

MEDIA WALES

7 April 2020

Helen Mary Jones AM
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dear Helen,

I hope you're keeping safe and well in these extraordinary times. I wanted to write to brief and reassure you about the cost reduction measures you may have seen announced yesterday by Reach plc, and their impact on our operations here at Media Wales.

Across our group, which as I'm sure you know publishes the Mirror, the Express, the Daily Record and regional titles including the Manchester Evening News and Liverpool Echo alongside our Welsh titles, around 20% of the workforce was furloughed yesterday. In addition, all staff were asked to take a pay cut of 10%, with the board and senior team taking 20%. Those on furlough will have their pay topped up by 10% so they are not financially disadvantaged compared to those colleagues who have been able to continue in their roles.

Asking hard-working colleagues to step back from the crucial work of keeping the public informed about the coronavirus pandemic in their areas, as well as producing other content allowing for much-needed diversion from the relentless news agenda, made me desperately sad. At Media Wales, we pride ourselves on the products and audiences that we've built. Asking people to leave that work behind, albeit temporarily, was a difficult task for us all.

The last few weeks have demonstrated the crucial role regional and local publishers like us play in keeping the public informed about the matters that affect their lives. With many unable to get to shops to buy newspapers, our online traffic - driven largely by our live updates and informational content about the pandemic - has increased by around 70% since the outbreak began. People need what we do more than ever before. But it's becoming harder and harder to do it, thanks to a perfect storm of market conditions.

Since lockdown began, our sales teams across the UK have been conducting an audit of our local advertisers. At the last count, 70% were not currently trading, and the vast majority of the rest were cutting down significantly or entirely on their advertising spend. Circulation revenue is still a huge contributor to our revenues, but thousands of our readers are not currently able or willing to visit shops to buy their newspapers. Online, the UK's biggest brands have taken the decision - for reasons best known to themselves - to block their adverts from appearing next to content with any kind of connection to the outbreak.

I'm sure you can imagine the cumulative effect these three factors are having on a sector that was already challenged in normal times, and can see how they've made announcements like yesterday's inevitable.

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Nonetheless, we remain more committed to our readers and brands than ever before. The appetite for the challenge that our staff have shown throughout this - from shifting our entire office-based operation to working from home in 24 hours to forming new modes of communication while working remotely - has been inspiring. And while we will have to cut our cloth accordingly to take into account our mitigation measures - including reducing the pagination of our titles and printing earlier to deal with press site staff shortages - I am confident in our ability to minimise the impact of this on the service we provide our readers.

While the financial situation we're experiencing is largely the result of the measures introduced to tackle the pandemic, there are some steps I'd urge you to take to help us protect local news during the outbreak and beyond it:

- Encourage agencies to place coronavirus-related public information campaigns in regional and local publishers. I was encouraged last month to see Public Health Wales run a campaign through our channels to inform readers about key messaging - more of this from more organisations would be enormously valuable, and I believe the trusted nature of our brands provides the perfect vehicle for this important messaging.
- Lobby the Welsh Government - as well as the UK Government and devolved administrations on behalf of the wider industry - to extend the business rates holiday introduced for retail, hospitality and leisure to include news publishers, in respect to the crucial public service we are providing at this time.
- Ask local authorities to continue to use local publishers to display public notices, which remain a crucial line of revenue for us and businesses like us.
- Help change the negative narrative around the regional media, which now more than ever risks becoming a self-fulfilling prophecy. In a world where rumour and conspiracy theories abound like never before, our industry remains a pillar of trusted, verified news that we all should be encouraging people to access. I hope you will agree from your dealings with my staff that they are responsible, professional and diligent individuals, and the news service we produce as a team is a result of that.

Like many businesses, we are under unprecedented pressure from the economic crisis that this pandemic has created. Your support for other sectors of the economy has been heartening - please help support us in the same way.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Rowland', with a stylized flourish at the end.

Paul Rowland
Editor in Chief, Media Wales
Editor, WalesOnline

Paul Rowland

Editor in Chief, Media Wales

20 April 2020

Dear Paul,

Media Wales and COVID-19

Thank you for your letter dated 7 April.

I agree that regional and local publishers play a crucial role in keeping the public informed during the pandemic and I would like to take this opportunity to thank you all at Media Wales for your hard work and commitment in these difficult times.

Given the decline of local newspapers in recent years, I fully appreciate the additional challenges that you are facing as a business as a result of reductions in advertising and circulation revenues.

Over the next months the Committee will be scrutinising the Welsh Government's approach to managing the impact of Covid-19. During our discussions, we will ask the Welsh Government how it can improve its support for news journalism in Wales including the advertisement of statutory notices. A key consideration in our scrutiny will be the importance of a well-resourced local media in Wales to provide clear and accurate news and information in these unprecedented times. We will also be writing to our counterpart Committee in the House of Commons asking it to discuss with the UK Government what support it can provide for the local media sector, both during the pandemic and on an ongoing basis.

Yours sincerely,



Helen Mary Jones AM

Chair of the Committee