



# Digital, Culture, Media and Sport Committee

## Oral evidence: Sustainability of local journalism, HC 153

Tuesday 17 May 2022

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Clive Efford; Julie Elliott; Damian Green; Dr Rupa Huq; Simon Jupp; John Nicolson; Jane Stevenson; Giles Watling.

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### Witnesses

I: Owen Meredith, Chief Executive, News Media Association; David Powell, Chair, Local TV Network; and Martin Steers, Chair, UK Community Radio Network.

II: Adam Cantwell-Corn, Co-Founder, *The Bristol Cable*; Jonathan Heawood, Executive Director, Public Interest News Foundation; and Michelle Stanistreet, General Secretary, National Union of Journalists.



## Examination of witnesses

Witnesses: Owen Meredith, David Powell and Martin Steers.

**Q1 Chair:** This is the Digital, Culture, Media and Sport Committee and this is our latest hearing into the sustainability of local journalism. We are joined by two panels today. In our first panel is Owen Meredith, the chief executive of News Media Association, David Powell, the chair of Local TV Network, and Martin Steers, co-founder, UK Community Radio Network.

Owen, David and Martin, thank you very much for joining us today. Before I begin with the first question I need to see whether there are any Members who want to make any declaration whatsoever. No, that is fine, thank you.

I will start with Owen. Can you define for the Committee what you see in today's society as a local journalist and does that journalist need to belong to a recognised news organisation?

**Owen Meredith:** In terms of my members, I represent an organisation that includes publishers covering about 900 titles across the UK, so certainly from that perspective the vast majority, if not all, of those are signed up to a regulator and have a recognised editorial code and standards. I think that is fundamental to the importance of what a journalist is. That editorial control, the curation of content, is vital.

I was looking at the ONS statistics as part of a NCTJ study published recently in terms of the SIC codes. The number of journalists employed in the UK has significantly risen over the last five or six years, contrary to what often is speculated. I would define a journalist as somebody who adheres to an editorial code, stands up to that and is published via an editor, rather than a single entity.

**Q2 Chair:** Martin, is there any interpretation you can put on that definition of local journalism from your perspective of community radio?

**Martin Steers:** For us, local journalism would be about being part of the community, being completely local. Our members and the people we represent are Ofcom-licensed community registration, so as part of that we must adhere to the Ofcom code, which is set by regulation and not self-defined as you find with publishers and so on, which is their prerogative. All the people involved in journalism within community radio must follow that in terms of online and their output on broadcast.

There is an interesting question about qualifications and experience. Within the community radio sector very few community journalists are qualified. It is experiential, learning through the radio station.

**Q3 Chair:** What you are saying is that they do not have experience before they come to you, generally, and then they grow in that experience? Would they then be seen to go on to a career path to maybe one of Owen's organisations?



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**Martin Steers:** Career path-wise it would normally be towards the BBC or commercial radio because it is a broadcasting skill base. We find their experience is mixed. Some radio stations are lucky that they have had people who have come through print or broadcast and have moved into community radio, either as an additional hobby, or they for various reasons have moved out of journalism as a career and wanted to continue as a passion, or it is people who are retired. We find that some volunteer news editors and some volunteer full-time news producers within community radio are retired people who used to work at BBC or in the print media.

The skills that they develop tend to more support them in other occupations. It is the background of communication skills and the confidence to use them that then supports them in other roles. Community radio is a great pathway, and has been a great pathway, for people into a career in the media, but for a lot of people involved in community radio it is a hobby or is something that they do as well as a completely different and unrelated job.

Q4 **Chair:** A hobby, but at the same time still holding themselves to the standards that you would expect in a professional environment. Is that how you see community journalism?

**Martin Steers:** Absolutely, and in fact even more so. Because community radio is regulated by Ofcom, community radio stations are even more conscious because of often the lack of formal accredited qualifications and quite often the lack of paid resource within community radio from an editorial point of view. There are a number of community radio stations that do not go near local journalism because of that fear of getting it wrong and then facing sanctions or facing the wrath of Ofcom.

**Chair:** David, is that your experience as well?

**David Powell:** It is very similar. The first thing I would say is about the importance of Ofcom regulation. It does provide a very good framework.

As far as local TV is concerned, a lot of our journalists are entry level. They come in straight from university or from other sources and they are trained up. The framework of local TV gives them a context. Frequently, they come from that community, but not necessarily—but they know about that locality. What they do when they are there is an awful lot of stuff. We find our journalists are incredibly flexible. A video journalist has to do a range of things that in a large organisation they would be moved around every year and do, but they have to do it from day one and just get on with it. As a result, we find there is a high rate of move-through, which is something that we celebrate; people come in, they learn and then they go on usually to a national or an international broadcaster.

Q5 **Chair:** Owen, you said that the number of local journalists has increased over the past five years. How do you account for that and has the definition of a local journalist changed in that time?



**Owen Meredith:** Sorry, Chair, the number I was referring to was the number of journalists overall rather than specifically local journalists. We have seen among my members in more recent years investment in front-line journalism and employment of more journalists, reflecting particularly the launch of some new regional websites and digital products and investment in that front-line journalism. That is in the context of years of severe economic challenge in the sector, which has been well documented in Cairncross and by this Committee in previous sessions and reports.

There is an air of confidence coming out of the pandemic. In the pandemic we saw audience growth across the sector, particularly in the digital markets. There was audience growth of 17.9% in 2021 reading local news, and that is a great success and testament to not only the quality of that journalism and the way that people are reporting but how vital local journalism is to communities, particularly in times of crisis.

**Q6 Chair:** Obviously, I have my own experience in the West Midlands with *Birmingham Live*. What you are saying there is almost a blueprint for what I have seen there in terms of the hyper-local journalism, the way in which they are able to drill right down almost by postcode to what is relevant to that community. They have made big strides there and despite the straitened economic times they have been able to continue their investment.

One thing they did say to me very recently, though, was that they, and I imagine others, are finding it difficult in terms of ensuring that they are—I will not say strictly regulated but their standards are recognised by the public as something to go to, because there is a burgeoning number of quasi-journalistic Facebook pages, which effectively try to piggyback off the likes of *Birmingham Live*. I think in my own constituency there is one that is run by a collection of political activists, yet tries to effectively go under the wing of *Birmingham Live*. I see you are nodding. Does that mirror your experience and what do you think should be done to ensure that people can have confidence that the journalism they are reading is coming from the source that has editors in place and has a degree of oversight rather than, frankly, people in a bedroom with a grievance?

**Owen Meredith:** It is a hugely important point. This plays into both a media literacy strategy and ensuring that people have the skillset to understand the difference between what is, essentially, an individual or a group of individuals blogging from a back bedroom, as you suggest, versus what my members produce, which is quality controlled, editorially structured content that is subject to terms in a code of conduct, an editorial code for standards. Most IPSO members now carry a kitemark on their website, so certainly readers should look out for that as a sign of being a regulated product that is a quality product subject to those editorial standards.

**Q7 Chair:** I cannot imagine anyone looks for an IPSO kitemark anywhere, however well intentioned that is. I have certainly never looked for one in



that respect.

Do you think that social media companies have a responsibility here in their definitions of what makes a news media organisation? I know for a fact that they allow several of these political activist webpages, which are masquerading as news, and they give them effectively their kitemark of being a news media organisation, when all they are is people with no standards whatsoever and, seemingly, an axe to grind.

**Owen Meredith:** Yes, absolutely. I think social media platforms have a huge responsibility in terms of how they present content on their platforms, and through the Online Safety Bill there is an opportunity to look at this. My members are comfortable and happy with the definition set out in what was section 40 and I think now is section 50 of the draft Online Safety Bill in terms of what qualifies as a recognised news publisher, and that should hopefully feed through then into the way that the platforms—

Q8 **Chair:** Why do we have to wait for legislation for them to basically act?

**Owen Meredith:** That is a question you will have to put to them.

Q9 **Chair:** Also, I would say to you that surely this is hitting the bottom line of organisations and members such as, let's say, Reach and *Birmingham Live* in my instance, where they find these bogus pages from political activists, which are masquerading as news, and then they find that those hits and that income revenue that they could have as a reputable news organisation they are not getting, so they are being squeezed in that regard.

**Owen Meredith:** Absolutely. I completely agree.

Q10 **Giles Watling:** The Cairncross review noted that major local publishers have reduced staffing, closed local offices, and less money is available for investment in expanding digital. Parochially, I know that from our local newspaper in my area, in Clacton, where I have noted that the local journalists who used to turn up to parish council meetings, who were at the local football association games, who were involved in drilling down into local things, their staff reduced and reduced and now there are three people, one of whom is the editor, and they are producing all this news. Are we putting too much on too few? They seem very stretched. This is a question for Owen.

**Owen Meredith:** I think it is a reflection of the economic reality in which most publishers now operate. Clearly, we are in a time where audiences are moving to a digital environment. A print reader is worth about eight times what a digital reader is worth in terms of the publisher, which obviously flows back through to the investment that goes into recruitment of journalists and that front-line reporting.

The real challenge that we need to tackle, which I am hoping for when the DMU finally gets its statutory powers—I was pleased to see in the Queen's Speech that the Government have announced that they will be



presenting a draft Bill during this Parliament—is that imbalance, so that publishers can properly negotiate with the likes of Facebook and Google to get a fair deal so that that investment can flow back through to local journalism and investment into community-driven content that people in your constituency and others want to read.

**Q11 Giles Watling:** It could be said that the quality of the journalism may be suffering, and that goes for radio and television as well.

**Owen Meredith:** I don't think the quality of the journalism is suffering. I think potentially the breadth and the amount that can be covered has reduced, but that is a consequence of feet on the ground.

**Q12 Giles Watling:** There were a series of mergers by Trinity—now Reach—and we end up with multi-titled groups. What benefits do those groups offer local news organisations and is that a way forward, to ensure sustainability?

**Owen Meredith:** The short answer is yes. I think the consolidation within the industry is incredibly important in order to protect the viability of individual titles, and I think that many of those titles who are part of networked groups would simply not be viable without the ability to share back office costs of HR, finance, marketing, procurement power and so on. There is certainly an important role for consolidation within the market, and potentially further consolidation, because of the economies of scale that that brings, which then supports titles operating on the ground in individual communities.

**Q13 Giles Watling:** How do you think that impinges on democracy reporting, for instance?

**Owen Meredith:** I am not sure I follow the question.

**Giles Watling:** I mentioned the local journalists being able to go down to the parish council meetings or the district council meetings and so on. Are they missing out? Are we missing something here?

**Owen Meredith:** We have the local democracy reporter scheme, which is an NMA/BBC joint venture, essentially, which has 165 journalists covering specifically town hall democracy issues. I would like to see that scheme expanded. I think it is a good demonstration of how the BBC can support the commercial sector and work as a true partner for it, and deliver for communities and support that important role that journalism plays in holding our town halls to account.

**Q14 Giles Watling:** Finally from me, where is the graph going? Is print media dying totally?

**Owen Meredith:** I do not think print media is dying. Clearly, the print circulation is in decline. There is significant pressure in the print market at the moment with newsprint costs, which are up the best part of 100% for some publishers, so there is significant pressure on print. As I say, there is huge audience growth in the digital market. It is the ability for



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publishers to monetise that digital audience where we are now reaching 78.5% of the 15-plus population. It is monetising that that is the real challenge.

**Q15 Giles Watling:** You are telling me the way forward is for digital to support print?

**Owen Meredith:** I think print will always be there to a certain degree, but the audience is clearly in the digital space.

**Q16 Damian Green:** Good morning, all. We just touched on one of the issues I wanted to discuss—the BBC. Owen paid tribute to the joint venture you do, but you say that your members cannot hope to compete with the BBC's expansion into written news, whereas the NUJ says that the PSBs do not disrupt local news production because the operations are complementary. Where do you settle on balance? How do you regard the BBC in terms of its local output and, therefore, competition with your members?

**Owen Meredith:** I think the BBC can be a great force for good and clearly does some excellent journalism. The question is where the boundaries lie and what the BBC's role is, particularly in local news but also in terms of soft content that it pushes out via its website, and how that competes with the commercial sector or impinges the ability of the commercial sector to monetise its online news offering. If the BBC had a newspaper in print that was pumping out the volume of content and articles in the way that the BBC News website does, which is essentially the largest single news website in the UK for audience, I think this Committee and others would be calling the BBC to ask questions, and that would not be appropriate within its remit. It is essentially doing that but in a digital space, so I think the BBC needs to come to the table with commercial publishers and negotiate where their remit and ours are clearly delineated. That would allow the opportunity for publishers to better monetise their content.

**Q17 Damian Green:** Presumably, but would it automatically fill the gap? There are places in the country that have very strong local journalism and newspaper groups that have evolved online, and others less so. It would seem a bit perverse to say, "BBC, you are not allowed to do that" as that would mean there would be no local content available in some areas.

**Owen Meredith:** I am not arguing that the BBC should do no local content. To be clear, there are no areas of the country, as far as our research can tell, that are not covered by a commercial local news provider, so I think that is a myth, despite the fact that clearly there has been a change in the number of titles covering certainly many patches in the UK.

I think what the BBC should do is negotiate with the commercial sector around what its terms are and what it covers, and what type of content it should be reporting on and publishing online, or syndicate with the local



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commercial providers and purchase articles from us. Far too often my members complain that they invest heavily through their journalists in investigative journalism locally, for example, and then within hours of publishing that story a similar story has appeared on the BBC website without any reference back to the original source. We have a huge problem in how the BBC News operation online interacts with the commercial sector, and by negotiation and discussion we could come up with a much better model.

**Q18 Damian Green:** Are you having those negotiations?

**Owen Meredith:** We are trying to negotiate with the BBC and asking it to come to the table. It is not the most forthcoming in terms of genuine negotiation. I have only been in this role for less than a year and looking back through the NMA's archives and conversations that we have had with the BBC, we have had very similar conversations for a very long time.

**Q19 Damian Green:** Presumably, with local TV you do not regard the BBC particularly as competition, just because it is on such a different scale?

**David Powell:** That is right, Mr Green. It is on a bigger scale. The first point to make is that the BBC is regional. It does not cover local. We have 34 different channels and those are 34 different, distinct localities. The BBC covers some of this. A lot of its output tends to be, "Well, we will just come in and do a report today from this particular town and that is our regional coverage." We do it day in, day out. In terms of identity, levelling up and pride in place, local TV has the potential to do a lot more than the BBC can ever do.

**Q20 Damian Green:** Presumably, it is resources. Take, for example, KMTV. I appear on it more often than I watch it because I cannot get it in my constituency, so it is a similar point. If you do not have universal coverage, local TV is pretty hit and miss.

**David Powell:** First of all, thank you very much for turning up, because you are very good at answering questions.

I think that comes on to where we want to go with local TV. One of the things that we are trying to do is to look at regional digital. That has its own challenges, but if we can get regional digital coverage, that means in Kent, which has transmission difficulties because of the continent, we would be able to give you digital coverage in Ashford, which we cannot at the moment. That requires co-operation with Digital UK and Ofcom and we are working through that, but it is a slow process.

**Q21 Damian Green:** Yes, that would make a difference and it would provide more competition in the marketplace. That would be very good.

Moving on to radio, do you see what you do as competitive in any way with the BBC, or is it just on a different scale?



**Martin Steers:** It can be a very ad hoc relationship with the BBC. One thing to raise, like Mr Powell did, is this difference between local, county and region. In a radio sense, most BBCs are county or even multi-county, whereas community radio is completely local to towns, and even with some of the wider print journalism, it has gone to more of a county regional approach, whereas with community radio it is all towns and villages having their own radio station, with volunteers and journalists from that community knowing exactly what is going on in that community.

With the BBC it can be very ad hoc. Some BBCs do unfortunately see the local community station as an adversary in terms of audience, even though quite often they are going after a different audience, and in some there is collaboration. The BBC does offer some content. We would like to see a more nationalised approach to how some of that works and where there is a better relationship between the local BBCs and local radio stations, particularly in terms of sharing content, sharing resources—maybe as career progression opportunities—and even buying content from community stations.

Similarly, we find that community stations will go out and produce content about a local story in their area, and again within hours or days that same story is then being covered from the BBC. It is a growing relationship that we want to see develop.

Q22 **Damian Green:** It feels from what you all say there is no formal, permanent relationship or arena where you can all discuss these important issues with them. Do you think it would be useful to set something like that up?

**Martin Steers:** Absolutely. The key part is trying to find the right person at the right level to speak to, because there does not seem to be a clear route in, and it is quite hard to start at the top and work down. In the BBC, with community radio there used to be somebody whose role was to interface with community radio and look at it strategically nationally, but that role is no longer there. Absolutely, there needs to be clear signposting within the BBC as to how to have those conversations and how it is then trickled down to local editors. While nationally BBC local radio say that as a whole they want to work with community radio, that message has not completely filtered down to editors on the ground, where they are told it has to be by negotiation with the local stations.

Q23 **Julie Elliott:** Owen, the NMA has said that it is concerned about the BBCs across the UK, but is very positive about the local democracy reporter scheme. Could you outline a little bit what you mean? Why you are positive about one and negative about the other?

**Owen Meredith:** The local democracy reporter scheme is essentially an £8 million scheme between the BBC and NMA that directly funds reporters in local newsrooms. Those are employed by my members. It



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does work, and that content is then available to both the commercial publisher and to the BBC for use.

What the BBC have proposed across the UK is to recruit what they describe as local digital journalists, directly competing with what my members are doing and the journalists that they are employing, but on nothing like the scale. I think this is the problem that refers back to some earlier comments: the BBC coming into a space, however well intentioned they may be in doing so, and by having a presence in a space, satisfying the passive demand for local news. They pick up the big stories, they satisfy that, and that stops that reader then reaching the commercial publisher's website, so the commercial publisher cannot monetise the content that it is investing in across the whole community because the BBC is mopping up that interest in one or two headline stories.

**Q24 Julie Elliott:** You think that the local democracy reporter scheme has worked. Could you say a bit more about why you think that has worked? I do not think it is working, so I would be very interested to know why you think it is so good.

**Owen Meredith:** I think it could be improved. Some of my members would certainly differ in terms of how well they think it has worked, but I think the broad consensus would be that it has worked. It is because there is a direct funding of journalists who are employed by commercial publishers, and it supports the ecosystem and it works as a partnership between the commercial sector and the BBC.

**Q25 Julie Elliott:** Have you done any analysis of the output of these journalists in areas to see how effective and accurate they are in covering local news stories?

**Owen Meredith:** Since January 2018 to March this year, local democracy reporters filed 275,000 stories.

**Q26 Julie Elliott:** How local are those stories and how accurate?

**Owen Meredith:** I do not have the analysis of exactly how local those are.

**Q27 Julie Elliott:** Do you have that within your organisation?

**Owen Meredith:** I do not have the capability, I don't think, but I will certainly look at whether I can do that, because the BBC will potentially have that data.

**Q28 Julie Elliott:** If you find any of that data could you provide it to the Committee, please?

**Owen Meredith:** I will write to the Committee, yes.

**Q29 Steve Brine:** Good morning. It is very interesting listening to you. The whole purpose of this inquiry is to look at the future of local journalism and how that is determined. Martin, what percentage of community radio stations in this country have any news output?



**Martin Steers:** I could not give you an exact number.

**Steve Brine:** What is your guess?

**Martin Steers:** From anecdotal evidence, from chatting to the stations that we engage with, we would say it is a majority but not a large majority. I would say maybe 60% or 70%. This is one of the issues that we have within the sector, that there has not been a significant amount of academic or non-academic research into both the level of local journalism that is produced within community radio and, more importantly, its impact.

What we do know is that for those stations that do it, it is almost entirely volunteer based and produced. I think there is probably one out there, but we have yet to find any community radio station that employs a journalist to be a journalist. The main issue is the commercialisation. Unlike the print—no disrespect to them—in community radio we cannot monetise news output because of Ofcom rules. I am not saying that that should change, but you are not allowed to have sponsors or advertising around news programming and news bulletins.

Journalism is seen as very much a nice to have. I know lots of community radio stations that would like to do more journalism, but because of a fear of getting it wrong, and a lack of qualifications and experience in some people and areas, I know some community stations that do not touch local journalism because they have not yet found someone or have not yet found sustainability within a body of volunteers to produce a comprehensive local. It is a very mixed picture.

Q30 **Steve Brine:** I can understand why that would be the case, but there is no shortage of people wanting to be journalists and wanting to train to be journalists. There are journalism courses doing NCTJ or NCTBJ, which I did many years ago, all over the country. The only reason I ever worked in professional radio was because I worked in hospital radio, I worked in community radio and that is how I learned, through experience. Why do they find it difficult to find young people who want to cut their teeth in that way?

**Martin Steers:** I think it is a minority that struggle, and it is more about the editorial. They have volunteers who might want to do journalism, but without somebody who has a large amount of experience or a qualification to act in an editorial role, I know that some stations are hesitant to even open the door for fear of getting it wrong. Because of being Ofcom regulated there have been several radio stations in the last few years that have got their journalism wrong in community radio.

Q31 **Steve Brine:** That is what I am trying to understand. In a way it goes back to what the Chair was saying. We will talk about this in the second panel as well—I am not saying this is them, for the record—but there are plenty of online news sources who do not seem to have any scruples at all about getting it wrong or about being not so hiddenly partisan. Why



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community radio? Or does community radio just think that what people want is not somebody reading the news or wittering on about what they had for breakfast, but some good music?

**Martin Steers:** No, not at all, and there are some community radio stations where there is no other local news source in their area that are producing dozens of online articles, local bulletins and local interviews, because for news in community radio people quite often just think about the radio bulletin, not online content. At my community radio station at Northampton, we produce online news articles as well as a local news bulletin, but it is also about bringing people in and holding them to account on air from an interview point of view.

Most of the community radio stations we speak to would love to do more, but it is about resources. The issue is that accountability. Like you were saying, unlike some of these other websites, for community radio it is not just about Ofcom regulation. It is about having the trust of the community. Community radio stations want to make sure they are getting the news right, because any form of fake news or wrong news will erode that trust in our community.

For us, our audience is our community and we must make sure that they trust us to deliver local news that is relevant and of interest to them and quite often is local or even more—hyper-local. It is about the issues that are happening on their street, their village or their town, and not necessarily the bigger news stories. The local BBC, which is of a county-based nature, is picking up more of the bigger stories that are happening in the town and not the really hyper-local stories that matter and mean something to those communities, and no one else is championing those stories.

Q32 **Steve Brine:** There are so many radio stations. Radio Garden is one of the best websites ever. I would recommend it to any colleague or anyone watching this. There are so many radio stations on there that you can hover and find. There are famously more radio stations in Birmingham, Alabama, than in most of England. There are about 54 in Birmingham, Alabama.

Picking this up with you, David—new radio, TV, local news is expensive; it costs money to do it. It costs less money to do it in radio than it does in television, but the same principles exist, which is the lack of confidence to do it. Would you say that is true?

**David Powell:** It is not a lack of confidence. Each station has its own agreement with Ofcom on how many hours of local news and other content should be produced. It is fair to say that we have all been struggling with resource. We must subsidise our news from some other source, so we have two models. One is to essentially to get a very large area and that will give you enough advertising revenue to support your journalism. The other is to subsidise it from other sources. Those stations that are subsidising from other sources must use a good deal of



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ingenuity, but they keep going because they think it is a good and important public service that they do.

Jogging back to Ms Elliott's point about the LDRS, we would certainly like to see an expansion of that. We have only one station that has a contract with local democracy, which is not TV, and they find it very helpful, but the rest of us find print output from local democracy reporters is not terribly helpful for TV.

Q33 **Steve Brine:** No, quite, and you cannot play a record, can you?

**David Powell:** No.

Q34 **Steve Brine:** In the same way as the radio can. Other content costs a lot of money. What is the innovation that is happening in local television in terms of journalism? Who is doing it well and where should we look?

**David Powell:** I think it would be invidious of me to point to any particular one but what you do find is that we have eight operating models, and they are all different. That is a really interesting bit of diversity. You have some of our operators who are emphasising culture and they are working through music streaming and using that to subsidise it. Others are taking a whole cross-media approach with print journalism, and then there are others that have partnerships with universities. I think all of those have their strengths and weaknesses.

We have essentially spent the first 10 years surviving, and against some very strong headwinds, but we are all still solvent and we are now trying to think about ways of doing things differently. For example, one of our members is looking at town TV—using a streaming base to try to get more hyper-local—so that is one area. Another station is repurposing its journalists. This is one that has a partnership with a university for research impact, so public engagement with research, and it produces videos that enable very complicated content to be understood, because journalists are incredibly good at telling stories, so that is another area. Another area is simply thinking outside the box. There is another group that is working with Ukrainian TV and producing stories about Ukraine, but with a local twist.

All these things are done, and I would not like to say that one is any better than the other, but I think because we have diversity and we have survived, we can do that.

Q35 **Steve Brine:** That sounds good. Finally, if you could pass the baton to your left, with regards to innovation in local journalism, who do you see as the people who are getting it right and what are they doing? For instance, I have a title in my part of the world called the *Hampshire Chronicle*. It is older than the United States of America, it is a Newsquest title, and it has a very big online offering and the newspaper. Why don't the titles that you represent have television and radio output? Why are they not using that innovation to be cross-channel? They are newsrooms that are gathering, writing, creating and crafting stories, so why would



they not then push them out across a multimedia channel? Why would that not be the innovation?

**Owen Meredith:** Predominantly, my members are publishers first and foremost, so they publish content across a variety of platforms, from print to digital to some video content. In particular, online and audio content is becoming increasingly important, particularly through innovations around in-home devices—Alexa, Google and so on—that can then find local news and relay that in an audio format, either via technological development that allows it to be auto-read, or by journalists reading it for presentation in audio format. There is significant innovation happening in that space.

In terms of why they do not look to broadcast, and Ofcom regulated broadcast in the same way, my understanding is that there are regulatory issues, but I would have to come back to you on that.

Q36 **Steve Brine:** Should there be?

**Owen Meredith:** I revert back to my comment earlier in terms of the way that I think we are going to secure the future for local journalism, which we all value and clearly this Committee values, which is why you are doing this inquiry. There needs to be—I suspect there will have to be—consolidation in the sector, and that probably applies across platform, because the way that news is distributed is multi-platform and I think those regulatory boundaries between what is an online audio stream, podcast, radio broadcast and so on are blurred in the public's mind.

Q37 **Steve Brine:** Finally, you know how local newspapers will publish stories online and then people will comment on those stories; they can get pretty tasty and they can certainly get very political. Are you aware of any titles that are restricting the open access to that comment—putting them behind paywalls, for instance? Is that an innovation, if you can call it one, that is likely to happen?

**Owen Meredith:** Most titles will have some control around comments. It depends on whether you are talking about comments on the publisher's own site or whether they are comments on social media.

Q38 **Steve Brine:** You have to register in order to comment on most websites, don't you?

**Owen Meredith:** Yes, and there will be some level of moderation.

**Steve Brine:** But you can register as Mickey Mouse, can't you?

**Owen Meredith:** Yes, potentially.

Q39 **Steve Brine:** Then you can put anything you like, so should that be moderated in any other way? If it were behind a paywall, for instance?

**Owen Meredith:** Those comments are subject to regulation.



**Steve Brine:** Only by the publisher.

**Owen Meredith:** By IPSO as well.

Q40 **Steve Brine:** All right. Is there any innovation going on in the way that publishers are managing comments, that you have seen?

**Owen Meredith:** Not specifically that I am aware of, but that does not necessarily mean that there isn't. As I say, I have been in the role a relatively short time.

**Steve Brine:** Okay. We will come back to this.

Q41 **Clive Efford:** Can I move on to funding and support? What role does grant funding play in supporting local media, and who should decide how grant funding is distributed? I will start with Martin.

**Martin Steers:** A lot of community radio stations rely on grant funding, and community radio as well as—

Q42 **Clive Efford:** From where?

**Martin Steers:** Quite often it is from local sources, local community foundations, the lottery. The issue with grant funding for community radio is that very few grant funders, if any, will fund community radio for being community radio. The culture of grant funding now is for projects—new projects or time-specific projects. If you try to apply to say, "We are a community radio station and we need X amount of money to exist as a station", they will say no.

You must come up with an innovative way of repackaging a project, and quite often it is not for broadcast but for doing other social gain activities. It is about training, community outreach, community engagement and community development, where you are then trying to factor in core costs as a percentage of that to help sustain the community radio station. There is not enough grant funding for community radio and it has significantly decreased in the last 15 to 20 years.

Q43 **Clive Efford:** It is not for core funding but is for specific projects?

**Martin Steers:** Specific project funding that is often time-limited.

Q44 **Clive Efford:** Is there an issue for you as a radio outfit in terms of higher core costs?

**Martin Steers:** We have higher core costs than some other media organisations. Like the Committee said about backroom publishing platforms, the same can be said within the radio sector. We have particularly seen in the last few years an upsurge of unregulated internet radio stations. We could set up a radio station right here—give me 10 minutes—and be streaming. There are concerns about the impact that has economically in the local area, particularly because they overinflate listenership, they are not regulated so they do not have that same issue, and that kind of stuff.



There are significant core costs. With Ofcom regulated analogue community radio, you have to have a studio, and it has to be accessible and open. You have to have the licence fees, and, for those stations that can, core costs around staffing as well, although staffing is not necessarily the norm. There is a significant body of community radio stations that are entirely volunteer run.

What is of concern particularly with grant funding is that community radio by regulation is limited to its on-air commercial income by 50%, so it must make up to 25% of additional income from other sources—donations, grants and other work—so grant funding for some community radio stations is vital.

**Q45 Clive Efford:** Should there be some way of directing funds towards organisations in an emergency situation to sustain them or should the priority be for innovation?

**Martin Steers:** I think it is a mix of both. There have been cases where a community radio has struggled. Given the nature of community radio in the current operation of Ofcom, if a licence is surrendered or lost, that licence is not readvertised, so that community is missing out. The ability to have some sort of emergency funding to at least sustain for a particular period—to make sure that licence is not lost—would be beneficial.

In this context of what this panel and inquiry is about in terms of journalism, there is very little, if any, funding for journalism within community radio. That is something that could be hugely beneficial for the sector—to support particularly that editorial that I was speaking about to your colleague. If there were people in a paid role who were supporting multiple stations, for example, and could be there to support from an editorial point of view, and to train and support volunteers, I think we could see the amount of local journalism produced within community radio significantly increase.

**Q46 Clive Efford:** If you had that sort of structure, where would that be funded from?

**Martin Steers:** I will be honest—I think there is a responsibility in a democratic society for that society to help support that.

**Clive Efford:** The Government?

**Martin Steers:** Public service broadcasting—some form of funding from society to support that, because there is a lack of commercial ability on journalism within radio.

**Q47 Clive Efford:** Are we talking local government, national Government, or some independent body? If the latter, who would fund that body?

**Martin Steers:** Ideally, I would say national. The problem with local government is that there are some councils that do fund community radio



stations for their output, but obviously there are concerns about editorial control, particularly when it then comes around to local elections and elections. What does that future mean for community radio stations? I have seen community radio stations lose council funding because the local commercial radio station ran a negative media campaign about the council subsidising the stations, so it is almost an arm's length funding from national Government.

**Q48 Clive Efford:** You are saying a national Government-funded body—which would have what resources to be able to assist the industry?

**Martin Steers:** At the moment there is Government funding into community radio already. There is the Community Radio Fund, which is just under £500,000. That amount has not increased in the last 15 years, which was when it was originally set up, for a dozen stations. There are probably closer to 350 stations now eligible for that fund and with the growth of small-scale DAB the number of small stations will significantly increase. That funding at the moment is nearly always directed to short, year-long grants for developmental work within community radio to part-fund a fundraiser, a salesperson or a business development manager in community radio. Those roles are not necessarily always sustainable. There is already a precedent in place for funding through the Government into community radio—so a growth of that.

For me personally, there should be an ability to use that funding to fund local journalism and local content, because that funding does not exist. It would not necessarily have to be from the Government. In an ideal world it would be philanthropic giving, but a lot of independent publishers, media producers and radio stations would all wish for philanthropic giving, very much like an American model from the local community. There is a lot of philanthropy around community and local media, which we do not quite replicate over here.

**Q49 Clive Efford:** The owners of our print media are very philanthropic. David, what is your view on grant funding, where it should be directed and how?

**David Powell:** At the moment local TV gets no grant funding. Some individual stations have local arrangements; one with the university gets a grant from that university. I think two stations get grants from the Arts Council, but it is a bit hit and miss.

One area that one station has found very useful has been the young audiences content fund, which provided contestable funding for a new children's TV series and that helped to cover some of the wider costs for running the station. It has also led to a new production company being created and to other growth, so there are ways of doing it—not funding the sector as a whole, but contestable funding.

The other is an expansion of the LDRS scheme, hopefully, that involves people other than the BBC. I think there are other people who benefit



from parasitic actions on the local information and if there is some way of getting them to cough up that would be quite nice.

**Owen Meredith:** I am not aware of any significant grant funding into local news media.

Q50 **Clive Efford:** In the space that has been created by online journalism and the onset of that, people can set up individually and become a local voice, set up their own online news, report on local council things, and sometimes those people who step into that space are anonymous. Have you come across any areas where there is a downside to these people who pose as local independent news reporters but are not? That space has been created now that is being exploited by people who are not necessarily acting in the best interest of the community they claim to serve.

**Owen Meredith:** That does not apply to any of my members, who are all subject to editorial codes and standards. As I alluded to earlier, the definition that is set out in the Online Safety Bill is a very good one to put a benchmark in place for.

Q51 **Clive Efford:** Is that an issue that you see out there?

**Owen Meredith:** I have seen plenty of examples of the sort of activity that you are alluding to.

Q52 **Clive Efford:** What about the impact of local authority funded journalism?

**Owen Meredith:** In terms of local authority newsletters?

**Clive Efford:** Or newspapers, yes.

**Owen Meredith:** Obviously, this has been looked at a number of times by this Committee and by Parliament, and it is a huge problem. I do not think there is a role for local councils to push out that kind of propaganda against the commercial sector.

Q53 **Clive Efford:** Do you see it as propaganda? You do not see it as a public service to inform about local—

**Owen Meredith:** I see it as propaganda, yes.

Q54 **Dr Rupa Huq:** Crisp answers if possible because we are up against the clock. You might have noticed in the Queen's Speech there was the announcement of a digital markets, competition and consumer Bill, and the idea of that—I think it came from the Cairncross review—was to level the playing field between the big guys and yourselves, "to redress the imbalance in bargaining power in negotiations between publishers and platforms by providing a framework". What provisions would you like to see in this forthcoming Bill and how can the Government ensure that everyone is treated fairly?



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**Owen Meredith:** I think the Bill is vital because of exactly that imbalance of bargaining power between publishers and essentially monopolistic-acting platforms. I think the DMU will have the authority and ability to act on that front, and, therefore, to force negotiation between those platforms who are dependent on news publisher content in driving value to their platform. We published a study last week that showed an estimate that around £1 billion of value is derived by Google and Facebook from UK news publisher content, and we get very little, if any, of that revenue redirected back into the newsrooms who are creating it. We need the DMU to be able to do that.

One of the important lessons we need to learn from the likes of Australia, where other mechanisms have been put in place, is that we need to have a collective bargaining mechanism so that smaller, independent publishers have the ability to join together and negotiate collectively with Google, Facebook and other platforms, because without that the smallest news publishers and the independent newsrooms will be left out.

**David Powell:** I don't have much to add to that. Local TV Network is not particularly engaged with that particular Bill, but in terms of general principles I think that we generally support a much more level playing field.

**Martin Steers:** I absolutely agree. Community radio stations are completely hyper-local and can struggle to engage with the online platforms at all. Even things like blue tick accreditation is incredibly hard, which can give some of that verification of the legitimacy of these platforms. The ability to come together and have dialogue with these platforms collectively would be hugely beneficial.

Q55 **Dr Rupa Huq:** Have you been consulted? Usually there are some hearings at the start. You said you have not.

**David Powell:** No, we have not been consulted.

Q56 **Dr Rupa Huq:** It is a brand new thing pulled out of a hat?

**Owen Meredith:** We have had engagement with the DMU in its shadow format, and I would like to see it have its statutory powers ideally brought forward in this Parliament because I think it is urgent.

Q57 **Chair:** Owen, the DMU has been set up in shadow form, but we are going to have to wait quite a while for the actual legislative power to their elbow, so to speak, because the Government are talking about pre-legislative scrutiny. They have a lot of Bills on. As we know, there is always limited scope in terms of Bills within certain Departments. What do you make of that? Do you think they need to get cracking with this, rather than, frankly, potentially delaying it until the next Session?

**Owen Meredith:** Yes, I would very much like to see that Bill published as soon as possible. I am not sure what stage of the drafting process it is in, but we have had endless or seemingly endless consultation on the



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regime. I think the UK has in many ways led the world in terms of the studies, particularly the CMA study into the online advertising market. That has been referenced internationally and demonstrates the problem, which is well documented. We need to get on, publish the Bill, and get Parliament to look at it.

**Q58 Chair:** What are the consequences of the delay—this foot-dragging that we have seen?

**Owen Meredith:** My fear is the consequence of delay in not getting a level playing field and an ability for publishers to negotiate is, sadly, the closure of more local titles. I think this is a very urgent matter that needs to be addressed by Parliament as soon as possible.

**Q59 Chair:** Do you think that the Ministers within DCMS and the officials quite grasp that urgency? They have commissioned all this work, they have said they want to do it, they set it up in shadow form, yet here we are waiting for pre-legislative scrutiny and an endless amount of time to see it come forward. Do you think they understand this urgency?

**Owen Meredith:** From my perspective, the NMA has a good relationship with DCMS officials. They engage with us on a frequent basis on a range of policy issues and I think they understand the severe economic pressures that the industry has been under. They have been very supportive through the coronavirus pandemic in terms of engaging with the industry and understanding where those financial pressures were, particularly with the “All together” advertising campaign that did a huge amount not only to inform communities about the pandemic and the health measures that were in place, but also supported the sector through a difficult time in terms of advertising revenue from other sectors drying up. I think there has been an understanding, but I do not know where the hold-up is—where that urgency is lacking.

One thing I would say is that the sooner the Government can publish a Bill, that will enable publishers then also to engage directly with the platforms. Once we know the parameters that the Government are setting in terms of direction of travel, we can begin some of that stuff and hopefully get some progress in that direction of travel before the legislation is necessarily on the statute book.

**Q60 Chair:** Do you find there is a lot of lobbying going on from the platforms? We know that, for example, Meta has recruited a plethora of lawyers and is fighting the CMA tooth and nail over its decision to block certain takeovers. Do you think that effectively this delay may be due to these masters of the online universe lobbying Government to kick it a little bit into the long grass?

**Owen Meredith:** It is probably best I do not speculate too much on that, but I think it is probably quite clear.

**Q61 Chair:** There is lobbying going on and you think quite substantial lobbying from the social media platforms, and part of that is to delay a



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fair deal for your sector.

**Owen Meredith:** As I say, it is best I do not comment on what lobbying—

**Chair:** You must know there is lobbying.

**Owen Meredith:** —other organisations are doing, but all I would say is I do have conversations with Facebook and Google and they tell me that they are supportive of the concept of legislation.

**Chair:** Okay, fine, just the concept.

Q62 **Jane Stevenson:** We have skirted around it a little bit, but I would like to talk about the future business models for your different types of local news. The Committee has heard about different ideas—about full community ownership, about a franchise model, about all sorts of options. In five years' time where do you feel your ideal business model is heading? Can I start with Owen?

**Owen Meredith:** I do not think there is a one-size-fits-all business model in this and it is certainly not my job to tell my members how to run their businesses. Most of them see the future having multiple revenue streams. Traditionally, revenue streams would have been simply cover revenue and advertising revenue. There are now many more ways that you can bring revenue in, with innovation happening across the industry.

Recently, some of our publishers have made archive content available, and that is a potential revenue stream. There is technology that now allows single article payment and that is a different revenue stream; newsletters; audio, as I referred to earlier; and using the skills in the newsroom and the advertising ecosystem that exists around publishers to support local businesses and marketplaces. It is a multi-revenue stream but the fundamental that will support the industry and ensure it is sustainable for the long term is getting a level playing field in a digital environment, which is where the readership is.

Q63 **Jane Stevenson:** For things like public notices, is it important to keep them print-only? Are they a significant part of future business?

**Owen Meredith:** Public notices are worth about £40 million in revenue to the local news sector every year, which is vital revenue in terms of supporting that journalism. We have a partnership deal with Google, which has granted us £1 million to develop a public notices portal, which is an online offer that will support surfacing those print public notices in a digital environment—searchable at postcode level but still identifying with the publisher brand. Innovation is happening in that space as well as the importance of keeping it in print.

**Jane Stevenson:** That is a sizeable amount of money. David?

**David Powell:** The first point is that we also do not have a single business model, so I could not speculate what that might be in five years'



time. All our members would like to see, first, a level playing field. Local TV is very much an afterthought on just about everything. It was striking that Ofcom did its Small Screen: Big Debate. We said, "What about local TV?" It said, "No, later." We had a White Paper, "Up Next", which was a good White Paper, I have to say, but it said about local TV, "We will consult later." Then we talked to Ofcom, which said, "After the consultation and the legislation, then we will start to think about a process. Then we will consult about that process. Then we will implement that process", by which time our licences will have gone. That, to me, seems not to be joined-up thinking.

My second point is around the point I made briefly earlier to Mr Green about levelling up. The Government say, "We want localism and we passionately believe in it." If you want to have pride in place, local TV can give you pride in place. We do not have the resources, but if you want to have a conversation, we would love to have that conversation. If you want to devolve authority or you want to devolve power, you have to hold people to account. You can either hold them to account through the BBC or have local people holding them to account, which means local TV and local press. But local TV has an immediacy that local media cannot do. I would like to see much more of that.

In furtherance of that, we try to do two things technologically. The first is around a regional IP solution, which we have to do ourselves because no one else will help us. The second is around red button technology so that we can ask people questions, which again we think will be useful. We are getting there but it is hard work because we are on our own.

**Q64 Jane Stevenson:** It does sound quite expensive. Where do you see the funding coming from?

**David Powell:** With red button we have come on some way. We can probably do that. On the cost of digital, we have started conversations with Digital UK. We come pretty low down on the priority list of things to do, but the conversations have been constructive so far.

**Q65 Jane Stevenson:** Martin, you mentioned your public funding wish. Is there anything you would like to add?

**Martin Steers:** There are a few other things. Community radio is a diverse business model. There are little things like looking at the charitable status of community radio. It does not hold charitable status. While some community stations are charities, it is normally because of other means such as being an educational charity. Charity status for community radio stations could open up other doors in terms of funding, philanthropic giving, tax advantages and that kind of thing.

The future of platforms is a concern as well. It is a bit disappointing that in the media Bill there is little on radio at all. We see the roll-out of small-scale DAB, but it is going glacially slowly. If digital radio is the future, at the moment we are not even sure that every current Ofcom-licensed



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analogue station will be able to be on a digital platform in the next five years, let alone 10 years, so that needs securing.

Also, I echo the LDRS, which is a great opportunity for community radio. I would like to see some community radio stations, if it was to be continued in the next bidding round, bidding to hold some of those contracts but also looking to expand beyond just written into rich media, audio, video and that kind of content that community radio stations can use.

The other big issue that we have tried to address is around public service broadcasting or Government messaging. Community radio stations as a whole are excluded from being paid to broadcast a plethora of adverts that the commercial radio stations do. I know of only one community radio station that is paid to do that because there is gatekeeping involved that we have tried to unlock and have not been successful. We are not asking to deprive commercial radio of that. We are asking for a little bit more increased spending from the Government and, more importantly, those vital messages coming to our audiences, too. The Government are putting those messages out there for a reason. Unlocking that particular problem would be a significant income stream for the community radio sector.

**Q66 Jane Stevenson:** Last week I met colleagues from across Europe to talk about news and media. We were talking about how young people find news. The message we had back was that news finds them. It is often on Facebook, Twitter and other platforms. You mentioned having a better deal with these platforms. How do you feel that your presence will happen within that so that young people do discover your content moving forward?

**Owen Meredith:** These platforms are essentially the gateway to the internet for the vast majority of people. As a result, it is the gateway that many of them find news. But that news content is not published by those platforms. It is published, more often than not, by my members. The monetary value that the platforms gain from publishing, sharing and servicing that content does not flow back to the original content creators. We need to create a level playing field that achieves that.

We found within our data—and I have included more in the written submission to the Committee—that the audience growth in the digital space is sharpest among younger audiences, which is good for society and good across the board in ensuring that people have access to trusted sources of news in a world of disinformation and misinformation elsewhere.

**David Powell:** We have the same problem that we cannot monetise it. Yes, we try to put out more stuff through social media and people do look at it, but we do not get anything for it and that work requires effort.

**Q67 Jane Stevenson:** You do not feel it is translating into regular viewers,



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particularly?

**David Powell:** No, it is not.

**Martin Steers:** It is a huge opportunity for us in some ways. It is a way of growing an audience. The big issue we have is that it is an ever-increasing crowded space, particularly with, as I was saying, unregulated internet stations launching and putting a lot of energy behind what they do and quite often misrepresenting what they do compared to the licensed stations we represent.

The big issue with young people is that they are not necessarily on Facebook and Twitter. The new platforms are ever-increasing visual, video platforms, which is a great opportunity for the TV sector potentially. For radio and print journalism, innovating and pivoting to try to engage that audience and then driving what is often quite short-form video content—of more an entertainment nature than a journalistic nature—and funnelling that audience into journalism, local issues, local accountability and democratic issues into our platforms are significant challenges. I do not have the solution for that. If you have, I would love to hear it.

Q68 **Jane Stevenson:** It must be tempting to become clickbait yourself and make content that is more extreme or more provocative, maybe.

**Martin Steers:** Absolutely, but bear in mind two things: we are Ofcom regulated so we have to be very careful of that; and the trust of our audience. Nearly everyone within the community radio sector I speak to completely avoids any form of clickbait because you can erode public trust in your community so quickly by going down that route. Platforms and content creators out there do go down that route and then, quite often, you have to counter what is being produced by that.

Q69 **Simon Jupp:** Good morning. The media Bill, as already touched on, did not do much or say much about radio, which was disappointing for many people in the industry. There was nothing, for example, about how smart speakers can be regulated and prominence on those platforms. It did, however, talk about the idea of consulting in early 2023 about the future of community radio and what that could look for. What would you like to see done about community radio to improve or enhance it via this consultation, Martin?

**Martin Steers:** Thank you for the opportunity on that. The smart speaker issue is quite paramount because the day the White Paper was released, TuneIn took, I estimate, hundreds of local community radio stations off TuneIn. It suddenly emailed everyone and said, "Show us your music licensing, but we are taking you off in the meantime." There was a wave of comments. We were getting emails from stations saying, "We have just been taken off." There was almost a sense of irony that that happened the day that dropped.

For us, it is about continuing to secure the platform. Personally, I believe FM as a platform will be around for decades, despite the predictions of



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the Government and DCMS. Despite those, I slightly disagree in terms of diverse, niche and underserved communities that are not catered for by the mainstream commercial and the BBC. Those communities will potentially be left behind with a fully digital revolution. Also, like I said, make sure that small-scale DAB works for community radio and is sustainable. It is about that sustainability.

I also believe in protecting community radio. The phrase used was “champion”. Quite often, very much like local TV—although from the sounds of it not as bad—community radio is forgotten or left behind or is a footnote of that legislative approach. The sector needs to rise to that. Strong voices for the commercial radio sector are out there. The UK Community Radio Network is looking to do that role of raising the voice by doing things such as this.

**Q70 Simon Jupp:** Clearly, the role of community radio has been enhanced because of the complete deregulation and ultimate destruction of most commercial local radio stations. Only a handful of independent commercial radio stations are left in the country. Most of them are regional stations or quasi-national stations covering a smattering of local programming, if we can call regional “local”. Do you see any effort to try to network in community radio and what is your response to that?

**Martin Steers:** I am hesitant, although it depends on the nature of that content. Towards the end, some community radio stations took the opportunity of the audio content fund, once we managed to unlock an almost gatekeeper approach to it, because the traditional production houses were accessing that. Towards the end, community radio stations managed to unlock content as part of the audio content fund. That forced you to bring multiple community radio stations together.

A lot of community radio stations share affinity with each other. Community radio falls into community of location and community of interest, particularly with the community of interest stations being able to share particular programming. Some do that already with syndicated programming, which tends to be around specialist music or specialist content. The broader concept of networking I am hesitant about unless it is done at a localised level. They do not do it anymore but in Bristol a couple of community radio stations used to share a breakfast show. In a local environment like that, that absolutely works because they still serve that local relationship. For me, the majority of community radio stations are communities of location and that locality is the core purpose of community radio.

**Q71 Simon Jupp:** That was a good breakfast show in Bristol, I have to say. Are you concerned that some community radio stations—because they struggle to get the talent and the resource to do local news and local programming, to hold people to account and to do that important localism piece—end up just being jukeboxes with DJ Dave Doubledecks who cannot get a gig anywhere else?



**Martin Steers:** I would like to hope that that example within the Ofcom-licensed community radio sector is a big minority. Most of the stations that we engage with will have a lot of music programming but will also try to concentrate what they can in terms of local issues, journalistic content, interviews and so on. Quite often it is about resources.

I am in the community radio sector for over 15 years now. It is about engaging young people into community radio because the original generation that launched community radio is now at retirement age. It is about bringing in local people. From the audience, though, is a constant drive of growing the audience locally. Community radio has seen a significant rise in that audience because of, like you said, that homogenisation, further networking, further quasi-regional, quasi-nationalisation of the commercial radio market. Community radio stations have seen that benefit and have seen an opportunity and quite a lot of them have grasped that.

Ultimately, it comes down to funding and sustainability. Community radio stations were significantly hit by Covid in terms of advertising. Most stations have now managed to recover from that but the key is the sustainability of community radio so it can continue to produce great local content for local audiences and local communities.

**Chair:** Thank you. That concludes our first session. Thank you to Owen Meredith, Martin Steers and David Powell for your evidence today. We will take a short break of about five minutes while we set up our second panel.

## Examination of witnesses

Witnesses: Adam Cantwell-Corn, Jonathan Heawood and Michelle Stanistreet.

**Chair:** This is the Digital, Culture, Media and Sport Committee and this is our second panel in our inquiry into the future of local journalism. We are joined in our second panel by Jonathan Heawood, executive director of the Public Interest News Foundation, Michelle Stanistreet, general secretary of the National Union of Journalists, and Adam Cantwell-Corn, co-founder of *The Bristol Cable*. Jonathan, Michelle and Adam, thank you very much for joining us this morning.

Before I turn to our first question from Damian Green, I need to make a declaration. Between 2012 and 2014 I was the father of chapel at *The Independent* newspaper.

Q72 **Damian Green:** When I was a journalist working for ITN, the great David Nicholas, who was the editor, said, "News is what is new, true and interesting", which is a perfect definition. How does public interest news differ from news?



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**Jonathan Heawood:** That is a good question. Also, quickly, thank you to the whole Committee for running this inquiry. It is good that you put back on the political agenda the question of the sustainability of local news. Cairncross made some good recommendations in that area and the Government have not, as we can discuss later, taken many of them forward. It is good to get this back on the agenda.

Public interest news, simply, is news that supports the common good and the wider interest of society in making sure that people are properly informed so that they can take part in democracy, whether that is national, local or regional. People sometimes think public interest news is like the broccoli of the news world—necessary and healthy but perhaps a bit boring and not tasty. That is not necessarily true. It can be all sorts of things. The common denominator is it is news that genuinely informs people of matters of shared relevance; for example, not celebrity gossip and not necessarily some of the softer forms of journalism like book reviews, film reviews and so on, which are interesting, useful and significant, but not necessarily democratically significant.

Q73 **Damian Green:** Moving on to practicalities, then, Adam, you presumably do public interest news. What size audience do you get and what response do you get?

**Adam Cantwell-Corn:** We measure our impact and response in different ways to many other publishers. That is partially to do with our business model, which is not reliant on digital advertising or any advertising at all. Whereas advertising prioritises scale necessarily to get eyeballs on adverts, we prioritise other metrics that might be to do with dwell time—how long somebody stays on a particular piece of journalism, how they share it, how they engage with it in terms of comments—and in particular for *The Bristol Cable* whether they subscribe to become a paying member. Our journalism is pretty much exclusively what you call public interest journalism, although there are softer elements to it.

In terms of our audience and membership, currently we have 2,800 members who pay on average £3.50 a month with a minimum of £1 to become a subscriber. Then we have tens of thousands or hundreds of thousands on a monthly or quarterly basis.

Our impact has been varied. There are hard-to-measure aspects of impact and other aspects will be easier to measure. For example, numerous court cases have been sparked by *The Bristol Cable* reporting changes to local government policy. Members of Parliament have made different statements in the Chamber following stories that *The Bristol Cable* has reported.

Broader than that, our impact—and why I am glad to be here today—is about the contribution to this conversation about the ecosystem and the wider industry and whether we can get out of this chronic crisis that has been going on for 20 or 30 years, which has been made acute. Some have called it an extinction event because of the pandemic. I am glad to



be here and hopefully we can move towards some resolutions that match the scale of the issue.

**Q74 Damian Green:** Is your model replicable? Do you need a big city to have what you have or could it go in more rural areas?

**Adam Cantwell-Corn:** At the moment, it is not replicable because the market conditions are not favourable to any business model. Some people in the sector say that survival is success. Just the fact of being within this sector in such a brutal commercial environment is a measure of success. *The Bristol Cable* is considered the single publication that is out front in terms of innovation, development and quality on the independent local scene in the UK and beyond, but we are extremely vulnerable. Essentially, the market is broken. For other innovations to happen and for the emergence of the next generation of public interest media, they will need to be supported by some form of multi-tiered short and longer-term policies, and public policies to support that.

**Q75 Damian Green:** Trust is at the root of it. For public interest journalism to be successful, it has to be trusted. We have seen that trust in news outlets generally has gone down in recent years. Indeed, your foundation says that audiences are more likely to trust local news organisations, but some of the reports do not suggest that. The Reuters Institute for the Study of Journalism said that average trust in ITV News and BBC News was 61% and 62%, while average trust in a regional or local newspaper was 52%. Why is that?

**Jonathan Heawood:** We thought that was interesting and that was why we commissioned some deeper research into these nuances in the trust stats. We asked the public through Opinium. We asked 2,000 people if they would be more likely to trust a national news provider, a local news provider based in the area that it covers, or a local news provider not based in the area that it covers. The significant preference from the public is for local news that is genuinely local. There is a much higher net positive trust rating in locally owned local news, but people have a net negative trust rating in the kind of news that people are familiar with from some of the corporate publishers, which covers a big regional area and is not necessarily relevant to the actual town or set of villages that people live in.

**Q76 Damian Green:** You asked a general question. It is not quite comparing like with like. If you ask a general question, particularly in that form, then of course people will say, "I want somebody who knows my area and is based in this area." Presumably, the Reuters questionnaire asked, "Do you trust X or Y?" It is counterintuitive but nevertheless interesting. Is it just that the brand of the BBC or ITV is so strong still that it outweighs the local considerations?

**Jonathan Heawood:** It is hard to know. The last panel talked a lot about the importance of high-quality regulation and the fact that the BBC and ITN are Ofcom-regulated. They are accountable. People can complain



to Ofcom and get their complaints dealt with. I strongly assume that plays a part in it. Research into trust in general shows that people tend to trust other people who they think will be responsible for their mistakes and can demonstrate that they will be accountable. At a local level, accountability can be quite informal as well. I know local publishers who say, "I have to walk into the pub, the community centre or the golf club and stand up my stories." That visceral, lived accountability does not apply if you are based 500 miles away in a tower block somewhere in London.

**Q77** **Damian Green:** Michelle, in a sense you are presumably in a position to almost opine on this judiciously because you have national journalists and local journalists in your membership. What is the feeling inside the NUJ on this issue?

**Michelle Stanistreet:** The whole area of public trust in journalism certainly could benefit from even further exploration and unpicking. Declining trust in journalism should alarm all of us. It is a concerning issue. It is not necessarily surprising in many respects when you look at the proliferation of so-called fake news, misinformation or disinformation. We have seen that starkly in some of the work that the NUJ has done around the safety of journalists, in fact. In the threats and harassment that comes forward, we also see a strong narrative of journalists almost being the embodiment of the so-called mainstream media who are attempting to hoodwink or frustrate the will of the people in some way. That whole area is of massive concern to the NUJ.

When you look at some of the studies, public service broadcasters, local newspapers and local news outlets score broadly higher than other areas of journalism. That is also an important fact in reality and perhaps demonstrates that journalism that is rooted in somebody's locality, neighbourhood or local area resonates with people who view or read that news.

I know that during the pandemic the Government made investment in advertising with the main media outlets and the main newspaper groups. While we had issues in how that money and that funding was shared out because it was not shared out across the broadest sense of the news sector, some of the metrics that came from that were quite interesting in terms of the level of engagement that those local communities had with the advertising and the take-up from it, which to me also reaffirms that at a time of crisis people turn to sources of information that they found to be trustworthy and reliable. Quite often that was the public service broadcasters, their local newspaper and local news outlets. We can build on that in terms of trying to build trust in those products and in journalism because of its importance to our democracy.

**Q78** **Damian Green:** Either you can build trust by having a big national brand that, broadly speaking, people say, "Okay, most of what they do is right", or you can be local enough that you might run into this guy in the pub, so he needs to know that he can stand up his story.



**Michelle Stanistreet:** It is about having content that is reflective of your life and your experiences. It is about the area that you live in. It is about the public services that you and your family rely upon. The point that Jonathan was making about a study that shows perhaps differences of opinion between a paper or an outlet that is rooted in that community and one that is quite removed—more of a regional hub perhaps—is important. That reflects the NUJ's experience as well. When a lot of local newspapers moved out of those town centres and areas, they lost a connection with the public. They are not as visible and perhaps the news in that title is ever less local and ever less relevant. That is also a factor in the decline in readership in those areas.

Q79 **Damian Green:** In terms of maintaining public trust, I am struck increasingly; if people want to rely on local sources, that local source often, if my email inbox is anything to go by, is a local Facebook group that sometimes will say, "A car has broken down on this road. Do not try to drive that way", but will also say, "This is what is really happening with Ukrainian visas", and may not be entirely accurate. Is there competition from below, as it were, from what people pompously refer to as "citizen journalism"? It is quite often people just passing on gossip, but if it is on Facebook people believe it.

**Jonathan Heawood:** I do not know if they do believe it but they certainly inhale it.

**Damian Green:** Some do, I can tell you.

**Jonathan Heawood:** You can have a miasma of semi-belief or quasi-belief. It is like you are living in a constant smoke and you are not quite sure if there is fire or not but the ideas are circulating. That is my sense. We want a situation where people can say, "If I have read it here, I am 99% confident it is true. If it is not, I understand that they will correct their mistake." That is clearly not what Facebook or nextdoor.com give you.

In addition, simply, be more relevant. I went on nextdoor.com for my local area and the main story yesterday was someone complaining about smoke from a bonfire and someone else responding to that complaint by saying, "What do you expect? You live in the country." That was the sum total of democratic debate on nextdoor.com for my particular postcode yesterday. If I had a local paper, I assume that story would not be in the paper unless there was something concerning behind that fire.

**Adam Cantwell-Corn:** On that matter, that story probably would appear in a local newspaper, in a legacy title, because that is the sort of cheap, quick turnaround thing that will generate some outrage and some gossip in the legacy title. If you open up some of the legacy titles as represented by the NMA, while there are brilliant journalists within them, some journalists I know who work for titles like Reach and so on have to produce five or more stories a day. You cannot expect journalists or anybody to produce quality journalism at that level.



This comes back to the focus of this Committee, which is the sustainability of local journalism, and that is the economic and business imperative of the advertising-driven model. Journalists are forced—and Michelle should be able to talk about this as well—and increasingly more so to produce things more at scale, optimised for virality and for clicks, to recoup some form of meagre income that is not taken from the tech giants. When that little advert floats past you on an article, Google and Facebook and others take the vast majority of that. The business imperative for the publishers is to grow how many people look at those articles. The way to do that is to crank up the outrage, drive down the cost of producing it and make things cheap, quick and, frankly, a little bit dirty, like the fast food of journalism.

The way we will move away from that is if we recentre the audience—as in the public—and the public interest rather than the advertiser as the primary audience for journalism. Unfortunately, we have now drifted into that situation because of the failure to generate revenue through quality journalism and digital advertising. That is the crux of it.

**Q80 Dr Rupa Huq:** I want to continue on some of these themes. In Ealing, we used to have the *Ealing Gazette*, the *Acton Gazette*, the *Midweek Gazette*, the *Informer* and the *Ealing Times* at one time. Now there is the *Gazette*, which has planning notices from Westminster to Uxbridge, which is quite a lot of miles, so it has been subsumed and there is little Ealing news. Instead, we have this My West London site, which has all these titillating headlines. Reach plc is behind it. Before that, it was Trinity Mirror Southern. It just has all these pop-up things. It is impossible to read because there are always pop-ups within pop-ups. As you say, the sensationalist headlines reel you in.

Digital advertising can be a profitable business model for large news publishers. You started saying already, Adam, and you are on record talking about the business imperative of clickbait. Can the three of you tell us the pros and cons of clickbait?

**Adam Cantwell-Corn:** I do not know if there are any. Before digital advertising, there has always been a healthy, perhaps, tradition of scurrilous and sensational journalism, and also partisan journalism, in the UK and beyond. Sensationalism predates the collapse of the traditional model of journalism.

Digital advertising, and the relationship and power imbalance between publishers of content and organisations like the tech platforms that control the advertising market, requires the publishers and the journalists to produce at scale. People often think about clickbait as coming only from some cynical place of muddying the waters of public discourse, and it certainly has been weaponised to that effect. It actually comes from the economics of it. If you get, for example, 1 pence from every eyeball that looks at an article because Google takes the vast majority of the rest of it, then the only way you will make money will be to get hundreds of



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thousands of people or tens of thousands of people to look at that article. You do that by driving down the costs—

**Chair:** Excuse me. Mr Heawood, can you put your laptop away, please?

**Jonathan Heawood:** I will. I had no idea it was not allowed. That seems to be rather odd.

**Chair:** Okay. Please continue.

**Adam Cantwell-Corn:** Yes. It is to drive down the cost and to jack up the response from the audience. "Man tells neighbour to X,Y,Z because of smoke in garden." That will interact with Facebook's algorithms, which we know through various public issues achieve some virality and comments, but it does not tell us about the world. It does not tell us why it is happening. It does not tell us about the public conversation or democracy. There is not much benefit for clickbait except to support an unfortunate and ailing model of digital advertising-led journalism.

Q81 **Dr Rupa Huq:** Does it change what people look at? When I was first a candidate, I remember being told, "Write lots of letters to the letters page of your local paper because it is the most read thing." I cannot remember seeing a clickbait letters page. The comments underneath the line are probably all people having their two pennies' worth. Has it changed the dynamic of what bits of the local news—

**Adam Cantwell-Corn:** Yes, it has. I will not name the publication here but it was talked about by the gentleman from the NMA earlier and there was much made of the journalism that is being done. There is a lot of brilliant journalism. If you have a general scroll down, we have three articles in a row on the homepage: "'BBC Breakfast' star Louise Minchin's outfit causes stir", "'BBC Breakfast' star Dan Walker delivers lengthy speech as Sally Nugent moved to tears", and, "Richard Madeley annoyed by Lorraine Kelly announcement on ITV's 'Good Morning Britain'". This is one of Reach plc's titles—

**Dr Rupa Huq:** Is this the *Express*? It seems to just do social—

**Adam Cantwell-Corn:** No, it's not the *Express*. This will be syndicated across hundreds of different local titles. A lot of these local titles are not really local where the content is produced. There are brilliant on-the-ground local journalists but not enough because the model is undercutting that quality work. Coming back to the trust thing, before I move on, before I give the floor over, there is a question here of transparency and ownership. *The Bristol Cable* is 100% owned by our members. We are entirely transparent. All of our financials have—

Q82 **Dr Rupa Huq:** Is it in the black? Is it doing okay?

**Adam Cantwell-Corn:** Like I mentioned before, we are doing okay. We can talk about *The Bristol Cable's* model. There is a question about funding and the future of public interest local journalism that we can



discuss. Many of the main conglomerates not only are conglomerates on a national level but are in turn also owned by international asset managers, hedge funds and so on. You may not have a problem with that and that depends on your view on things, but news has become commodified, just like any other commodity. It is traded and it is exchanged and, in the process, it is made as cheap and as fast as possible. Therefore, it is debased and we have these issues of clickbait and public disengagement. Into the vacuum of the collapse of the business model has come fake news and has come—probably worse—news avoidance and people disengaging from the political and civic process altogether.

**Q83 Dr Rupa Huq:** Does it detract from real news and just easy wins about what someone was wearing?

**Jonathan Heawood:** Yes. Anecdotally, my local town is Crowborough in East Sussex. I went on the Crowborough page for Sussex Live, which is the Reach website that covers that part of the country, and 25% of the stories were about Cate Blanchett. She happens to have a house near Crowborough—a rather lovely arts-and-crafts mansion in Ashdown Forest. She gave an interview to the BBC when she bought that house. Reach plc journalists had unfortunately been tasked with repurposing that interview with the BBC multiple times. When you search “Crowborough”, that comes up top of the list: “Cate Blanchett loves her new home in Ashdown Forest”, “Cate Blanchett remembers childhood reading of ‘Winnie-the-Pooh’ from her new home in Ashdown Forest”.

There is nothing wrong with writing a headline that attracts an audience. All journalists want an audience. No one sits in a darkened room thinking they are doing great journalism if no one is reading it. The problem is that when the tail wags the dog, and it is needing to get the audience. For all the reasons that Adam set out eloquently, when that then dictates the kind of stories that you cover, we have a real democratic problem there.

**Q84 Dr Rupa Huq:** What is the relationship between social media and all these clickbait platforms? They drive each other and wind each other up.

**Jonathan Heawood:** Social media has done two things, one fantastic and one problematic. The fantastic thing is it has brought everyone into the conversation. In the 20th century you had newspapers owned by companies that told everyone else, “This is what is happening. This is what to think.” In many cases, they may have been accurate, ethical, relevant and all the rest of it, but it was a potentially narrow view of the world and not everyone was represented. Social media has allowed everyone into the conversation. Because everyone is in the conversation and it is completely unstructured and the incentive on social media is to generate advertising revenue, which, as Adam has said, is generated by people becoming emotionally engaged, the digital media economy is geared towards outrage, shock, horror, animosity and conflict. So we are all there, which is good news, but we all shout at each other, which is not



so good. Those who win in the digital media economy are often those who shout the loudest.

**Q85 Dr Rupa Huq:** Michelle, you represent members. I can see that since blogging, journalism has been devalued. People think you can do it for free, so why pay anyone? Again, there are two big players locally now that the *Gazette* has shrunk in significance. Neighbour.net covers a lot of west London and south-west London. Ealing Today and Acton W3 has stuff all the way to Putney. There is also Nub News. They do not pay people who contribute, which infuriates real journalists. Is there a danger that in this clickbait model we have the two extremes—the parish pump one that pays nothing and the big guys who can drive advertising?

**Michelle Stanistreet:** It is important when we talk about sustainability of journalism that that is differentiated from the sustainability of the status quo and the current business model. You are right that clickbait and the whole structure of the digital advertising business model mostly dominates the sector and is a massive source of frustration for NUJ members and journalists on the ground.

We mentioned in our submission staff at Newsquest, who are expected to achieve high page numbers of 500,000 a month to qualify for bonuses. They are paid poorly. Morale is mostly at rock bottom there, which is reflected also in a significant churn of people. People come to do a job, put up with a job for a few months and then bail out because they cannot cope with it. It is depressing and unrewarding for them.

That pressure leads to a preoccupation with clicks and a push for content. We see that across the board—not just in that group but in all the other groups as well. Adam mentioned targets for stories per day. Anyone who has worked in a newsroom knows that if you have to churn out five or six stories a day, you are not able to make those high-quality pieces of content. That is not what most journalists get into journalism to do, particularly those who work in local news. They are there because they have passion for it and because they want to be reporting. They want to find out what is happening on the ground and reflect that back to those communities that they serve.

It is a significant problem in the sector. We are looking at this as a massively ailing, vulnerable business, but one that cannot be allowed to go to the ground because it has such a strategic importance in our lives and in our democracy—one that we should care about. We have to think about a different way of sustaining it, and of journalists being able to make ends meet and be paid for the content that they create.

**Q86 Dr Rupa Huq:** My last interaction with My West London was with a journalist who came on the Tuesday before the election to interview me. They slightly did me over but I should have been able to guess this because I wanted to do it on the Monday and they said, "I will have left by then to go to *The Spectator*." That is when I should have seen that. I said, "*The Spectator*?" She said, "It is too competitive in left-wing media."



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I would have liked to have gone to *The New Statesman* or wherever." Is it true that there are jobs that can pay in *The Spectator* but she would not have had an equivalent elsewhere? I wondered if she was making that up to do me over.

**Michelle Stanistreet:** I am sure she was not making anything up or attempting to do you over. There are always sources of private grief on this Committee when you talk about your engagement with journalists in your jobs.

The reality is that there is low pay, stagnated pay and poor terms and conditions across much of the media sector—the newspaper sector particularly—whether it is local or national outlets or in magazines. There is a dearth of great jobs and there is a lot of challenges in some of the local news outlets. That means that a lot of people are on the lookout for a job wherever they can get it—not necessarily their dream job perhaps for that particular individual, but one that they can hopefully pay the rent and meet their living costs with.

**Jonathan Heawood:** Just to add, I happened to have lunch with a journalist at *The Spectator* on Sunday and noticed he was driving a nice car. Salaries are healthy.

**Michelle Stanistreet:** Good. I hope so.

**Jonathan Heawood:** Broadly, there is an issue here. We know from our research into the independent sector that outlets that aim at a national audience and cover national or even international issues are much more viable than those that aim at a local audience. There is a clear correlation. The bigger your potential audience and potential coverage, the more likely you are to find a business model because either you will generate lots of clicks through advertising or—with *The Spectator*, *The New Statesman*, *Prospect*, *The Economist* or those fairly elite publications—you will be able to find enough fairly affluent people who will be prepared to subscribe to cover the costs of producing a quality publication. The economics are geared against local for all sorts of reasons.

**Adam Cantwell-Corn:** I have a brief comment on that. You mentioned *The Spectator*. We can debate the merits of *The Spectator* another time, but the point that is raised—I reiterate what Jonathan said—is that the publications that do well tend to focus on the audience and have subscription-based or sales-based models. *The Spectator*, *Private Eye*, *The Financial Times*, *The Guardian*, *The New York Times* and *The New Statesman* are global publications. The difference is that *The Guardian* is free to access online and many of the others are as well and they are advertising-based as well. But they are trying to shift towards the reader because that is the mark of success. It is more sustainable. It centres the actual audience, rather than the fleeting and poor relationship with the tech platforms for the advertising.



We try to do that at *The Bristol Cable*. We say that the audience is first. The advertising we do have is regulated by an ethical advertising charter, which is transparent and is made available to the public to see. That is an issue of trust as well. We are basically saying, "If you support us, then we are accountable to you, not to miscellaneous, random advertising that is based on your digital footprint on algorithm-based platforms." We need to aim to put the quality first rather than the quantity. Public policy should support organisations that try to move that way. We have seen too much short-term public subsidisation—including BBC public money—for organisations that have three stories in a row about Richard Madeley. That is not acceptable.

**John Nicolson:** One story's not acceptable. *[Laughter.]*

Q87 **Kevin Brennan:** I wondered, Michelle, if you were to write a clickbait headline about today's session for social media to get some more interest in our proceedings—any ideas?

**Michelle Stanistreet:** I would not be able to do that. I was an interviewer and feature writer. I was never any good at headlines.

The tragedy for many of our members now is that they do have to write their own headlines in local newspapers and they also have to lay out their own pages because so many jobs have been eroded in those newsrooms that they do not have sub-editors and they do not have the headline writers. As somebody who has always been in awe of the headline writers and the subs in newsrooms, I think that expertise and skill is a real loss to the industry.

I am sorry that is not the answer you are after. You will have to write your own.

Q88 **Kevin Brennan:** No, I did not expect you to give us an example, but I just wondered if you were inspired at that moment. The first job I had after university was in a small community paper and writing the headlines was part of my job. It is actually a real skill.

Can you describe for us, if I were a cub reporter now starting out and trying to work in local journalism, what my job would be like?

**Michelle Stanistreet:** To start with, if it was your first role in that local newspaper, you may well have done a degree and a postgraduate before you had even set foot in that newsroom, so the chances of you being able to access a meaningful trainee scheme fresh out of school, whether it is GCSE or A-level, is nigh on impossible. That needs addressing and needs change.

**Kevin Brennan:** No more John Humphrys anymore?

**Michelle Stanistreet:** No. It means there is not that connection to a local newspaper as an employer of note or choice for school leavers. That is sad. That is a way of bridging the diversity gap that exists as well. An



awful lot of talent goes untapped as a result. You are probably up to your eyeballs in debt when you start in that job. You will be on pretty low pay, sometimes only the national living wage. Particularly if you are in London or the south-east, you will find difficulty making ends meet. Some people end up having to take on second jobs. As an example, in one newsroom, a trainee reporter took on the work of doing the cleaning in that office to up his wages, which was shameful for that particular employer.

**Kevin Brennan:** There is nothing shameful about being a cleaner.

**Michelle Stanistreet:** There is nothing shameful about being a cleaner. There is something shameful about working as a reporter, doing long shifts and not being able to keep up with your rent or your living costs and having to supplement your income in that way. You should not have to double job to be able to earn a living as a journalist. That has blocked a lot of access to opportunities to people who do not have the bank of mum and dad to prop them up for many years.

When it comes to the work, you are probably enthusiastic. You have ideas about why you want to be a reporter. You want to be out there finding stories and making a difference. The chances are you might be churning out topped-and-tailed press releases. You might not ever leave your desk. For some people, there is not a newsroom environment for them. There is forced remote working or hub working, which means that for a chunk of time a lot of members are sitting in their bedrooms.

If you are in shared accommodation that is not geared up for working from home in a good way, you are stuck there, but you are not necessarily doing value-driven journalism. You are often not getting to go to the meetings that you would like to see, chasing down stories, having those conversations, getting along to the courts. A lot of young journalists say that they do not get to go to those things, which were part of their bread-and-butter duties.

Q89 **Kevin Brennan:** Going back to the issue of clickbait, I am quite interested in the process by which this happens. Are journalists typically expected to trial lots of headlines and throw them out there and see what kind of response they get before they settle on the successful one? Is that how it works these days? In the old days you would write a headline, it would be printed and that was the headline or whatever. Is there a process of survival of the fittest for headlines?

**Michelle Stanistreet:** I am not an expert. I have seen some examples of headlines that are about three lines long and you wonder how they could possibly have made it to print. That is a result of the algorithm in those different software packages that some of the big groups have. You file your copy, you fit it to a space and the software package comes up with the headline to match words in the content of that piece.

**Adam Cantwell-Corn:** We do not actually do this, but I know of it from having been around. Various software and analytics platforms support



content optimisation. You will put in two or three different options, push it out into the world on social media and publish it. Then it will track which one is doing best in terms of getting the most eyeballs to the most advertising and then it will settle on the most optimised headline. A human might produce four or five different headlines and then a piece of software will track how well they do analytically before settling on the best one.

**Q90 Kevin Brennan:** Businesses do this for a reason: it will optimise the eyeballs on the ad. Is there any evidence of consumer resistance to clickbait headlines? Personally, as someone who reads things online, I become increasingly frustrated by the fact that the story often bears no relation to the headline. Combined with certain sites, particularly the ones that used to be Trinity and are now Reach, they are unusable because of the number of pop-ups that now flood the page, particularly if you look at them on your phone or something like that. I have stopped reading that content for those two reasons. It is still a practice that is being followed, mainly, but is there any evidence of consumer resistance to it?

**Adam Cantwell-Corn:** The evidence—I am sure there are different evidence sets—is in things like trust and news avoidance. People say, “I don’t know what I am looking at. I don’t know where it has come from. I don’t know who is producing it. I don’t know why it is relevant to me.” That would not necessarily just be clickbait but I am sure that, essentially, the use of the consumer merely as eyeballs rather than as a respected member of the audience will debase people’s experience of that publisher. That is potentially why we see the unfortunate and extremely problematic withdrawal of people from this form of public discourse.

**Q91 Kevin Brennan:** Jonathan, you used an interesting phrase earlier on when you said that people read it but they do not inhale it. Well, you did not say that but that was the way I interpreted it. Reading it but not inhaling it is quite an interesting concept about this sort of thing.

First, how worried should we be as public policy makers about the fact that people do what they have always done, responding to sensationalist headlines? Secondly, as public policy makers—we are at the end of this process and likely to write some kind of report—what should we say about clickbait headlines in our report, if anything?

**Jonathan Heawood:** We could get hung up on clickbait and on the negatives. We could look back in history and say, “It was ever thus. There has always been a market for sensationalist, biased content.” We could hang our heads in despair. Or we could look at the innovations that Adam and others have brought in, as he says, moving towards other models based on much more engaged, loyal readers who respond to high-quality content that speaks to them—

**Kevin Brennan:** That is for you guys. What about us? What can we say about it?



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**Jonathan Heawood:** You could help us, to be fair. You could help us with that. Our research suggests that in this emerging independent sector, median turnovers are in the region of £30,000 to £40,000. These are not sustainable organisations. These organisations are often set up by journalists who have been made redundant or sometimes aspirational younger journalists, as Michelle described, who cannot or will not work in other legacy newspapers. Most of that £30,000 to £40,000 is from precarious digital advertising revenue. *The Bristol Cable* is an outlier with turnover in the hundreds of thousands of pounds but, as Adam has said, is still not exactly home and dry.

To get our sector into a position where we have, let's say, every local authority in the UK—374 local authorities—with vibrant local news organisations covering them, with solid and sustainable turnover in the medium hundreds of thousands, perhaps, which is fairly modest still, is a total budget across the UK of £200 million. A lot of that can in time be covered. Reader revenue models are there. There is wealth in this country. There is wealth in communities. There are community foundations and sources of funding that have not been tapped up.

We need a five to 10-year runway to move those existing entrepreneurs and maybe people who have not yet emerged because they cannot afford to run an organisation for £30,000, to get them on the road to sustainability.

**Kevin Brennan:** Just to finish, Michelle and Adam, would you like to add anything on what we should say about this subject?

**Michelle Stanistreet:** I absolutely agree that there needs to be investment. For me, the broader landscape of local news should be diverse. I would like to see more plurality. There is a role for the big operators and the small one-person bands and everything in between.

For me, it is about how to prioritise the quality of content, whatever the nature of the business model and the entity that is producing it. I care about measures that are aimed at protecting and investing in front-line journalism. The NUJ published its news recovery plan during the pandemic because it seemed that the time of greatest need for quality journalism and trustworthy information was the time of greatest fragility for the sector.

There is a whole range of practical measures within that. That includes packages of tax perks. Some of that is being taken up by American legislators.

**Kevin Brennan:** You have already written it down for us, handily, and we can take a look at that.

**Michelle Stanistreet:** We have, yes. The industry could be rebooted and supported in a lot of practical ways, but it can only be done if there is conditionality about where that money is spent. It cannot go in the deep



coffers of big groups. It has to be spent on the journalism, so it is about finding a way to achieve that.

**Adam Cantwell-Corn:** Briefly, no journalist wants public policy makers to be going near headlines. That would be an overreach. We want to understand that the reason why clickbait is happening is, as I said earlier, a result of the broken economic model of journalism. Publishers have to do it, in the logic of digital advertising, particularly with this imbalance of power between the publishers and the platforms. Moving away from that would be shaping a series of public policy measures that can shape the market over the long term. No more of this “£1 million here for one year for a tiny, restricted project there”. We need a focused, strategic approach to this. That might involve a series of measures like innovation incubators that provide some sort of support—financial or otherwise—for organisations that try to take it to the next level and scale.

We need training pipelines. We talked about journalists but in the new era a whole slew of backroom people are needed to produce journalism: product managers, computer programmers, data scientists, business development people, community engagement specialists. We need to look at the NCTJ, the universities and the whole ecosystem to take that approach. Where is the pipeline of the next generation of people who will work in journalism who are not necessarily the journalists themselves?

The other thing is unlocking philanthropic funding to give the runway that Jonathan spoke about in lieu of any significant direct public money. That would be, for example, charitable status or equivalent for public interest journalism to provide the tax advantages and unlock the philanthropy to even a fraction of the scale we see in the US, which is frankly light years ahead of us in terms of journalism, innovation, technology and funding.

Q92 **Steve Brine:** I have a quick one for Adam. You have stepped down from *The Cable* because you are studying?

**Adam Cantwell-Corn:** I have, yes.

**Steve Brine:** You said in your personal news statement—see, I do read these things—

**Adam Cantwell-Corn:** In the submission?

**Steve Brine:** No, when you wrote on *The Cable* about stepping down, you said, “*The Cable’s* origins can be found in the principles of community organising.” Could you expand on that and how that fits with journalism? That sounds like politics, as opposed to journalism. Where is the line? Could you expand on what you meant by that, please?

**Adam Cantwell-Corn:** Sure. Speaking against the backdrop of a collapse in trust and engagement with journalism at a local and national level, one of the ways in which we thought we would go about addressing some of that, both for the editorial means and also for the business means of getting people to support what we do, was to get out there,



host events, do training programmes, put on film screenings, and say, “We are *The Bristol Cable*. We are a new organisation. These are our intentions. This is what we want to do.” That was the element of community organising behind that, building a community of support.

In terms of the politics of it, it is political. Most journalism is political, not in the partisan sense but in the fact of contributing to political life. I challenge anybody here to name a publication that we could not designate in some way as—small P—political. In that sense, we were coming at it and saying, “Journalism is failing local communities in its current sense”, which is a political statement, “and this is what we propose to do about it. Would you like to be part of this community that we are building, which is now several thousand people?”

Q93 **Steve Brine:** But you do not take stances on things. For instance, did you take a stance on the referendum as to whether to abolish the mayoralty?

**Adam Cantwell-Corn:** No, we did not, but we had a major effort to try to engage people in an issue that was not particularly well engaged with. We have taken stances on other things but in a transparent way. Campaigning journalism is a longstanding tradition within journalism, particularly national and local. That is taking a stance on things. It is not party political.

People have done it on everything. *The Mail*—a conservative or right-wing paper—is one of the most prominent campaigning newspapers. *The Guardian* is and locals do it as well, for example on funding for a new leisure centre. We did it on the council’s policy on the use of bailiffs for debt collection. It was not partisan in that way, but it was saying, “We are advocates and it should be limited.” It should be transparent that that is the campaign and that is the news and that is the comment. They should be distinguished.

We do consider ourselves part of political life. We see the consequences of the collapse of journalism. It is inhibiting a healthy political life in this country and beyond.

Q94 **Julie Elliott:** Some of the response to this question has already been said, but I am sure you can say more, particularly Michelle. I am interested in the problems that small organisations have in recruiting and retaining new journalists with the right skills to produce public interest news. You have mentioned salaries and, yes, that is clearly an issue. What are the other issues and what can be done to address them?

**Michelle Stanistreet:** Adam might be better at talking about the issues for some small outlets. Quite a lot of the smaller community-focused or local area-focused outlets do manage to attract and retain people who want to be part of that initiative.

**Julie Elliott:** I am thinking of local newspapers like in my city.



**Michelle Stanistreet:** Absolutely. Certainly, there are massive issues of retention and attracting new recruits to some of the major outlets and major groups that own many different local newspapers and regional newspapers around the UK. That is being fed back through to us more and more at the NUJ at the moment, not least because it impacts on staffing levels, headcount and workloads for those people who make that newspaper tick. It is a challenge for them when they carry vacancies because they cannot attract because of the levels of pay or the working conditions of that particular outlet.

When the NUJ is talking about how to re-envisage the sector, it is about ensuring that newsrooms and newspapers have adequate staffing levels and that they have enough resources to be able to do the job that they are there to do properly. With that comes better job satisfaction because you have journalists who are able to carry out the remit of their role in a meaningful way and one that they think is reflective of the communities that they are there to serve.

At the moment, that is not the case for all too many of our members. They face long hours, not least because journalists tend to want to do the best they possibly can, even with straitened resources. That means they work well beyond the hours that they are paid for. There is no such thing as overtime in all of these newsrooms. Morale is a real issue for us, as is the stress and wellbeing of our members right now, particularly the impact on their mental health.

Q95 **Julie Elliott:** It feels to me like you used to know who the local journalists were. They were there. They were experts in certain areas. You knew which ones to go to for what kind of story. Now there just seems to be a churn.

I get particularly concerned about the level of not fact-checking things. Historically, local journalists were real experts in their craft. Is there enough emphasis on fact-checking and the training of local journalists or do they not have time anymore to do it?

**Michelle Stanistreet:** There is emphasis on fact-checking and the basics of journalism in all of the training courses that happen. In newsrooms that take on new recruits, you often do not have enough of that informal support structure. There are not the people there to help them as they find their feet. There is always an element of learning on the job at the outset of your career. That has been jettisoned. I know a lot of our members feel huge guilt about that sometimes in newsrooms when they feel that their trainees or new joiners are not well supported by their organisations.

The issue in many newsrooms that have been hollowed out is that there are not enough people there to do the job to a standard that they all want to achieve and, inevitably, shortcuts are made. When you see shortcuts in fact-checking, that is the reality of the working environment for those people, which is not a good place to be. If you are a journalist,



that is not what you want. It is professionally embarrassing and demoralising coming to work in an environment like that, where you do not feel that the skill and quality that you want to bring to bear is valued or appreciated by your organisation. They care less about the quality of the journalism than about the bottom line.

The whole issue about the business model, whether it is clickbait or goals people have and target setting, is that it is short term. A lot of our members at Reach at the moment are unhappy about new, changed targets that they have to achieve by the summer. Many think that that is completely linked to a bonus that the chief executive will be able to draw down at that time if those targets in the digital model are hit. To them, that is not the kind of journalism they want to be carrying out day to day.

**Chair:** Thank you. Could we try to keep our answers as relatively brief as possible, if that is okay? We are running a bit short on time.

Q96 **John Nicolson:** I am a journalist by profession, so I am particularly interested in this. To try to go back to basics for people who are tuning into this—lots of people do, I am glad to say—they will be asking a basic question. Why are some local papers successful and others not? Is there some kind of golden rule that folk can learn?

**Jonathan Heawood:** An example that comes to mind of a corporately owned local paper, which is a shining example, is *The Yorkshire Post*, which at the moment covers the West Yorkshire region—in my view, with serious, thoughtful, engaging, in-depth coverage.

**John Nicolson:** What is the secret?

**Jonathan Heawood:** It is good. That sounds stupid but that is a big part of the secret. It is not about business models or tech. It is about quality of journalism. They have somehow hung on to that brand. Michelle may have views on this as well, but my perception, having come from that part of the world, is that that newspaper still commands loyalty. People still feel a degree of ownership and relationship with it. Quality is 70% or 80% of the issue.

Q97 **John Nicolson:** For some of the other papers, the problem is just that they need to up their game?

**Jonathan Heawood:** They go into a vicious spiral. To reiterate a lot of what we have been saying, something in the current digital media economy pushes people or incentivises people to move in a certain direction and almost, once they have moved in that direction, it is a game of diminishing returns. If you have gone down the clickbait route, you will not have a loyal audience. You will not have an audience that sees you as a premium product that they want to pay for. People will see it as a convenience product that they can pick off the Facebook shelf, along with lots of other convenience products.

Q98 **John Nicolson:** I love reading newspapers. I love holding newspapers. I



love the smell of newspapers and of books as well. I look at some of the papers that I used to enjoy. *The Herald* in Glasgow is an example. It has gone down this clickbait route. I do not understand what the long-term business model is because it seems to be going after an ever older and angrier demographic. You do not have to be a genius to work out that that is not a long-term strategy. They have to shout louder and louder to survive and compete against the other Scottish national paper, which is *The Scotsman*. They both do the same thing and they both shout from the same position politically, which instantly alienates half the country. What is your advice to them?

**Adam Cantwell-Corn:** My advice to them is to have a staff buy-out. In the ownership structure—I do not know about *The Herald*, but for lots of the others, and this is especially acute in the US but is the same here as well, as I mentioned earlier—you have a local paper, then you have the group that it is part of, which is usually floated on the stock exchange, and then you have its investors and owners. M&G or Aberforth or whatever does not care about people in Glasgow and does not necessarily have a duty to. It cares about whether this business will turn a profit. When readers go down and profits go down, the response is always to cut numbers, cut quality, cut staff, cut resources, cut capital investment—

**John Nicolson:** Shout louder?

**Adam Cantwell-Corn:** —shout louder, drive down costs and push up revenue. That is where clickbait comes from. It is the economics and that—

Q99 **John Nicolson:** Then you end up like the *Daily Express*. I read the *Daily Express* recently, which claimed that Mrs Merkel was the leader of the German socialists.

**Adam Cantwell-Corn:** That is a fact-checking error, which is probably to do with inexperience.

Q100 **John Nicolson:** What journalist would ever think that to begin with?

**Adam Cantwell-Corn:** Inexperience, and a lack of—

**John Nicolson:** You should not have to fact check that; you should know that or you should be in a different profession.

**Adam Cantwell-Corn:** Maybe that comes to what Michelle was saying about the terms and conditions that are available for people to enter into that sector and, therefore, the effect that has on the talent pool.

Q101 **John Nicolson:** What is the profile of the clickbaitee? Who is the clickbait aimed at? Is there any specific target audience?

**Adam Cantwell-Corn:** It depends on the publication. If it is *The Herald*, *The Telegraph* or left-wing publications it will be different demographic groups. Obviously, through powerful analytic platforms and through the



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social media's own analytical platforms, you can target very precisely what group you want to target that at.

That is not necessarily a bad thing. If I am a publisher and want to serve you with some quality content about the Scottish national question, then it would be good if I could find out a little bit about non-identifying aspects of who you are because that is what you want as well.

**John Nicolson:** I also do not want a newspaper to tell me what to think. I want to be challenged.

**Adam Cantwell-Corn:** You want to be challenged and you want to be engaged. However, it is about the use and abuse of those platforms because of the business model of having to drive up clicks, not necessarily the use of targeting to get content that is being produced to a willing audience.

Q102 **John Nicolson:** Michelle, do you get the sense that journalists sometimes feel ashamed of what they are having to put out because of the pressures they are under?

**Michelle Stanistreet:** Of course. That is sometimes part of the low morale journalists have—almost a sense of depression about the kind of approach management may well be taking in sustaining the title they might be working on. Our journalists have a lot of professional pride in what they do, want to be doing what they do always better and to be free to investigate, report and make their job as impactful as they possibly can.

Q103 **John Nicolson:** Are they forced to lie in order to satisfy their bosses, to get the headlines and the clickbait?

**Michelle Stanistreet:** There have certainly been instances in the past. Many years ago in the newsroom I worked in, when I worked for Richard Desmond at *The Sunday Express*, journalists on our newspaper passed resolutions of no confidence in him. That was because of his interference in the headlines and, in fact, making up his own headlines and headlines that bore no relationship to the content of those pieces, which we felt were unethical and were bringing us into disrepute. There are, therefore, examples of unethical behaviour and practices in workplaces from time to time. The NUJ has a code of conduct.

Q104 **John Nicolson:** I have had experience of this and Rupa mentioned hers. I had some white chemical crystals sent to my office. We followed parliamentary procedure and phoned parliamentary security. The police came and tested them. They closed down the street, evacuated the building and said to me, "Whatever you do, please do not say what we found because we might be making an arrest". *The Sun* phoned me up and said, "I hear you closed down a street". I said, "I have no power to close down a street; that is the police". They said, "I hear it's a biscuit that arrived in your office". I said, "Self-evidently, the police are not going to close down a street because a biscuit has arrived. I have been



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asked not to speak to you about what it is but I can categorically tell you it is not a biscuit, obviously.” The next day *The Sun* ran a half-page story saying, “John Nicolson closed down a street because of a biscuit” with an illustrative picture of a biscuit.

**Michelle Stanistreet:** Was it a particular type of biscuit, John?

Q105 **John Nicolson:** I think it was a digestive, which was ironic since I found it quite hard to take.

How do you become so degraded as a journalist that you will produce stuff like that? This was during an election campaign as well so it obviously had a party political motive.

Funnily enough, I was having lunch with the executive editor of *The Sun* that day who told me *The Sun* no longer made up stories. I pointed him towards that and he said, “We’ll pull it” but, of course, it was too late because the newspaper was already out. I got so much abuse on social media because of that, which was presumably part of the intention.

I say this from a position of regret because I am a journalist and I want newspapers to succeed. I love provocative, cheeky journalism—I think that is great. Mischievous, naughty journalism is great, too. Where does stuff like that come from?

**Michelle Stanistreet:** I don’t know, John. Maybe they had sources who were telling them that, indeed, there were biscuits at play. I have no idea about how that story emanated—

**John Nicolson:** There are always going to be biscuits in any area, aren’t there?

**Michelle Stanistreet:** I think the vast majority of journalists do their job. It is a difficult job; it can have lots and lots of different challenges. Most of them do it pretty well.

**John Nicolson:** I just thought I would throw in that personal example because personal examples are quite interesting to inform debate.

**Adam Cantwell-Corn:** That is obviously a question of regulation and politics. If *The Sun* thinks they can get away with it because they have the political clout or the regulator does not have teeth, then they will. Steve mentioned politics. That is the question in that matter—they thought they could get away with it.

**John Nicolson:** We do not have a regulator with teeth, as we know, because the apology will be on page 23 in microscopic print.

**Adam Cantwell-Corn:** It is self-regulation. Coming back to the focus of this Committee, we have talked a lot about how the tech platforms and Google and Facebook recently have been giving some money to journalism, and local journalism in particular. There is a question there about how helpful that is. Certainly, it has been helpful for the recipients, but there is a question of whether that is essentially trying to stave off



more vigorous regulation of their place within the market. That obviously brings us to the Bill and to the DMU as well.

What we need to see is a recalibration—which is a regulatory question—of the balance between Google and Facebook and the people who produce the content, and not to allow a million here and a million there from global mega-corporations to essentially buy the piece, particularly when the vast majority of that money goes to the corporate publications that are producing three stories, or even one, about Richard Madeley. This is quite a big issue.

**John Nicolson:** That is your fourth mention of Richard Madeley.

**Adam Cantwell-Corn:** Yes, because there is a lot on there.

**John Nicolson:** Poor Richard.

**Adam Cantwell-Corn:** No offence to Richard Madeley, for the record.

Q106 **John Nicolson:** Accidental Partridge is one of my favourite Twitter hashtags.

Jonathan, are we still training people in the way we should be doing?

**Jonathan Heawood:** That is a question Michelle is much better placed to answer than I am.

My experience working with independent publishers—people who are setting up and running their own organisations, print and digital—is that there is a desperate need for more entrepreneurial training. We have to recognise that journalism in many cases now is not simply going into a well-established legacy institution, learning the ropes and pumping out a few quality stories. It is going to be multi-tasking, thinking about business development, fundraising and revenue streams. Most people who are setting up independent news sites are doing it because they care about journalism or their community; they do not necessarily have that wider entrepreneurial skill. That is one of the things we are trying to do at the Public Interest News Foundation and we look at examples in the States where there is funding for business development for independent journalism, which seems to be bearing fruit.

Q107 **John Nicolson:** I have a final question for all of you. I am so glad I chose to be a journalist. I still think of myself as a journalist who is having a crack at politics for a while. I love being a journalist.

All of you, what would you say to a young person who was coming to you for advice: "I want to be a journalist. Is this a profession I should commit my life to?"

**Michelle Stanistreet:** I would say absolutely. I think journalism has the capacity to be one of the best jobs going. When done right it is a brilliant opportunity. You will never have a day that is the same as another. I would also say to the journalist that it is a challenging environment and it



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is important you have your voice at work and in your work, join the NUJ and also be part of a push for change, to make the industry more diverse and better fit for purpose.

**Jonathan Heawood:** I completely echo that. In fact, I did exactly that at a careers fair at my son's school the other day. I had a little journalism stand and there was a long queue of kids wanting to find out what it was. I have to say there was not a lot of clarity in their minds about the role of a journalist but there was some inkling that it might be a really exciting thing to do with your life.

**John Nicolson:** It is because you can correct injustice.

**Jonathan Heawood:** I told them it was an extremely important thing but do not necessarily expect to walk into a steady job.

**Adam Cantwell-Corn:** Yes, I would, but choose carefully where and what job.

**Chair:** That is beautifully succinct. Thank you, Adam.

Q108 **Simon Jupp:** Adam, starting with you, on the local democracy reporting service. When I was a BBC manager part of my budget was taken away to help set it up in the region where I was working. At the time I was quite bitter about that, but retrospectively I see the local democracy reporting service as a benefit. Do you have access to it at *The Bristol Cable*? Would you want to? How do you use it?

**Adam Cantwell-Corn:** Yes, we do have access to it. We occasionally do use it. Our terms or conditions for using it are on the basis of the story and also on the basis of its use by our competitors. We are not in the business of just reproducing what everybody else is producing, for the reasons I spoke of earlier of having originality and a USP.

We were not eligible at that time for having a LDR reporter within our newsroom. The LDR reporters in Bristol are with the Reach plc publication, which I think gives them some benefit—a marginal benefit but probably not that much.

Was the second question whether we would like to see it extended?

**Simon Jupp:** Enhanced.

**Adam Cantwell-Corn:** I would definitely like to see it enhanced. As Jonathan said, public interest journalism can often seem like the broccoli of journalism; nobody really wants to do it. It is important it is there. We have certainly used it. It gets engaged with.

I would like to see it enhanced, to be a little bit more interesting and ambitious, and to tell us not just what is going on but why. Not just why this planning application has fallen—let's hear about the planning system; not just a bunch of lads up in a magistrates' court on drug charges and,



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“Here is their mugshot with 300 words”—let’s hear about the criminal justice system, how it is working and how it is not, to get some colour in there, get some voices, get some policy, get some debate and conversation about the issue. That might be outside the remit, I am not sure. However, I think that is really what we want to see from public interest journalism: the what, who, why and when, and all the other factors.

Too often the LDR is very limited—which might be because it is coming from the BBC—to, “This happened on this day at this committee at the council”. To be honest, it can be really boring and that is a problem. If it is not interesting and compelling to engage with, we need to be asking questions about what it is doing for the reader, for the public.

Q109 **Simon Jupp:** Jonathan, the same question to you. I think of the local democracy reporting service as a huge benefit—given the decline of many local newspapers and everything else—to those people who are going to those planning meetings, which can be quite dull but can be brought alive as Adam just indicated. Do you think it should be enhanced further? Do you think more funding from the licence fee should go into it?

**Jonathan Heawood:** Adam’s point about the actual content is very interesting and I have not really given much thought to that.

My concern with the scheme, coming at it from a sustainability angle, is that if we say, “Yes, obviously there needs to be reporting of courts, councils and public bodies at a local level” this is potentially a bottomless pit the BBC is going to be asked to pour public fund or licence fee payer funding into year after year after year if we are not fixing the underlying problem with the business models and the sustainability of these organisations.

In an ideal world you would have something like the LDR scheme that could be enhanced and developed in all sorts of ways. However, it cannot be the only way we are addressing these big structural problems. For that I think you need something more like what I mentioned a moment ago—real investment in sustainability, thinking about business models and helping publishers develop reader revenue and so on.

Q110 **Simon Jupp:** Michelle, a similar question to you but also adding to the point that obviously members of the LDRS scheme will be your members as well. Are they used cross-platform enough, do you think? For example, if a journalist is working for Reach plc in Bristol, why are they not used on BBC Radio Bristol? Why are they not used on different platforms to make the most of the role that is at their disposal?

**Michelle Stanistreet:** I believe its content is used by members of the scheme, which will be different outlets in that sense. The work the LDRs do is bridging an important gap

From the NUJ’s perspective—whether it is a scheme that model is used to develop or augment, or to develop a new model that is in the spirit of



what the LDR scheme set out to achieve—I think it is important it is not funded by the licence fee. We do not believe that is a proper use of licence fee funds. While the BBC would have an important role to play going forward, we think there should be separate ring-fenced funding.

Q111 **Simon Jupp:** Where from?

**Michelle Stanistreet:** We believe there should be more centralised investment in journalism and that there are different ways of achieving that.

**Simon Jupp:** Government funding for journalism?

**Michelle Stanistreet:** When I say investment, as somebody said earlier on, where the money comes from and how that money is ring fenced and shared out can be two different things. Quite arm's length funding—

Q112 **Simon Jupp:** Why is the BBC licence fee not a good use of this?

**Michelle Stanistreet:** Because public service broadcasting plays a vital role in the UK and it is being hollowed out.

Q113 **Simon Jupp:** The point I am trying to make is that members of your union will be working, for example, for a local democracy reporting service that then feeds into loads of different media operations locally and titles. However, are they being properly utilised? There is no reason why a local democracy reporter could not do a two-way on a local BBC radio station or even appear on an ITV regional bulletin if given the right training, surely. Are you representing your members enough to help that happen?

**Michelle Stanistreet:** Yes. We have organisation around all of the main newspaper groups in terms of LDRs. We have recognition so we very much are reflective of their views and their inputs within those channels.

Q114 **Simon Jupp:** It is not changing, is it? The scheme has been operational for several years now. I do not see a local democracy reporter on local television or local radio.

**Michelle Stanistreet:** You are making it sound like they are not pulling their weight or their content is not the kind of news—

Q115 **Simon Jupp:** Not at all. I am saying that as a union surely the point of you is to highlight how your union members could be utilised better. We have this resource, which goes to those meetings that no other journalist can go to because of the decline of local journalism, yet they are not being used properly by the different platforms that are available to them.

**Michelle Stanistreet:** I do not think that is the case. They are being used in lots of different ways.

What the NUJ stands for is we want to see a larger number of journalists. We want to see greater plurality. We do not just want the same content



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deployed in lots of different outlets. That is a backwards step and is not what we want to see. We want to see a much greater variety of content.

**Q116 Simon Jupp:** Surely you should be concerned by the idea that a local democracy reporter goes along, for example, to a planning meeting and writes up their copy but that is delivered by some reporter from the local BBC station at 6 o'clock for the local bulletin when it could have been that local journalist. What I am trying to say is what are you doing to empower the local democracy reporting service—standing up for your members, to make sure it is properly used? I do not see that happening. I think you are letting your members down.

**Michelle Stanistreet:** I do not believe for a second the NUJ is letting its members down. If those members felt the NUJ was letting them down they would be the first to tell us.

**Q117 Simon Jupp:** They are perfectly happy, are they?

**Adam Cantwell-Corn:** If I can jump in, Simon, surely that is a question for the BBC and NMA, which are the partners. Journalists and union members obviously have a role, but if the BBC wants to syndicate its platform across other of their platforms and NMA members—

**Q118 Simon Jupp:** It is the voice of the union that can help. The union is very quick to contribute and criticise management decisions in the BBC and ITV when it comes to cuts but is not particularly good at standing up for its members who could be utilised better on a multitude of different platforms.

**Adam Cantwell-Corn:** That is a conversation between the employer, the BBC, and the union if it would like to do that.

**Q119 Clive Efford:** Sticking with funding, why is it that the large corporations get the lion's share of grants and what is the impact of that?

**Jonathan Heawood:** To run through the numbers very briefly, we do not know all the numbers so one thing this Committee could very helpfully do is to try to get some of these numbers more clearly established.

In 2020 the Government launched the "All in, all together" public advertising campaign. That had an initial budget of £35 million but I think it has grown since then. You have local notices. I was fascinated to hear Owen Meredith from the NMA this morning say that the total value of public notices to the industry is a quarter of a million pounds. That was significantly more than I had understood. You have digital VAT exemption and print VAT exemption. Again, we do not know the total value of those but they have been estimated at £600 million. You have £800 million to £900 million in various ways, plus the BBC local democracy reporting scheme, plus various Google and Facebook initiatives, which puts about another £100 million on top of that, of which the lion's share is going to, I am afraid, three companies. I do not think any of us have anything



particularly against those three companies—the individuals who work for them—but it is a question of plurality and fair terms of trade across the industry.

Why? I am afraid I cannot answer that question. You will have to get all those people who are making those decisions in front of the Committee and ask them. It is not for want of trying on the side of smaller, independent publishers. Certainly, when it came to the “All in, all together” advertising campaign we made countless representations to Government—to DCMS, to the Cabinet Office, to the Government advertising buying agency, OmniGOV, which were responsible for awarding those contracts. We worked very closely with the Independent Community News Network on that. After a year of fairly intensive trying to get a fair share of that budget, I think three independent publishers between them generated about £800.

**Q120 Clive Efford:** What are we missing out on as a result of the way this money is distributed at the moment?

**Jonathan Heawood:** You are missing out on what was an amazing opportunity to have invested in that sector of 200 to 300 small, independent, locally rooted news organisations for whom a few thousand pounds to each of those organisations would go an incredibly long way.

We know from the bit of funding we were able to run during the early phase of Covid when we were only able to offer £3,000 grants, core unrestricted grants—this is relevant to your earlier conversation about core versus project funding—to small publishers, we were oversubscribed by a multiple of four. There were four times more applicants than we were able to award grants that small. If they are able to get £5,000, £10,000, £20,000 or £50,000 there would be huge demand for that. Looking at the examples in the States, you can see how that investment, well used, could then help to put them on the road to sustainability.

**Q121 Clive Efford:** What will be the solution? In an ideal world what would you suggest to improve the way that money is distributed?

**Jonathan Heawood:** As Michelle was suggesting, we have to pool some of these existing subsidies together. To call a spade a spade, there are subsidies here. There are those within the press who would like to say they do not want a subsidy, but they are being subsidised already. We have to get that on the table, look at the total value of those subsidies, allocate a proportion of it that we think can really be used for sustainability, and then give that to an independent body or bodies—perhaps with different bits of sector expertise—to award it based on outcomes. Do we want high-quality journalism that leads to more engaged citizens? That is the outcome. Let’s direct the funding in that way.

**Q122 Clive Efford:** I will bring the other two in, but you mentioned £250,000 for announcements.



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**Jonathan Heawood:** £250 million.

**Clive Efford:** £250 million, and that is Government or is that local government as well?

**Jonathan Heawood:** That is why I think we need to go back to the NMA and double check, but he seemed to be saying public notices, so I assume that is central and local. Our estimate was that local public notices were worth about £50 million a year to the industry, so somewhere between £50 million and £250 million is currently going into the industry in the form of notices.

**Adam Cantwell-Corn:** On what is to be done, the funding thing, I think we need to be working with some form of principle of conditionality. There is free money being given out—as Jonathan just elucidated, large amounts—for nothing in return for that public money. Every VAT rebate is a tax giveaway. We are not asking for anything in return. We need to take the way in which we would take any innovation challenge—the way that Innovate UK does, the way any sort of R&D project should—and say, “I am the funder”, whether it is public or something like the Arts Council that is quasi-governmental but arm’s length: “You are the publisher. Here is X amount of money. We are not going to dictate to you the specifics of those terms but these are the conditions on which you get it.” Those conditions will be to invest in sustainability, innovation and quality journalism, and for it not to be siphoned off or to disappear into a general corporate pot of money and then to produce the same journalism.

Therefore, first, any public money or other forms of money needs to have some form of conditions, otherwise it is basically just rent seeking and subsidy seeking by powerful organisations with a serious lobbying operation, which the NMA and others will have.

Secondly, it is thinking longer term about how we are going to create the environment—again, there is a lot to be learnt from general innovation concepts like we would do in the sciences or in industry—and how we create the conditions for the next generation of company or companies to come through. If you think about how they have come through, they have come through from an array of policies that have supported that. It is short-term funding, long-term funding, some tax incentives, some sort of protection from the open market while they get to a level of scale that they can actually compete. This is the level that we need to be thinking about this, not this “patch-up” or “plug-up” approach we have seen so far, unfortunately, from the Government but also from the tech giants.

It seems to be that there is a food chain situation where there are the independent publishers, like the one I represent, the publishers and then the tech giants. However, the corporate business model for the publishers for the most part is that they just want the same thing but a better deal out of it. What I am saying is that we need to have more of a fundamental rethink about where we are going to be in 10 years. If this carries on for 10 years we are going to be in a really serious situation.



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Now we are at an ongoing crisis situation. In 10 years, if this continues, we are going to be where there is nothing left even to build on. That is the picture we are looking at. Therefore, that is the timescale we need to be looking at: can we support people over two, three, four or five years?

You talked about funding. *The Bristol Cable* has revenue that we generate independently, and other funding has been from two major US-based philanthropic organisations because we cannot get funding in the UK. They are organisations that have a global portfolio of things that they fund. They fund us not because they care about Bristol or *The Bristol Cable* but because they care about what we can contribute to learnings and innovation in the sector that others can pick up and learn from. That is the sort of thing we need to be looking at—the ecosystem approach and not a “have a pop” single-issue policy.

**Q123 Clive Efford:** Michelle, you have members on either side of this argument, those who will benefit from wider distribution and those who are in those big corporations.

**Michelle Stanistreet:** From the NUJ’s point of view it is important, looking at the future of the industry, that we look at the industry as a whole and not the industry as it used to be or the traditional players. There is an argument for looking at all those existing subsidies and the mechanisms for access to them right now and whether that is still fit for purpose.

It is also important to be looking at new sources of money to augment decisions about the future. The tech giants are going to have to play a massive role in that.

What is also important are the mechanisms for both extracting that money and making sure it is spent on front-line journalism and news gathering, not just going into ailing business models that we know are not sustainable in the here and now, where an injection of cash is not going to transform their future operations. We have to look at it with that lens of conditionality and there is a real opportunity to do that.

Finally, in doing that it is important not to lose sight of all those freelancers in the sector who have also been badly impacted over all the cuts that have taken place in the industry and changes in the business model as a result of ads being hoovered up by the tech giants. The stagnation and retraction of freelance pay is a big issue and I would want to make sure they have a voice and a stake in any of the discussions about any new investment and how it would be spent.

**Chair:** Thank you. That concludes our session. Thank you very much to Michelle Stanistreet, Jonathan Heawood and Adam Cantwell-Corn.