Dear Ms Mallon,

ADVERTISING IN LOCAL PAPERS

I am writing to you, on behalf of the Scottish Parliament’s Culture, Tourism, Europe and External Affairs Committee, with regard to evidence taken, on the sustainability of the newspaper industry, by the Committee on 1 October 2020.

The evidence session focussed on three areas: the industry pre-pandemic; the impact of the pandemic; and possible future direction for the industry so it can deal with the long-term challenges it is facing and still contribute to a well-functioning democracy. The official report for this session is available here: www.parliament.scot/parliamentarybusiness/report.aspx?r=12869.

The Committee took evidence on the impact of the pandemic on community-based journalism. One of the witnesses, Peter Geoghegan, Chair of the Ferret and investigations editor at openDemocracy, explained that community-based news organisations rely on philanthropic support and are therefore vulnerable to economic crisis.

There is concern that a potential global recession could follow the pandemic and have an impact on philanthropic organisations and in turn on community-based papers relying on their support. Peter Geoghegan suggested to the Committee that a recognised charitable status would make it easier for community-based
organisations to be less vulnerable and increase philanthropic funding from charitable sources for public interest news.

The Committee understands that OCSR requires an organisation to meet the ‘charity test’ to be entered into the Scottish Charity Register. The ‘charity test’ requires an organisation to demonstrate that it has only charitable purposes. Mr Geoghegan suggested that not-for-profit public interest news organisations cannot become charities because there is not a specific charitable purpose of “public interest journalism” in the Charities and Trustee Investment (Scotland) Act 2005.

The Committee would be grateful for your views on the following—

- Whether a public interest news organisation could potentially register as charity under the current charitable purpose;
- Whether there are currently any registered charities that meet their charitable purposes through journalism;
- OSCR’s views on whether an additional purpose of “public interest journalism” should be added to section 7(2) of the 2005 Act.

The Committee would appreciate a response to this letter by 9 November 2020.

Yours sincerely,

Joan McAlpine MSP
Convener, Culture, Tourism, Europe and External Affairs Committee