

News story: The Times/ Sunday Times

On 10 January 2019, News UK submitted an application to vary certain conditions put in place in 1981 by the then Secretary of State for Trade. The changes proposed by News UK would allow The Times and The Sunday Times to share journalistic resources, subject to the agreement of each newspaper's editor. The application proposed no other changes to the 1981 conditions. As set out in the Invitation to Comment which my department published on 18 January 2019, this was treated as an application by News UK to replace the 1981 conditions with new undertakings in accordance with Schedule 18 to the Communications Act 2003.

I have considered this application in my quasi-judicial role regarding media merger cases. Having considered News UK's application and the representations made to the Invitation to Comment, I have concluded that there has been a material change in circumstances since 1981 that warrants me considering the application. I have also concluded that the change of circumstances justifies the variation, as the effect of News UK's proposed changes would not, in my view, materially impact on the public interest considerations contained in Section 58 Enterprise Act 2002.

I am, therefore, minded to accept News UK's application. However, in considering the proposed new undertakings as a whole, I have noted that the existing governance arrangements – agreed in 1981 – lack clarity and certainty over roles and responsibilities. Before agreeing the application I am therefore of the view that these arrangements need to be suitably updated and enhanced to reflect corporate best practice.

I have asked DCMS officials to discuss these issues with News UK and to consider new proposals from News UK to update the proposed undertakings to address my concerns. I will update the House in due course on these discussions. Should News UK be able to offer revised undertakings which meet my concerns, I will, as required in legislation, consult on the final form of the undertakings before deciding whether or not to accept them.