

Tory 'big bang' plan to shake up media is good sense

On the eve of a key speech on Tory policy, shadow culture secretary Jeremy Hunt talks to the Standard

IS IT possible to save traditional media companies in the face of the twin threats of a digital revolution and the recession? That question has not only been asked with increasing urgency over the past couple of years, it has stimulated plenty of answers too.

But the current Government has not taken action, despite those proffered answers, which have been endlessly repeated by the concerned owners of newspapers and commercial broadcasting outlets.

Now the Conservative Party, which has revealed precious little of its concrete policies should it form the next government, has made its own proposals crystal clear.

Jeremy Hunt, the shadow secretary for culture, media and sport, will make a speech at the Manchester media festival tomorrow in which he will list a set of changes that he believes necessary to transform the current bleak outlook for media.

In what he has characterised as a "big bang" revolution, he will say that cross-media ownership rules, which prevent locally based companies from owning more than one newspaper or radio station in a defined geographical area, should be abolished.

This, by coincidence, chimes with an announcement yesterday by the media

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MEDIA ANALYSIS

regulator, Ofcom, that it too recommends a liberalisation of cross-media regulations, though it stops short of abolition.

Ironically, Hunt will also say that Ofcom's wings should be clipped in order to prevent it from making just that kind of policymaking statement. It should be left instead with the responsibility for making judgments about taste and decency, and certain specific matters, such as overseeing the way ITV sells its airtime and the amount of time it grants to advertising.

Hunt lays the blame not with the regulator itself but its responsibility to carry out the terms of the 2003 Communications Act. This required it, he says, to micro-regulate.

In other words, Hunt is taking a free market stand by arguing for deregulation, believing that it will stimulate activity. He told me: "The danger of current regulation is that it means, in local areas, a newspaper can only ever



Top man: shadow culture secretary Jeremy Hunt, right, with leader David Cameron

be a newspaper. It cannot develop on to another media platform. Yet the consumers can glide happily from platform to platform. We have been throttling local media."

He believes that the rules, drawn up at a time when there was concern about a single media owner forming a local monopoly and thus reaping an advertising harvest, have not kept pace with the rapid changes brought about by digital technology.

Now, as we all know, advertisers have been able to choose online alternatives to papers and broadcasters. So those companies have been losing revenue without the capability to innovate across the various media platforms.

Let's take a hypothetical case. At present, Trinity Mirror, the current owner of Liverpool's two major papers, cannot acquire the commercial TV and radio outlets in that city.

It is suffering from falling advertising revenue and falling sales at those papers, and its only way of stopping the rot is to cut costs. If it were allowed to buy up the competing TV and radio

interests – and this is, I stress, an imaginary scenario – it might well turn round its fortunes. Similarly, of course, Liverpool Radio City's owner, Bauer Media, could do the same by buying out Trinity's titles.

This would have been anathema in the past, and I would certainly have opposed it. But the situation has changed, as Hunt rightly argues.

New digital competition is eating traditional media for breakfast because it does not need to be located in any given region to secure advertising. Then there are the people who can launch locally-based start-ups from scratch with relatively small – indeed, almost negligible – overheads.

Traditional media companies, by contrast, have their hands tied. That's why companies as different as the publicly quoted corporate owner Trinity Mirror and the Scott Trust-owned Guardian Media Group (for which I write a media blog) have both lobbied hard for change to the rules.

So far, then, so good for the Tory alternatives to the current state of play.

"The danger of current regulation is that in local areas, a newspaper can only ever be a paper. It cannot develop on to another media platform... We have been throttling local media."

What about the contentious matter of the BBC's licence fee?

It would appear that there has been some misunderstanding about Hunt's intentions in this area. It has been reported that he intends to announce that an incoming Tory Government would freeze, or even cut, the licence fee when it comes up for renewal from 2010.

He says that there has been no such decision, choosing his words carefully by saying that "in the current climate it is difficult to argue for an increase". I fear that amounts to the same thing.

However, the BBC's director-general Mark Thompson may be somewhat heartened by Hunt's response when I asked him: "Do you like the BBC?"

Unhesitatingly, he replied: "I'm a fan of the BBC. When I go abroad, I find that most people in other countries wish they had a BBC."

"I do feel that it's an overmanaged organisation and that too many of its executives are paid too much. And, as a free marketer, I'm bound to say that if it didn't exist, you wouldn't think of setting it up in its present form. To paraphrase a French philosopher, it works in practice, but does it work in theory?"

Hunt is not saying that his proposals will definitely become policy. Instead he says: "See them rather as statements indicating the direction of travel, hopefully to start a debate and to check that there's nothing I haven't spotted."

So let the debate begin, though it's hard to disagree with much of what he says, is it not?

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Roy Greenslade's archive: standard.co.uk/roygreenslade

IN THE AIR

Pay anger in the BBC newsroom

THE mood is little short of furious inside the BBC newsroom after the latest details about executive salaries were published in the interests of transparency. Among the gems is that the chief operating officer for BBC Journalism, beancounter Dominic Coles, is on £257,500 while the head of the newsroom Mary Hockaday, arguably the most senior editorial manager in the Beeb after controller of news Helen Boaden, earns barely half that on £140,000. Lucy Adams, £320,000-a-year head of personnel, tells Beeb newspaper Ariel: "I imagine that if I were earning the national average [about £27,000], and my partner had just lost their job in the recession, and I saw a list of big salaries at the BBC, it would not feel very palatable. However, we can't

have a remuneration strategy driven by public opinion." Don't be so sure. Meanwhile, BBC2's Newsnight is said to be planning a major feature next week devoted to the future of the BBC and how it is managed...

■ GUARDIAN Media Group chief Carolyn McCall's decision to cut a further 100 jobs across The Guardian and sister paper The Observer means GMG has shed more than 1000 staff since 2007. The national newspapers had already lost around 250 staffers – about 155 by the end of 2008 and about 100 this year. Meanwhile, GMG's regional titles have axed 245 jobs. And accounts for Trader Media Group, which McCall chairs and is jointly owned with Apex Partners, shows it slashed full-time staff in the year to March to under 2600 – a loss of another 500 posts.

■ SKY News may have to tweak the presentation of its daily TV review

of the biggest news stories on the internet. The screen is filled with a Google home page and scrolls through today's most popular news subjects. That looks odd when Rupert Murdoch, the power behind Sky, is threatening to pull all his news content from Google and start charging instead.

■ THE BBC's appointment of its first Social Media editor, Alex Gubbay, has gone down badly in the online world – because he hardly seems dedicated to social networking and only signed up to Twitter after he got the job on Monday. His first Tweet? "Excited about taking on Social Media Editor role... Lots to build on and open to suggestions and ideas." In response to criticism about his apparent lack of experience, Gubbay tweeted back: "Not been active yet as wanted to start new role with clean slate." Whether the BBC needs a Social Media editor is a moot point.



Cuts: Haymarket boss Lord Heseltine

■ X-FACTOR supremo Simon Cowell and his would-be business partner, Bhs boss Sir Philip Green, were the star turns at this week's Norwood fundraising dinner at the Grosvenor House Hotel, hosted by Daily Express owner Richard Desmond. Strictly Come Dancing presenter Bruce Forsyth was meant to provide some onstage entertainment but since he was ill,

■ SAD news that Michael Heseltine's Haymarket is axing two of its print titles Media Week and Revolution. The former becomes online-only while the latter will now be a quarterly insert inside stablemate Marketing magazine. Eighteen jobs will go in the division, known as Brand Media, whose flagship is advertising bible Campaign. But other parts of the Haymarket empire – such as the "management" division which houses top titles PR Week and Management Today – appear largely unaffected.

comic Ronnie Corbett was his stand-in for the second time after filling in for Forsyth on Strictly on Saturday. Alas Corbett's jokes were showing their age and he only narrowly avoided being booed.

■ IS change afoot at Telegraph HQ? Mail on Sunday columnist Suzanne Moore was spotted visiting.

BY GIDEON SPANIER