangers of disinformation and misinformation, and how to judge sources of information for themselves. The Scottish Government will engage with relevant stakeholders to understand what further action could be taken, and resources developed, to support the further embedding of media literacy in schools.

Following on from the initial roundtable discussion proposed in the response to recommendation one, the Scottish Government would be strongly supportive of the proposed PIJ Institute taking a role in promoting media literacy. We would further support the Institute, and its Steering Group, by providing contacts to further this work. The Scottish Government would be keen to remain a part of discussions around how to improve media literacy in Scotland, while respecting the independence of the Institute and its work.

Recommendation 4 – Community ownership

The Working Group recommends that the Scottish Government should examine the feasibility of introducing provisions like those in the 2003 Land Reform (Scotland) Act, to give community groups the scope to take over a local news publication that is otherwise in danger of closing.

The right to buy is aimed at geographic communities taking on land or buildings and improving upon them to deliver sustainable development benefits for the whole community.

The Scottish Government believes that further investigation is required to establish what a right to buy for community takeovers of news publishers would achieve and how it could be delivered.

Scottish Government officials will open a dialogue with the industry and stakeholders in the coming months to establish whether community right to buy is an appropriate avenue to retain local news publications for their communities, and how best to take forward action if so.

Recommendation 5 - Public sector advertising and marketing scrutiny

The Working Group recommends that Audit Scotland, in partnership with the proposed Scottish Public Interest Journalism Institute, should conduct an annual audit of advertising and marketing investment by the Scottish Government and public bodies, to include a measurement of the impact of this expenditure on the health of the Scottish news publishing landscape.

The Working Group also recommends that the Scottish Government should invest no less than 25% of its central advertising and marketing budget with public interest news providers.

The Scottish Government is committed to transparency and publishes its annual marketing spend online, which includes breakdowns for press spend.

We spend a significant amount on Scottish Government advertising in the press; we spent £3,683,701.37 in 2020/21.

Scottish Government press spend is placed through the Scottish Government Media Planning and Buying framework which provides a series of price guarantees for standard media requirements.

The buying of press advertising is audited against these guarantees bi-annually by an independent Media Auditor using the relevant expenditure figures from each of the framework media buying agencies. The activity is also audited annually against market rates where comparable figures are available.

The Scottish Government will review the current data which is published on expenditure and confirm whether more data can be released.

The Scottish Government makes decisions on marketing based on the best return of investment for taxpayer funds, therefore, it is unable to commit to investing a percentage of its central advertising budget with public interest news publishers.

Recommendation 6 - Improved and expanded public notice services

The Working Group recommends that Audit Scotland, in partnership with the proposed Scottish Public Interest Journalism Institute, should conduct an annual audit of public notices.

The Working Group also recommends that the Scottish Government should improve the accessibility of public notices and strengthen the ties with public interest journalism, and issue best practice guidelines for local authorities and other public bodies to ensure that they promote public notices to those who have an interest in the information.

It is procurement policy to publish all Scottish Government spending over £25,000 on the Scottish Government website.

The Scottish Government agrees that there is a need for public notices to be accessible, and recognises the importance of communities being able to easily access information about decisions that directly affect them. It is important to democracy that people are well informed.

The Scottish Government will engage with public notice procurement and local authorities to establish if any further action can be taken to increase the visibility and reach of public notices and strengthen ties to public interest journalism.

Recommendation 7 – Big Tech

The Working Group recommends that the Scottish Government should work with the UK Government to ensure that the new UK Government Digital Markets Unit enables public interest news providers of all shapes and sizes to thrive in the digital economy; and that the Scottish Government should encourage big tech companies to support the establishment of the proposed Scottish Public Interest Journalism Institute.

Scottish Government culture officials will discuss with SG digital colleagues what action can be taken to address the concerns raised by the Working Group that the Digital Markets Unit Bill does not go far enough, including the potential for the Cabinet Secretary for the Constitution, External Affairs and Culture to write to the Secretary of State for Digital, Media, Culture and Sport expressing these concerns.

The Scottish Government will, where appropriate, facilitate engagement between industry and stakeholders with large digital companies to help them open a dialogue around support for a Scottish Public Interest Journalism Institute, following the proposed roundtable in Autumn 2022.

Recommendation 8 - Business advertising tax incentives

The Working Group recommends that the Scottish Government should engage with the UK Government to create tax incentives for businesses to advertise with public interest news providers.

The Scottish Government believes that further research is required in order to establish the effectiveness of the UK Government creating tax incentives for businesses to advertise with public interest news providers. The Scottish Government will review the effectiveness of such a policy and, if deemed effective, engage with UK Government to suggest carrying out a scoping exercise on the policy.

Next Steps

The work carried out by the short-life Working Group to develop these recommendations has been invaluable. The recommendations have identified key areas in the media landscape which industry believes need improvement and where Scottish Government can play a role. The Scottish Government will continue to work with industry and stakeholders to support a strong and sustainable public interest journalism sector. In particular, the Scottish Government will use its convening powers to facilitate a roundtable discussion across the news industry on the potential for a Scottish Public Interest Journalism Institute, to help set the ball rolling on the potential delivery of this project. As such, the Scottish Government would be keen to hear from individuals or organisations working in Scotland's news industry, who would be keen to be engaged in taking part in this discussion on the delivery of a Scottish Public Interest Journalism Institute. Any interested party is invited to email India.Divers@gov.scot with a short description of their role and interest in this project.

The Scottish Government is grateful to the members of the short-life Public Interest Working Group for dedicating their time, knowledge and experience in order to produce their recommendations and report, ***Scotland's news: towards a sustainable future for public interest journalism***. The Scottish Government is delighted to support public interest journalism in Scotland by taking forward the actions outlined in this response.

Key Points

- The Cabinet Secretary for the Constitution, External Affairs and Culture welcomes the recommendations from the short-life Public Interest Journalism Working Group and its report, *Scotland's news: towards a sustainable future for public interest journalism*.
- We thank the members of the Working Group for dedicating their time and invaluable industry expertise to produce the recommendations and report.
- We recognise the impact of the changing media landscape, rise of digital technology and the Covid-19 pandemic on the sustainability of the public interest journalism sector.
- We believe it is essential for public interest journalism to be independent of government and for public interest news providers to have the freedom to hold government to account.
- We recognise the value of a Scottish Public Interest Journalism Institute but agree with the working group that its credibility will rest on it being independent.
- We will support the industry and stakeholders with the next steps needed to develop the working group's proposal for an independent Scottish Public Interest Journalism Institute into a business case, by using its convening powers to bring together key stakeholders to scope out the options for taking forward a Scottish Public Interest Journalism Institute.
- We will facilitate a cross-industry roundtable in Autumn 2022, to help transition the idea of a Scottish Public Interest Journalism Institute into a deliverable project and to determine ownership for that project.
- Decisions on charitable status are for OSCR, the Scottish Charity Regulator, in line with the Charities and Trustee Investment (Scotland) Act 2005. OSCR are independent of Scottish Government and report directly to the Scottish Parliament.
- It is outwith the Scottish Government legislative powers to create a new legal status, with similar tax benefits to charitable status, for public interest news providers.
- The Scottish Government has no plans to amend the charity test which sets out the 16 charitable purposes under the Charities and Trustee Investment (Scotland) Act 2005.
- We agree there is a need for improved media literacy in Scotland. The Scottish Government would provide any steering group taking forward the Scottish Public Interest Journalism Institute with relevant contacts to media literacy organisations so that it can consider the Scottish Public Interest Journalism Institute's role in promoting media literacy. We will also engage with relevant stakeholders to understand what support could be taken to support the further embedding of media literacy in the school curriculum.

- Scottish Government officials will speak with industry and stakeholders to establish if community right to buy is the best way to support community takeovers of news publishers.
- The Scottish Government already spend a significant sum of money on marketing in the press, the annual figures of which can be accessed on the [Scottish Government Marketing Spend webpage](#). However, we do not deem it appropriate to invest a set percentage of the marketing budget in public interest news providers, as marketing decisions are based on the best return of investment of taxpayer funds.
- We will engage with public notice procurement and local authorities to establish if anything further can be done to increase the reach of public notices.
- Scottish Government officials will discuss with UK Government colleagues what action can be taken to address the concerns raised by the Public Interest Journalism Working Group that the Digital Markets Unit Bill does not go far enough, including the potential for the Cabinet Secretary for the Constitution, External Affairs and Culture to write to the Secretary of State for Digital, Media, Culture and Sport to express these concerns.
- We will review the effectiveness of creating tax incentives for businesses to advertise with public interest news providers. If deemed effective, we will engage with UK Government to propose a scoping exercise on the policy.
- In the areas where we cannot take specific proposals forward, either because it is not appropriate for the Scottish Government to do so or where other restrictions or reasons apply, we will continue to work with industry and stakeholders to support journalism.



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