

Digital, Culture, Media and Sport Committee

Oral evidence: Sustainability of local journalism, HC 153

Thursday 7 July 2022

Ordered by the House of Commons to be published on 7 July 2022.

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Members present: Julian Knight (Chair); Clive Efford; Dr Rupa Huq; John Nicolson; Jane Stevenson; Giles Watling.

Questions 225 - 274

Witnesses

[I](#): Maria Breslin, Editor, *Liverpool Echo*; David Floyd, Director, Social Spider CIC; and Karl Hancock, Chief Executive, Nub News.

[II](#): Matt Abbott, Deputy Director, Independent Community News Network; George Brock, Chair, Charitable Journalism Project; and Polly Perkins, Editor, *Burngreave Messenger*.



Examination of witnesses

Witnesses: Maria Breslin, David Floyd and Karl Hancock.

Q225 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and this is our latest hearing on the sustainability of local journalism. We are a little bit light on the ground today, but I can assure people that no one has resigned from the Committee—yet. I wish to welcome our three guests on the first panel. We have Maria Breslin, the editor of the *Liverpool Echo*, David Floyd, director at Social Spider, and Karl Hancock, chief executive of Nub News. Maria, David and Karl, thank you very much for joining us today.

Before we begin, we need to declare a few interests, although they are a bit ancient history, but for transparency's sake. First, I was a BBC journalist for five years, a newspaper journalist for another 12 years, and I was also father of the chapel at *The Independent* newspaper.

John Nicolson: I was a BBC reporter and presenter, I was an ITV news presenter, an LBC presenter and, until recently, a rather unlikely talk radio presenter.

Q226 **Chair:** I am going to come to Maria Breslin first, if I may, as the representative of an historic title. How have you been able to adapt your business model, your working model, facing the challenges that your industry is facing?

Maria Breslin: The year 2014 was key in our transformation. That was when we became a digital-first publication, a brand. Looking back, it was a lifeline, I think. David Higgerson is not always given the credit he is due for saving some of the country's historic titles and giving them a much longer life. We had a total change in 2104. We became digital first. Everything was about our platform as opposed to our newspaper. Our newspaper remains incredibly important to us. It is far from a niche product, I would say, and it is still the best-selling regional newspaper in England, but we realised that we had to do something because habits were changing.

We pretty much ripped up the old model. Our day had previously been dictated to by the book—how many articles was dictated by how many pages there were in the paper; there was no real sense of urgency, we had gone to an overnight model—and it revitalised the newsroom and our position within the community. It was a seismic change. Not everybody made it. Some people couldn't and some people wouldn't, but it has made us much more relevant and much noisier. The reach of the *Liverpool Echo* was 10.3 million in April, according to Ipsos Iris data, and we reach 57% of the local population. The change has given us a stake in our community.

Q227 **Chair:** It is often said that local journalists do the really hard news, but that is paid for by the lighter, fluffier stuff. That is the compromise: they have to do the sort of stuff that is still based on reader interest, but is probably not something that they went to journalism school to do. Is that



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a fair characterisation of how you have to balance things?

Maria Breslin: There are elements of truth in that, undoubtedly, but the *Liverpool Echo* has always been a populist publication. From the first day I laid eyes on it, it had recipes, fashion, beauty and all sorts of different content that still exists, and we are quite unashamed about that. We cater for a broad population, but public service journalism is as key to our ethos today as it was when we launched. I would not say that it is a trade-off as such. You can very much go down the route of snobbery in suggesting that some journalism is more valuable than others. We have a problem if we are only doing one kind. Light and shade have always been a key part of what we publish, whether it is in print or on any of our digital platforms. I would not say it is a trade-off as such, but very much an integral part of who we are.

Q228 **Chair:** How do you measure success? Is it by views?

Maria Breslin: It varies. Success for our political editor is quite different from success for our showbiz editor—they are different metrics; they are different values. We celebrate all forms of success. Page views are important to us and I don't think they should be a dirty word, but at the same time it is time spent, engagement, how much we infiltrate the local market—we operate to very many different key performance indicators, and they differ.

Q229 **Chair:** David and Karl, you are both relatively new local titles. What factors in the local news environment led you to choose your operating model?

Karl Hancock: It had to be cheap, it had to be a low-cost model and it had to be local. We benefited from not being in print so we had a low-cost model. We went for a "one journalist per two towns" model, and that is what we pursued. We go into towns—small and large towns—and say one journalist per town, build the audience and then build the revenue. It is purely on that basis and we are still testing that model.

David Floyd: We launched our first newspaper in 2014 and went with a print-first business model at the beginning. Based on our structure as a not-for-profit social enterprise, we do not have investment money to burn. The biggest available source of income is still the residual market for print advertising. Because we wanted to create jobs for journalists in the local area and produce high-quality news publications, print was the initial route we went down. We still have print newspapers and they are still our biggest revenue source, but we are now looking more at how we can generate more income from online alongside it.

Q230 **Chair:** That leads to my next question. What are the main challenges facing new entrants to the market?

David Floyd: One of the biggest challenges is some of the slightly archaic laws in place around public notices advertising. We publish a monthly newspaper and we are the biggest circulation publication in all the boroughs we operate in, but our corporate competitors—



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Chair: This is a regular refrain for new entrants; that effectively they do not get any slice of the pie when it comes to those lucrative opportunities.

David Floyd: Yes. The issue is that because of a law from sometime in the 1870s perhaps, you can only get public notice advertising if you are classified as a newspaper based on being published every 26 days or more frequently. If you are a monthly paper, you cannot get that income. In the London Borough of Waltham Forest, for example, we publish 15,000 copies of the *Waltham Forest Echo*. The rival Newspress publication sells around 2,000 copies and employs no local journalists. We employ three local journalists. The rival publication gets an average of £90,000 a year in public notice advertising from the local council. We get nothing. Its £90,000 a year public notice advertising budget is more than the entire operational budget of our newspaper in that area. If we could get even a slice of that money, we could put it directly into local journalism. It is a barrier for new entrants if they are not going to make the leap to weekly publication, irrespective of whether or not it has original journalism in it.

Karl Hancock: I agree with David Floyd. Not being able to publish public notices is a huge barrier to entry for new businesses. Equally, the Government's public advertising campaigns during covid, worth £50 million to £100 million, were given to the main publishers and most of it—more than 90%—went to the three or four main national papers. Hardly any of the independents had any of it. If some of that had gone to any of the independents, Nub News and others, it would have made a huge difference to the growth of our businesses.

Q231 **John Nicolson:** Thank you for coming here on such a momentous day. I agree with you, Maria, about the whole issue of light and shade and a lot of snobbishness around certain types of journalism. I know just how hard it is to do tabloid journalism. I remember when I first did LBC, coming straight from the BBC and making longer films for "Newsnight". I did LBC with Jane Moore of *The Sun* and we presented together. She is an absolute master at very snappy, well-written, funny and often right-wing commentary. It is always a challenge, especially if you are politically on the left and more likely to write for *The Guardian* or work for the BBC, so it was a fascinating learning experience.

However, on today of all days, as perhaps we hope we are moving away from post-truth politics and back into the light, do you think that there has been a problem with some recent journalism, that the need for clickbait has perhaps encouraged journalists to move away from truthful stories in order to produce more provocative stories?

Maria Breslin: There is probably a question about the definition of clickbait. Writing headlines that appeal to people has always been an art form in years gone by for newspaper journalism, and today we equally want to write a headline that will encourage people to click and read the story because that is what we want. We want people to read our journalism. I also think there has become a sector where clickbait simply



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means “Content I am not interested in,” and that is not right; that is where snobbery comes in. We would never do clickbait journalism, because we have a loyal audience in Liverpool and that audience trusts us. That was extremely evident during the covid pandemic, when we saw that people wanted trusted news from reliable sources, fact-checked by qualified journalists. We saw that from our audience. The temptation to do clickbait may exist in some organisations, but certainly not in mine. It is a short-term gain, isn’t it?

Q232 John Nicolson: I agree. That is key, but the problem for some journalists, I suppose, is a shrinking market for the kind of traditional news that we all grew up with and enjoyed. You have to shout ever louder and perhaps become ever more extreme to attract the attention of your shrinking ever-older audience, and that perhaps encourages carelessness when it comes to traditional journalistic ethics.

Maria Breslin: I think you are right. I think the internet is a noisy place and social media is even noisier. We have worked hard to find an audience for the sort of quality content you are talking about. I am very proud of our political coverage. Liverpool is a political city. We are not party political, but I am very proud that we have grown an audience for our political coverage. It is quite easy to write off politics as something that people do not read and do not expect to get a big audience for, but we have proved that wrong. We just have to keep going. We have to work a lot harder than we had to pre-2014, when we put something in the paper and assumed that people would read it. The data are quite brutal at times. We have to look at that data and think this is important content that is in the public interest and we have to find a way to make sure it resonates with our audience.

Q233 John Nicolson: Pay and conditions for journalists are a problem. When I first started as a journalist, you could go into some of the traditional newspapers, such as *The Herald* or the *Evening Times* in my home city of Glasgow, and journalists took time over stories. They were well-paid, well-fed—certainly well-watered, a lot of them—and it was a lifetime career, but now journalists are having to churn out content. Fact-checking should be easier because of the internet, but there is a sloppiness, or a tendency towards sloppiness, mostly because there is so much out there that if you make a mistake you can move on. Regulation is pitifully weak: you can say things that are simply not true and you can hope perhaps that people just forget about it; it is tomorrow’s chip paper.

David Floyd: There is a challenge with the interaction of the business models that are emerging and what journalists are being asked to do as a result. Some of you may have seen the report that the Press Gazette did a few weeks ago on the situation at *My London* and the journalists there being very concerned about having to churn out 10 news stories a day in some cases. That is a phenomenally difficult thing to do and you will not churn out 10 high-quality news stories every day; you will be finding some content from anywhere you can and pushing it out there. Journalists I know at corporate publications are all doing their best under



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those circumstances, but it isn't a recipe for high-quality news or a rewarding career.

We very much focus on making the conditions different for journalists. We are not asking any of our journalists to write 10 stories a day. We don't think that is useful for local communities and we don't think it is a fair ask of the journalists. We cannot do very much about the pay side because there is just not a lot of money around, however good the intentions of publishers of newspapers. There are currently finite resources for news and we are attempting to make the best we can of what is available. However, certainly the starting point is how to give people coming into journalism the opportunity to develop meaningful careers and report news that is of interest to local people. The more we can promote models that allow that, the better.

Q234 John Nicolson: Karl, I want to come to you next because I have been reading your CV and it is an interesting one. I am passionate about journalism and I want young people to come into journalism, but it is a difficult career to enter, isn't it? For example, look at London, Glasgow, Edinburgh or any of the big cities in these islands. To afford rent, to dream of buying a house, how can you possibly do it on the sort of income that journalists are currently being paid at entry level?

Karl Hancock: It is tough. I think the average wage of a journalist is the same as it was 20 years ago: £24,000 to £25,000. Before I answer that question, can I answer the clickbait question? The established players do not do clickbait, but their established model is to chase clicks; that is what they have to do. They gave away their business for free.

John Nicolson: You would make that distinction?

Karl Hancock: They have programmable adverts. Anybody who clicks on to that screen sees a Google ad or another ad and the publisher is paid per click. It is in their interest to have as many people as possible reading their papers, which is good, which is what we want as well, but we do not have programmable adverts or Google ads. The established players need as many people coming on to the sites as possible, which we all want, but that means they have to widen their regions. They will write on towns; they may write on counties. If I am living in Devon, I might get a story about a motorway crash two hours away from where I live, which is not really local news.

They have gone from being local to regional and in some cases now, as they have to get more and more clicks, they even go national. At Nub News we do not care about Beyoncé's dress; we care about what is happening in our towns. So if you look at our principles, they are about local news, not about chasing those clicks, wherever they may be. It is not clickbait; it is more about chasing a wider audience and I think the world is going back to a more local audience now, which is what we are trying to achieve.

Q235 John Nicolson: I like to read about Beyoncé's dresses as well as politics and local stuff too. I write for four newspapers in my constituency and I



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enjoy doing it. Of course the challenge as a politician is to write stories that are not party political, because readers do not want that; they want me to write journalism. I notice that I get lots of people coming up to me to say that they have read my columns. Sometimes they say they disagree with me, and sometimes they say they enjoyed the column. The age demographic is quite striking. I do not often get young people coming up and talking about it—maybe that is because, in the prime of middle youth, I have started to write from a more elderly perspective. But I do not think it is that. I think it is because the audience is older. How do we get young people engaged in news and current affairs, or are they engaged but just engaged in a different way?

Karl Hancock: They are engaged. The older audience still buys the local print news. My son, who is 24, has never bought a paper in his life; he goes on to the news. At Nub News, our demographic is pretty evenly spread, from 18+ all the way up to 65 in those 10-year brackets. Older people generally are interested in local news. As people get older, they care about their town. We do different things on our site: we emphasise what's on, what entertainment is happening, what bands are playing, karaoke or the quizzes in the local pubs. That is how we try to get the younger audience in, and it is showing results. Our demographic is evenly spread, 18 to 65, but I imagine for local newspapers the audience is probably 40 to 50+.

Q236 **John Nicolson:** Do you think you are in competition with Maria and her type of journalism, or do you think you can coexist going forward?

Karl Hancock: We are in competition, 100%. It has two models: the print model and the internet model. How they combine, I am not so sure, but in Crewe, for example, I compete with Reach, which has the *Crewe Chronicle* for £1.95 a week, with a circulation of 3,000. We have 9,000 subscribers; 15,000 to 20,000 people come on to our website. We are significantly bigger than Reach when you compare print to digital, but when you go on to the digital side, Reach is huge because it has the whole of Cheshire Live as well. So there is competition there, 100%, but we stick to local and have dedicated journalists in our towns, rather than regional.

Q237 **John Nicolson:** That is interesting. I know that I love the feel of a newspaper in my hands and I buy newspapers. Doing our job, we travel a lot and I love to sit on the train or the plane and read a newspaper, especially ones that irritate me with their politics. I also love JOE politics online, which has a terrific young team. They do a mixture of written journalism and video journalism—they are funny, they are fast and they are provocative. That gives me hope for the future of journalism, because I think the quality of that kind of product is strikingly good.

Q238 **Chair:** I have one quick question for Maria Breslin. Is it possible to move to a pay model in local news from where the industry is now, in all its forms?

Maria Breslin: I would never say never, because we have to innovate and move forward, and it is a very fast-changing industry. It is quite



difficult at the moment when you have the BBC with a free model, ad-free. It is very difficult to compete against that. There is some evidence that people are prepared to pay for local news. It is not the same as it is in, say, Scandinavia or perhaps the US. Niche products tend to be the ones that have worked the best and we are not niche; we are populist. Liverpool is not a wealthy city and we are in the midst of a cost of living crisis, so I have some concern about that too. It is not something that is currently on the agenda, but I would never say never. I think we have a viable solution. We just need a little bit of help at the moment.

David Floyd: It is an interesting question. There is a challenge in the UK in that not enough has been done to pump-prime this market in terms of that kind of payment for journalism. Take the example of the London Borough of Barnet, where we currently have an online-only model. It has a residential population of 400,000. No local journalists employed by the corporate media operate in the area. If 2,000 people in the London Borough of Barnet—0.5% of the population—paid £5 a month to support a local news publication, you would have £120,000 a year and you could easily have a decent local news publication employing two or three journalists, and that could work well.

The challenge is how to get to those 2,000 people out of 400,000 who would pay £5 a month for a local news publication, how to connect with them with the right kind of product and how to make the case that this is what matters. That is something that we, as a social enterprise, would love to have the opportunity to try to do, but we would have to put quite a lot into the investment to push it and make it happen. You could not really bootstrap it. It would be very difficult to do that.

Karl Hancock: That would be the dream scenario, but we go back to the barriers to entry and how to grow. We need to build the audience and the revenues. We do not have the money for that. If we did, one year, two years or three years down the line, I would love to have a subscription model. I think we can get there. We just need to be given a chance.

Q239 **Jane Stevenson:** I would like to go back to the internet and the social media presence. To all of you, how necessary is a social media presence now to your business models? Briefly, why and what options did you think about when entering this space?

Karl Hancock: I will go first because I will probably say something different about Facebook from what any other newspaper around this country would say. I am 100% grateful for Facebook, which is probably a surprise to most of you. I would pretty much say that if it was not for Facebook, Nub News would not exist right now. Facebook enabled us to grow an audience. It enabled us to share our stories with the Facebook communities in our towns. That enabled us to grow our own Facebook community and our brand, so I am not one of the journalists who will be banging on negatively about Facebook. Facebook has been the lifeblood for Nub News, helping it to grow, and it is still 40% to 45% of our audience.



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David Floyd: I suppose we are in an interesting position because we started publishing in 2014, so we are not one of those publishers who are saying social media has come along and stolen all the advertising money we were entitled to and that kind of thing. That is not our position because we never had that money in the first place. To us, it is more about the extent to which social media is a platform for publicising what we do and interacting with the public, and it is an extraordinarily useful platform.

Certainly some of our editors make a lot of use of Twitter, both tweeting out stories and connecting with local people about stories. Others use Facebook more, both through our own Facebook pages and through interacting with the public openly and declaring ourselves as journalists within local Facebook groups. Social media is very useful for us, but obviously there are challenges associated with it as well.

Jane Stevenson: I will delve down but, Maria, do you want to answer the initial question first?

Maria Breslin: We had sought commercial relationships with some tech giants such as Facebook, and we have certainly benefited from some of the schemes, primarily the NCTJ Facebook community reporters scheme. We have two Facebook community reporters and that has brought something new to the table. There are opportunities there, definitely. There is the opportunity to find new audiences. I am interested in finding a younger demographic, which is a challenge across the industry. We can certainly use some of the newer platforms to try to find that audience, not necessarily as a page view driving initiative, but for brand awareness. I do agree that there are definitely benefits. However, there is not a level playing field—I think that has been quite well documented—and there is certainly a lack of transparency. We would support any effort that the Government may be involved in to try to address that situation.

Karl Hancock: I have some stats about Facebook and Google. They are both important, but for us Google is much, much more important. A reader coming to us from Google is eight times more engaging than a customer coming from Facebook. Someone coming from Facebook will come on to our site, stay there for about 20 seconds and probably only look at one or one and a half sites, whereas a Google customer will come on, stay on much longer and look at more pages. For me, Google is eight times more engaging for a customer than Facebook.

Q240 **Jane Stevenson:** That is interesting. We are wondering if social media is driving behaviour that does damage local news reputations. I would also welcome your comments on some news titles developing their own social discussion platforms rather than staying on bigger providers. Why do you think that is happening? What are the benefits? Have you thought about it?

Maria Breslin: On social media, in the short term we would like to see credible, trusted news services given some priority on social media. During the pandemic, we saw that that was not the case and it is quite



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easy for rumour to become fact on social media. There is a concern about what is trusted on those platforms and the impact that might have on democracy.

We have no plans to build our own social media platform. We are on social media and that is a fact of life. Our audience, or part of our audience, is there, so we need to be there. We do have our own commenting facilities, which are quite lively at times, for want of a better word. We have to engage with our audience, we absolutely have to talk to them, we have to listen to what they have to say and thankfully that can now be in real life, but it still exists within a social sphere. We need to continue doing that. My main concern about the impact of social media is the effect that it has had on our reporters. We are perhaps the first group to appoint an online safety editor and sadly, even this week alone, I have had to use her services. The impact of social media on the mental health of journalists can be quite brutal. It is of concern and is something that I would like to see those platforms do a lot more about.

Q241 **Jane Stevenson:** That is interesting. What is the role of the online safety editor? What sort of stuff would she do day to day?

Maria Breslin: We are encouraged to report any abusive behaviour on social platforms and through e-mail or any other communication channel. The role might include liaising with the police if it is a criminal matter; it might be speaking to the platform provider to see if there is anything it can do about banning the user. The editor is sadly a lot busier than you would hope. It is a concern and something I would like to see those platforms take a lot more seriously. It has been a difficult two years for a lot of us and the impact of the pandemic on our team's mental health has already been quite testing. It also seems to have made people much more vitriolic on some of those platforms.

David Floyd: I do not disagree with Maria Breslin about the responsibility of platforms to stop the abuse of people. It is a bad thing and a particularly bad thing for journalists who are engaged in a positive way with good intentions.

The relationship between social media and journalism is more complex than might sometimes be cited. There is not necessarily a negative impact on local news as a result of social media. Facebook groups to some extent do some things well that local news is no longer in a position to do and in many areas would never have been in a position to do. There are some massive local Facebook groups in some of the areas we operate in with tens of thousands of members. If you want to find out, "What was that bang down the road yesterday evening?", your weekly corporate newspaper would never, at the best of times, have been a very useful vehicle for finding that out. In many areas, these local groups add a lot to bringing people together and focusing on positive campaigns and messages as well as negative stuff.



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The danger is that in any communications landscape where lots of people are gathering there will be people there who are doing more negative things and that does need to be tackled as quickly as possible.

Q242 **Jane Stevenson:** Do you feel pressured on those hyper-local things to be super agile and for a reporter to get a story out instantly so you can Hoover up?

David Floyd: An individual can immediately find out something, or feel they have, and then post it immediately on Facebook and they have no responsibility beyond the law as to whether it is correct or not. As journalists, we have different responsibilities. We are a small organisation, but we are a professional news organisation. Though we do want to get stories out quickly, we want to make sure they are properly fact-checked and accurate. We have not found that to be a major problem. People in our local areas distinguish between what we do as a professional journalism organisation and what a person posting on Facebook may do. That is not to say a person posting a rumour or something factually incorrect on Facebook is not doing damage—they are potentially doing damage—but I don't think they are necessarily damaging us as a news organisation.

Karl Hancock: Ultimately, it is about building trust with your audience. Our journalists live in the communities; they know the communities. I put 10 principles on our website that all our journalists have to follow. When we started and went into these Facebook groups, we were met with disdain and we had to get them on side, saying, "Look, we are here to champion this town, to promote causes, to promote the town," just as newspapers used to do 25 years ago. It took time to build that trust but every one of our journalists is told, "You have to build trust. You have to follow those principles." If you do that, ultimately that quality will come through, but it is all about being local, being within the community.

Q243 **Jane Stevenson:** Have you not thought about having your own platforms for those discussions?

Karl Hancock: We have our own platforms. We don't have comments on our sites because we don't want that abuse. We have comments on our Facebook pages. If anybody is rude or abusive, they are instantly muted. We have to monitor that. That is an issue but it is not a huge issue, not a huge time constraint. Again, it is about building trust and being local.

Chair: If a tree in the forest falls when no one is around, it makes no noise. That is the idea, isn't it, when it comes to muting?

Q244 **Giles Watling:** In a previous incarnation, this Committee went to Washington and New York on a completely different mission, but during that mission we met Mark Thompson, who was then the CEO of *The New York Times*, and he said something quite extraordinary. He said that in 20 years he did not envisage that there would be a print version of *The New York Times*. This question goes first to David Floyd. I am terribly impressed that you have launched the *Waltham Forest Echo*, the *Haringey Community Press*, the *Enfield Dispatch*, the *EC1 Echo* and the



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Barnet Post all in the last 10 years or so, and you are fast expanding into print. What do you think is the future?

David Floyd: It is an interesting question. When we were getting started as a small organisation with no significant investment capital, we went into print because we feel print has a social value, in terms of reaching parts of the community that would not necessarily go online looking for local news in the same way as a regional print publication, but we also went into print just based on our situation. It made sense commercially and it still does. The residual advertising market in print is still quite significant. You will all be aware that it is much smaller than it was 15 years ago, but there is still a lot of money in print advertising. How long that will continue is difficult to say. We are not currently noticing a massive drop in print advertising income. We came into that market when things were very bad. They are not getting dramatically worse from that starting point, but it is difficult to know.

The challenge is that if you remove print from the equation, not only do you have discussions about whether people like print newspapers and whether they have a wider social value, which is important, but purely on the commercial side, if you are going to do publications at a local level in particular kinds of areas—the situation in larger UK cities is a bit different, but the situation in different ways at London borough level or at the smaller town level is that there is a problem because the residual print advertising market is still vitally important to those publications that still exist. There is not anything beyond that, there is not any way in a small town that you can do a local publication based on programmatic ad income.

Either print will be part of the future for a very long time or some other direct reader revenue model will be the future, but you cannot do that mass thing if you are in a situation where even if 100% of the people in the area you are based in are clicking on the product, it will not fund a journalist.

Q245 **Giles Watling:** From your point of view, are print editions stable at the moment?

David Floyd: Yes. It remains vitally important to our business model but it remains important to our social model as well, getting to people who would not go online and read news and also being a physical presence in the local community; the fact that people can be walking on the street, find one of our newsstands, pick out a copy of the paper and read it. That makes you part of the community.

Q246 **Giles Watling:** The demography of my constituency is fairly elderly—I am one of them—and as John Nicolson said, we like to hold the newspaper. It is a wonderful thing to hold. Before this session today I was talking to one of my local journalists, who I have known for many years. I have noticed something about his particular operation, the local gazette for Clacton, Frinton and Walton, and so on. When I first knew him, there were people in the office doing this, that and the other.



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Gradually that has narrowed down until he is multitasking. He is editing and so on and I would imagine this gives him a challenge to produce quality copy that people would be interested in and also producing more sensational stuff to garner hits. Is this a typical example? How is it working in your operation?

David Floyd: It absolutely is a challenge. For us, having a local office is very important. Our three main borough newspapers in Waltham Forest, Haringey and Enfield all have locally based offices within the local community, two of them within community centres, and they all have a couple of journalists based in them. We are looking to establish a local office in Barnet as soon as possible. That is important to us. It is important to be physically in the local community, to be there if people want to drop in and talk to us, and to be able to go physically to events to talk to people, but we are under no illusions. It is very difficult to continue to pay for that and there is not an obvious route back to a situation where a local newspaper in a London borough would have had five or six reporters based in its office. That revenue just is not there anymore. For us, it is very important, but maintaining that will be one of the key challenges over the coming years. I hope it will be possible but it is difficult.

Giles Watling: Any comments from the others?

Karl Hancock: On David Floyd's point about the social need, the local newspaper is a lifeline for a lot of older people. I was talking with our national editor about Nub News having a print run in a few years, maybe once a month. We would get advertising revenue from it and there is that definite need. However, whether it is sustainable or not—it would be a nice to have rather than part of our overall business model.

Q247 **Giles Watling:** Is print losing advertising revenue to the internet?

Karl Hancock: If it was only once a month it would not be very much.

Q248 **Giles Watling:** I take that on board. We are asking individuals to be far more entrepreneurial. We are asking journalists, instead of working in the traditional way, to be a fundraiser, a salesperson, a business development manager and all those other skills that you would not normally expect of a journalist. Is there training? Are there resources for people?

Maria Breslin: That is not a scenario that I recognise. We are obviously operating at scale, comparatively, so we are not asking people to multitask. The print product is still a very important part of our operation. It is far from a niche product. I would not want to put a time on how long it will remain profitable. I spend a good part of my day talking about the front page of the *Liverpool Echo* because that is what people see; it is our brand on one page. It remains a key part of the operation and long may it continue, and long may people still want to invest in it.

Q249 **Giles Watling:** Titles such as the *Liverpool Echo* have been around for years and people are very fond of them. I remember the *Liverpool Echo*



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well—I think I got a good review in it once. You have that sort of dedication, that role, but for new products such as what David Floyd is coming out with, you have to create that attraction, don't you? How is that going?

David Floyd: It is going very well, but it is where being embedded in local communities is important. Our business model began with a mixed voluntary and paid model, with paid journalists doing the news reporting complemented by features content being written by local volunteers and people from community organisations. As we have grown our operations there are still some voluntary contributions but we have a bigger paid team now so we are able to do more of the professional journalism, but the community's direct involvement in creating the newspaper has helped local communities to feel ownership. The print element is important in local communities feeling ownership, as is the presence of the local office.

The kind of stories we cover also has an impact. We do report bad things when they happen, but in terms of the broad picture we are positive about our local communities and what is going on in them, looking at how we can bring people together and amplify the voices of local communities, particularly those within communities whose voices would not otherwise be heard. Those things put together are important to the building of trust with the local community and that is vitally important. It is important to how we are seen as a news organisation, but it is also quite important to the business model because some of the very locally focused advertisers will see that by advertising in this community-based publication we, as a business, can help to support local news in our area and a local newspaper that is committed to our area. It has that wider impact.

Q250 **Giles Watling:** I wish you every luck with that. Finally from me—it is a slightly different subject—is buyout from a multi-title group an effective way to solve the business pressures faced by local news organisations? Everybody is looking at each other.

David Floyd: I have an answer on the broader question of consolidation, which I think is important and is a consequence of buyouts. We cover an area of 1.2 million people in north and east London. We have seven journalists across that area—we would like to have a lot more. Our main corporate competitor has zero journalists in that area. It edits those papers in north-east and central London. From Watford, the editor of the *Watford Observer* chips in and covers the papers there and uses the content from BBC Local Democracy Reporter but it has no locally based journalists in that area. You can't really consolidate the situation any more than that. It has reached its limit in many local areas.

Giles Watling: There are the back-office costs, HR, fundraising, marketing and so on.

David Floyd: I think the difficulty is that in many areas—and, as I say, it is not true in the larger cities—in London boroughs and the smaller towns, the extent of managed decline in the corporate sector is so great



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that there is not really much further for them to go with that. That is the issue. We mentioned the value that people see in the brands and the affection they have for local publications. Some of the local publications, particularly in London boroughs, were so bad that in a sense if you had the choice between starting from scratch in a London borough or being given the local corporate newspaper in that borough, you would be better off starting from scratch. The corporate paper has costs and responsibilities but it doesn't have any assets other than the public notice context, which we have mentioned. You would be better off starting from scratch than you would taking on a corporate publication in many areas where there is that level of managed decline.

Karl Hancock: Can I answer the consolidation question as well? This industry is dying and it has been dying for 10 years. I think that Clive asked a question in one of the previous sessions about whether the industry is dying. There is not much money in local news any more. We have seen one of the biggest national organisations go bust and we have seen another one's equity wiped out. They are consolidated as much as they can be. All that does is give them another year, another two years, another three years; it is dying.

This question was being asked 10 years ago, five years ago. Dame Frances Cairncross had her review into local journalism three years ago and those questions were being asked then. I will quote from her then. She said: "Established companies have often found it hard to reinvent themselves and thus survive profound technological change—think of Kodak and Blockbuster". In other words, we need to see new institutions, new innovations in technology and business models, which is what Dame Frances Cairncross said. Right now we are seeing that, with public advertising campaigns and the public notices, the Government are propping up Blockbuster when they should be looking for Netflix.

Maria Breslin: It is not for me to say whether consolidation is the right thing for different organisations, but you make a valid point. If I have a big legal question, I am not making those decisions by myself; I have a legal team. I have talked about our online safety officer. You are right about HR. I am able to get on with doing my job, which is finding and serving and publishing the best possible content for our readers, and there are definitely advantages to that.

Q251 **Clive Efford:** My question is about funding, but when John Nicolson was talking about newspapers, I was thinking: is there a crossover between people who buy a newspaper regularly and buy their local newspaper as well? Is the larger proportion of your market people who are in the habit of buying newspapers?

Maria Breslin: Do you mean buy a national newspaper?

Clive Efford: National newspapers.

Maria Breslin: Yes, absolutely. I see data from across all the spectrum and, yes, people do buy their local and buy their national.



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Q252 **Clive Efford:** Is that where the market is; that people who are in the habit of buying a physical newspaper are also more inclined to buy their local newspaper?

Maria Breslin: No, I don't think that is necessarily the case. We have experimented with offers around that sort of habit, but I think generally people are loyal to their local newspaper. We did a lot of work during the pandemic on increasing our home delivery service and so on, encouraging loyalty through subscription. It is not my understanding that that is the principal buyer. We have an established brand, we are very local to our community and there is that habit. Our challenge comes with seeing that continue. That is passed down through generations and keeping that brand awareness is important.

Q253 **Clive Efford:** Is there a generational thing? Are younger people getting in the habit of buying a local newspaper, or are they getting their news from you on their mobile phones?

Maria Breslin: They are getting their news from us on their mobile phones and they might not even know it is from us. We have a brand issue to work on and that is why we have been working with platforms used by the younger generation. I am absolutely convinced that there is still the appetite, but not necessarily the loyalty.

Q254 **Clive Efford:** I had better get on to the questions I am supposed to be asking, because otherwise the Chair will tell me off. There are various areas of funding around NESTA Future News Fund; the BBC's Local Democracy Reporter service; Meta has the Community News Project; Google has the News Initiative. What is wrong with the funding for local news? Is this a good way of funding local news? Is there a better way of doing it?

David Floyd: Shall I start? I think that there are two problems. I am sure you would expect us to say this, but there is not very much in the volume of funding that is available.

Clive Efford: Does it go to the right people?

David Floyd: We are a not-for-profit social enterprise, a local news publication, and in the independent not-for-profit local news sector there is more money going into local news in the city of Chicago than there is in the entirety of the UK, with the philanthropic funding for local news. There are very small amounts of money. You mentioned the NESTA Future News Fund, which I worked on to an extent. That was £2 million and about £1 million was grant funding. In actual operational local news organisations, two organisations got grants of tens of thousands of pounds out of the 140 members of the Independent Community News Network. These schemes so far are not really scratching the surface in volume.

That is a very important question, but alongside that is the question of what is being funded or subsidised if we are going to have funding or a subsidy. I am from the not-for-profit sector and I don't think that all funding should go into not-for-profit necessarily, but I think it needs to go



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to supporting journalism and news and to go to organisations that have news at the heart of their business model rather than declining organisations in the digital marketing space who do a little bit of news alongside that. It is how can we support news and fund journalism.

That is important, but part of that for the new entrants is how do you support business development, how do you support organisations that are coming up? There may be one person living in a local area operating from their kitchen table who is a former journalist. How do you provide them with some funding so that they can develop a business model for their activity, they can sell advertising and they can generate the range of income streams that they need? Funding channelled into that is vitally important, and that kind of funding has not yet been available at all in the UK.

Q255 **Clive Efford:** Before I come to the others, is the funding that is available long term enough to support that sort of start-up?

David Floyd: There is no ongoing funding available. There are a number of schemes that support particular reporting. I think that we definitely need that. With the state the market is in and the gaps that are emerging, if that kind of funding is not made available it will not be possible for a transition from the old model of local journalism to a new sustainable one. That investment in business development is vitally important. We have funding of news posts, so the Local Democracy Reporter scheme funds posts—we have two of them and it is great. The Facebook NCTJ community news project also funds journalism posts, and that is very valuable. But if there is not support to enable the organisations to develop effectively as businesses alongside that, that in itself will not entirely enable those gaps to be plugged.

Q256 **Clive Efford:** Before I ask the others to come in, I have one other question to you and then they can answer all of them together. Should there be more Government funding?

David Floyd: I think that, as mentioned earlier, the Government could do a lot in reforming the public notice system so that that is channelled to supporting journalism effectively but also maybe helping people to find out about the public notices. That might be a useful thing rather than the current model we have. That is tens of millions of pounds that is currently being very ineffectively directed based on the current model, so Government could do something about that. The Government could do something about their own advertising campaigns. In the wider funding landscape, maybe the role of Government is crowding in other sources of funding potentially. I don't think we want to see Government bankrolling local news. There are dangers attached to that as well as positives, but I think that Government can play an important catalytic role in that and that is what is needed.

Karl Hancock: Funding is not the answer. The business model is broken and something drastic has to happen. At the moment, I am not asking the Government for money; I am asking for a level playing field. If they



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are going to give out money in funding public advertising, public noticing, let that money be evenly spread. I am not here to talk to the Government to say, "Give me more money." I have just raised millions of pounds from private investors to form a business and then I look over here and tens of millions are propping up an old business model that does not work. The funding for me is just a short-term solution that elongates the problem more than anything else and acts as a huge barrier to entry to independent networks such as Nub News, and David's business as well, and that is the real issue. So the answer is: no, I don't like funding.

That said, I do like the BBC Local Democracy service. I know that this came from John Whittingdale on one of these inquiries as well. That is a true level playing field for me because I get access to that, or Nub News gets access to that poppy, so do you and so do others. That level playing field is really all I am asking for. If there is funding to be had, make sure it is given out equally. But I don't think it is the answer.

Q257 **Clive Efford:** On that bit about the money being given out equally, are you saying that large corporations tend to Hoover it up at the expense of start-ups and small organisations?

Karl Hancock: I don't have the stats but I would say that 95% of it goes to the top four players. I would have to check those facts.

Maria Breslin: A title such as the *Liverpool Echo* is not looking for charity at all, just a little bit of help in levelling up the playing field with platforms. I think that it is widely agreed that the BBC LDR scheme has been beneficial to very many parties. We entered into it in the spirit that was intended and we have tried to go beyond our remit, so we support our LDRs, our political editor manages them, they develop, they are given training and we work with them to produce good content that is accessible to other organisations that are part of the scheme. That has generally been positive.

On the Government, obviously the advertising during the pandemic was incredibly helpful. I like to think that a title such as the *Liverpool Echo* delivered good value for money for the people it reached and I would say the same with public notices, but I appreciate that is a thorny issue.

Karl Hancock: The answer is to provide local news to the communities, have businesses proud of that local news and have those businesses sponsor those sites and be proud to be helping local businesses. In Crewe we have Radius Payment Solutions that helps us. It is our biggest sponsor. The Co-op is ahead of the game in local engagement, so it is our national sponsor as well. The key here is that the industry is moving towards localism, that CSR element. We, as businesses, have to go to those corporates and get our sponsorship and our partnerships from them and build a sustainable business model, rather than rely on bailouts from the Government, because ultimately they won't work.

Q258 **Dr Huq:** Karl Hancock, we have met, haven't we? It was on Zoom, so not



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as memorable. You have a Nub News operation in Ealing. Just from my office, they are annoyed at your latest story: “Falling Like Skittles’, Ealing MP reacts to cabinet resignations as Boris teeters on the brink”. They send you press releases. I don’t know if the others have a comment, but nowadays social media has changed our news values, so someone doing a tweet is a story, whereas we have actual content we could send you. Discuss.

Karl Hancock: Specifically in Ealing, we can go back to the BBC Local Democracy. We hired a very good journalist for Ealing who was nabbed by the BBC two months after being in the job. That is a pure example of crowding out, so right now we don’t have a journalist for Ealing and Brentford and someone else is covering that.

Q259 **Dr Huq:** Maria, your bio says that you covered Lockerbie. Isn’t this a bit of a comedown—it seems to happen every time someone dies, they just say, “Famous person tweeted ‘very sad; they were a lovely person.’”

Maria Breslin: I think social media can be the start of the story but it should not necessarily be the end. Social as a way of sourcing content was particularly important when we were all working from home and we didn’t have access to people, but I totally agree that it is the start, not the whole story.

David Floyd: I spent much of yesterday attempting to track down the three Members of Parliament for Barnet to get their perspectives on current developments. None of them got back to me, so if any of you see them during the day and they would like to talk to me, please tell them to get in touch.

Karl Hancock: That is a good point. We have 42 towns and I think we had six MPs who came back to us.

Dr Huq: All right—could do better.

Chair: That concludes the first session. Thank you very much, Maria, David and Karl.

Examination of witnesses

Witnesses: Matt Abbott, George Brock and Polly Perkins.

Q260 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and our second panel today on the sustainability of local journalism. We are joined for our second panel by Matt Abbott, deputy director of the Independent Community News Network; George Brock, chair of the Charitable Journalism Project; and Polly Perkins, the editor of *Burngreave Messenger*. Hello, Polly, Matt and George. Thank you very much for joining us today. Our first questions will come from Clive Efford.

Clive Efford: Welcome. Thank you for coming to give evidence to us. My first question is about multi-title groups. Is it good news or bad news if local news is bought out by a multi-title group?



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George Brock: Experience is generally telling us—I am sure Matt will have more to say—that the consequences are generally negative. They are negative because on average, on the overall, the investment in reporting locally from the local communities tends to shrink. That is the overall picture and you have heard quite a lot of evidence on this already. I am sure Matt wants to add.

Matt Abbott: Absolutely. I think that when multi-title organisations consolidate their operations journalists are removed from local areas and there is less local reporting. It is more generic reporting that happens within those communities and communities suffer directly because of that, and democracy suffers directly because of that too.

Polly Perkins: I think that people who live in an area understand the nuance of the communities in that area in a way that someone who doesn't live or work physically there can't possibly hope to. I can't see any positives to it other than when stuff like that is online they can measure the clicks that come through advertising. Of course the big secret about advertising is that there is no evidence that it works. The only way that advertisers can look and say that this works is that they are getting clicks, but they don't actually know that that translates to sales.

Q261 **Clive Efford:** In the current climate where we are seeing fewer and fewer people buying the actual physical newspaper, more and more people getting their news online, can local independent news become financially sustainable in the current market?

Matt Abbott: I think it certainly can become sustainable but it needs a lot of support. There are multiple ways that that support can be delivered into the sector. There could be Government support, there could be state support in subsidies, innovation funds like the Future News Fund that was developed after the Cairncross review. It needs to be a bit more far-reaching and a bit more targeted into the sector. There are multiple different business models within the sector: print models, digital models, newsletter models, and particularly the new Substack model that has come about. Whenever a solution is talked about, that is not necessarily a one size fits all; there need to be multiple revenue streams and businesses need to diversify their revenue streams to succeed.

Q262 **Clive Efford:** When you say "diversify", are you talking about a mixture between printed form and online? What do you mean?

Matt Abbott: No, not necessarily. I think advertising still has a valuable role to play in local journalism. Many of our members are based in their communities in such a way that they attract local advertising from local businesses and there is a strong relationship between local businesses and the newspaper or the online site that they have. That needs to be propped up in some way. It needs to be supported so that they can continue to produce the journalism within the community, using the advertising from the local community and local businesses, which was



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very lacking during the lockdown because all the local businesses closed down.

They also need to get revenue streams from elsewhere, whether that is membership models or subscription models or through looking at the legislation surrounding statutory public notices or public health advertising, which again was severely lacking during covid. The independent sector did not get anything during covid; 95% of our members received zero support during Covid.

George Brock: I think that the business model for local news can work but it is toughest at local because the classified advertising that once sustained it—cars, jobs and houses—has all gone and it will not come back. That means that people are experimenting. Digital also demolishes the barriers between all the platforms, between video and audio and print, words, and people are experimenting. The diversification of what is happening, particularly where people are innovating and experimenting, is extraordinary. I think that it will improve business models as they go. The advertising model in the big cities is not doing so badly. It is very tough in small towns, probably the toughest of all. I am sure that people will find things as time goes on, but it needs a bit of pump priming in the meanwhile.

Q263 **Clive Efford:** You said that it is easier for people to measure what goes on with advertising online because they can get the clicks. Does that create a trade-off between independent news and the need to get those clicks?

Polly Perkins: I presume so, but we don't have any advertising on our digital platform so I am not the right person to ask about that. The first question you asked was about whether it can be sustainable in the current model. I think what we heard was "no" from both these people because they both talked about needing to change the model, for there to be other ways of being sustainable, if what we mean by sustainability is only financially sustainable. I think that there is no way under the current model that local journalism can be sustainable. I think not, without the Government's intervention.

Q264 **Clive Efford:** On the social impact of local news organisations, how unique is the service that they provide?

Polly Perkins: The social impact of the *Burngreave Messenger* is absolutely enormous for our area. We have massive digital deprivation in Burngreave. It is one of the most deprived wards in the country, in the top 10%. For example, during the covid-19 pandemic a lot of the people in our community simply would not have known where to go and get vaccinated or tested and we could let them know. This lands on everyone's doorstep, so there is no question of the people in Burngreave not knowing where to get vaccinated and tested. It also meant that we could carry articles written by members of vaccine-reluctant communities about why people should get vaccinated. We were able to carry valuable health messaging that could not otherwise have been carried.



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The other thing that was mentioned earlier was young people getting into journalism. One of the things I have done is that the centre section is now made by youth from schools in our area, so young people are doing journalism. It is getting out in their homes and it means that they are speaking to each other and to adults across the catchment area divide. That is one thing that a charity hyper-local newspaper can do that is certainly not available to the national news space and would be very difficult to be affordable for local journalism that is not charity-led.

George Brock: One of the ways of looking at the social impact is to look at where it has gone worst, if you see what I mean. We did a research project recently at the Charitable Journalism Project. We called it "Local News Deserts in the UK", and it takes seven places in the UK where local news provision is particularly poor and essentially social media have taken over. That tells the story just in one sentence; there is more detail, of course. Therefore it is extremely difficult to build cohesion in communities, to sustain local democracy, to hold accountable the local powers, and not necessarily only councils but other institutions and authorities. It is much harder to do if there is not proper reporting going on.

Matt Abbott: Independent Community News reporters are often the only journalists in those areas providing that democratic value and citizen engagement. They are covering council meetings and election hustings. There are not any other journalists in some of the areas that George talked about. There are no others. All of the big multi-title organisations have pulled out of those areas, consolidating their operations, in some cases counties away. It leaves them bereft of any journalists apart from the independent journalists who have stepped in and are taking over this role alongside the Local Democracy Reporters who have been drafted in by the BBC. If it wasn't for them, those councils, organisations and public bodies would not be held to account at all and the local communities would not have any access to information.

One of the areas not talked about in George's study but which is a news desert in Wales, where the Independent Community News Network is based, is in Port Talbot. There was a news project called the Port Talbot Magnet that was developed after there was previously about 15 journalists in Port Talbot and they all just disappeared over the course of a decade. The newspapers pulled out and they had nothing left, so they started the Port Talbot Magnet. Unfortunately, it was not a success because of the stark deprivation in the area of Port Talbot. They tried to run a membership model and a reader revenue model, but it was not successful. Before they went in there and produced this publication, it was found in a PhD thesis that people were getting their news from graffiti that was perhaps daubed under a bridge that a road had been closed. Nobody knew that this road had been closed and it was reported in this PhD thesis that people found out about it because of things like that.

Q265 **Clive Efford:** That is fascinating. I think that you have partly answered



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the next question but it is about the social impact, the comparison between local news and national news. Is there a significant difference?

Matt Abbott: I would say so, yes, absolutely. National news does not necessarily cover what is going on in local communities. It occasionally parachutes in when a big news story is happening, but a lot of the time the local news stories go under the radar and are only reported within the small communities. If there was no local news reporting covering those events, local councils would be left unchecked and nobody would be making sure that they are doing their job properly and there is no corruption going on. The national news journalists will only jump in when there is a sexy news story happening—when there is a scandal or something like that.

Q266 **Clive Efford:** I have been in local government and I have been an MP for a long, long time, so local news is clearly of interest to me, and sometimes I like to make it, for good reasons. But I despair of some of the stories that are written because they are by a local journalist who seems to think that he is working for *The Sun*; there is a shock-horror story. There tends to be a bias that says the council is always inefficient, wasting money, not very good, slightly tongue in cheek but always knocking, which has a big impact on local opinion but does not tell the true story. No one writes a story that says, "Shock, horror, the council was very efficient today". How much does local news distort local opinion and influence outcomes?

Matt Abbott: I think that is the role of journalism though, isn't it? It will always be quite combative when it comes to people who are in power. That is journalism for you and I think that it will always be that way. I think that is a good thing because it holds in check the people who hold on to the purse strings and the reins of power, and that is definitely a valuable thing. Journalism moves the conversation forward on things like local politics and that is a vital thing as well.

George Brock: Journalism should always be worried about how power is being used, but one of the most interesting things about the independent, often non-profit publications that are coming up now is that they take seriously their business of building the community. That means that they can't be permanently snarky because they are in the community, living in the community, doing things in the community. While they want, no doubt, local council or whatever it is to be accountable and for people to be aware of what it is doing, good or bad, they can't just be relentlessly negative. I think that is a very clear trend.

Q267 **Clive Efford:** Are you relentlessly negative about your local authority?

Polly Perkins: No, absolutely not. I think that if what we mean by independence is being dependent on finance from advertising, that is a pressure that is associated with advertising rather than with journalism. You can write journalism that is both valuable and positive about local government. Obviously you have to hold local government to account, and local government ought to be doing that for itself as well, but I think that at the *Burngreave Messenger* part of our job is to do celebratory



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work as well and say, "These are some of the great things happening in your city that you can access that you are not going to hear about from anywhere else."

We work in a deprived area and we don't have any wealthy people who will set up a little newsletter to impress their mates and that will tell people what is going on in the local area, so it has to be done through us, because if we don't tell the stories, no one will. Sheffield local papers tell only negative stories about Burngreave because those are the ones that will sell. People empathise a lot more with a sad story or an angry story than they do with a positive one.

Matt Abbott: It is worth pointing out as well that the independent media sector, independent news sector, is not just reporting on council meetings. As Polly said, it is doing the park runs every Sunday, the community profiles, the stories about people in the community that would never be reported on. It is always nice to see your neighbour in the newspaper. It makes you feel part of the community, more actively engaged and willing to take part.

Polly Perkins: Frankly, we are doing quite a lot of the job of local government as well by letting people know about the opportunities available to them. They are certainly not hearing it from our local government. There is no platform other than in Burngreave to let people know about stuff. Local governments cannot afford to do a leaflet run for every event they have on, but they can just give us a call and get us to put it in the paper or on our social media.

Q268 **Dr Huq:** I have a couple of questions on philanthropic funding to local journalism. You hear in America of the Carnegie Foundation and organisations like that. In this country it is not so developed. I think for a while you saw the sad hangdog face of Jimmy Wales on Wikipedia saying, "Give us your money." When you go on to *The Guardian*, there is a thing to get beyond, but you can donate. That is the nearest we know of here. I think the *Liverpool Echo* was a Reach plc title that had a donation drive and some of our local titles—I can think of *Ealing Today*—had a suggested donation of "the same as a cappuccino" every week or something. Why is philanthropic funding of journalism less prevalent in the UK than in other countries like the US?

George Brock: The Charitable Journalism Project works on exactly this issue. We would like to see more organisations, more local newsrooms, apply and succeed in registering as charities, which would give them a great advantage. There is perhaps more money sloshing around in the American system than may ever slosh around in the British system, but if they are registered as charities they can take donations large and small, there is a tax break and a reputational gain as well. If you are a registered charity, you are regulated. As far as I know, the *Burngreave Messenger* is the only local news provider registered as a charity.

There has been some shift of attitude on the part of the Charity Commission recently. It has publicised the decision to register the Public



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Interest News Foundation as a charity and it has registered the Charitable Journalism Project as well. We think that it is starting to think more flexibly about this, but we would like to see this opening wider and more publications going through it. It would not suit every local publication to do that, but we think that there is quite a lot and our next project will probably be to look at exactly what this number is. We think that there are quite a few local news projects that would gain from this and could strengthen their often very ropey finances.

Q269 **Dr Huq:** Do you think that they do it more in the US because there is a different tradition there?

George Brock: I think that there is some difference in tradition, but there is also an important regulatory difference here. It is very difficult in practice for local news organisations to get registered as charities. I am sitting next to the representative of the only one that we know of and it requires an expensive, long, difficult application. We are also trying to raise a fund to legally help people to do this.

May I give one example? There is an independent publication in Guildford called *Guildford Dragon News*. It is applying to be registered as a charity and its application is on its way in at the moment, but it has required some expert help from a specialised lawyer to get it to that point. It is not an easy process and it can be very slow too.

Q270 **Dr Huq:** To the three of you, if you could wave a magic wand, what would it take, what mechanism, what could be done at governmental level to unlock philanthropic funding? It sounds like you are saying that people can register as a charity. If there was some tax break—

George Brock: In a one-sentence solution, you could put a clause in a media Bill establishing journalism as the 14th charitable purpose in the Charities Act.

Polly Perkins: I am not sure how relevant philanthropy would be in an area as deprived as Burngreave because my suspicion is that philanthropists in general will be wealthy, older white men who will require their peers to be happy with the philanthropy and therefore will do it in an area that their peers live in so that it can be witnessed. I would be very surprised to see someone wealthy wanting to provide funds for me to keep running the *Burngreave Messenger* in a deprived area. I just don't see that happening. I think that most people's motivation is emotional and selfish, because that is what humans tend to be.

George Brock: Can I add one thing to that? If the *Burngreave Messenger* is applying to philanthropic funds, it is established as a charity and that makes it easier for those funds to give.

Polly Perkins: Sure. They just have to want to as well.

Matt Abbott: I think that the Government have a role in kick-starting that process, in providing those incentives, as George said, but that



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needs to be very limited and almost like a seed-funding process to kick-start the process, so that the Government encourage the organisations to start investing in the sector.

Polly Perkins: I think that it should be a matter of commitment to local democracy that people can be informed and people who don't have access to broadband can be informed. If we are not going to make broadband free for everyone, we at least have to provide information for everyone. I think that there should be state funding for hyper-local journalism. I don't see a problem with that. The suggestion in the last panel was that that might become propagandist. I don't see why that is any more dangerous than being dependent on advertisers.

Q271 **Jane Stevenson:** I want to turn to the BBC's Local Democracy Reporter service. Our Committee has heard a variety of views on it. Is this still a viable way to get local news out there?

Polly Perkins: We can't access it because our journalists are volunteers, but I know from our local radio station that accesses it that it is not very useful to them because they just get texts and you can't put texts on radio. I think it needs to be multimedia. I would like to see that if there are charity journalism papers in a city, the local for-profit papers TUPE the BBC Local Democracy journalists to us so that we can benefit from that.

George Brock: I think that the LDR scheme is viable and good as far as it goes. It just doesn't go very far. It is not really a secret that when the BBC started it, it hoped that the very big high tech firms would come in with funds and massively expand it, and that didn't happen. The report on local news deserts records that they do make a difference where they are, with some of the limitations that Polly has mentioned, but it is a bit spotty; it is not everywhere.

Matt Abbott: In principle, I think that the LDR scheme is great. It does some valuable work in communities. We have 120-plus members of ICN, independent organisations, and I think there is somewhere in the region of 165 LDRs in the country. More than half of our members—in fact probably three-quarters of our members—receive content from the LDR scheme and they say it adds value to their product, to their offering. It is not without spots, obviously. There are concerns about how much a reporter gets paid, for example. It is not a great deal and they are having trouble hiring people to do the LDR job. There is the ongoing issue in Bristol at the moment with the LEADER, which has been banned from covering the council and a lot of other newspapers have boycotted Bristol Council, which is good news to hear.

The LDRs are reporters, they are trained journalists and they do an exceptional job. One of our members left his publication behind to join the LDR scheme last year and he is now making a very successful go of it. But as George said, it is not far-reaching enough. It does not cover everything that it needs to cover. It does not cover magistrates courts, as far as I am aware. There are problems with contracts work. We set up



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the Independent Community News Network as a way to get our members' voices heard at the discussions with the NMA and the BBC when the LDR scheme was first being created. A lot of our members can't have a contract to employ one of the Local Democracy Reporters because they are not big enough, so it was never really built with small independent organisations in mind.

Now that they have access to it—and I think our members employ perhaps a dozen Local Democracy Reporters themselves—having the reporter embedded in your newsroom provides you with an advantage over other organisations, being able to talk to that journalist daily and advise them on what stories are best to cover, which is not necessarily within the remit of the Local Democracy Reporter scheme and can create some issues.

Q272 Jane Stevenson: Are there any other improvements or changes to that scheme that you would recommend to support the independent community news sector? Polly, you mentioned finance. Are there any other changes you would like to add?

Polly Perkins: Only that we can't access it and we would love to.

George Brock: If it could be expanded, that would be great but it needs to do more, going downwards in size and breadth in covering more places.

Jane Stevenson: Multimedia as well?

George Brock: Multimedia as well.

Matt Abbott: I think that the contracts themselves need to be looked at thoroughly to make sure that they are being operated properly by the organisations running them. You hear a lot of stories about the reporters covering things that are not necessarily within their remit, precisely because they are being employed by one of the multi-title organisations. They are covering stories and they do vox pops and things like that that are not necessarily vital or important.

Jane Stevenson: So better focus, the pay needs—

Matt Abbott: I think so, yes.

Q273 Giles Watling: I will be very short and very quick here, because a lot of my questions were answered already. I think it is brilliant that the *Burngreave Messenger* managed to achieve charitable status. That is quite extraordinary and we talked earlier about the difficulties with legislation on that. It just occurred to me that when I was a councillor many years ago, we had a newspaper that the council published. That newspaper used journalists, but of course it would not be holding the council to account in perhaps the way you would like it to, but it covered local stories and news stories, factual stuff like that, and also it told everybody what was going on in the local area, what the council was doing and events and so forth. I would not like to put the *Burngreave*



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Messenger out of business but I would like to get your views on that sort of publication—is that valuable? We discontinued it back in 2007 or 2008, because everybody was looking online, things were changing and it was costing quite a lot of taxpayer money to produce. What are your views on that?

Polly Perkins: I think that you have done a disservice by abandoning anyone in your area who does not have access to digital media. You might be surprised at quite how many people in Britain that is, but it is not a small percentage. Also people were talking earlier about how: “I like the feeling of holding a paper.” It is actually more complex than that. You don’t just like the feeling of holding a paper; different areas of your brain are lighting up and functioning when you hold something physical, when you look at something on paper, when you can interact by writing on something a whole different thing is happening in your brain. Whole learning centres are being switched on that simply are not switched on when you are looking at a device in the same way. I think that it is valuable.

I am not sure that something produced by the council with journalists who are prevented from holding the council to account can have equal value to something that can hold the council to account, but it is valuable. Any information that is getting out there and telling people what is available to them is valuable and the less of that there is, the greater the paucity in all of our knowledge about where we live.

Q274 **Giles Watling:** Just for the record, I was opposed to discontinuing the said newspaper. George, do you have a comment on that?

George Brock: As you know very well, some of the publications put out by councils were criticised for being rather propagandistic and misleading. I don’t think that print or digital is really the issue here. If you look at where it is bad in news deserts, you find that there is a lot of information coming out from major institutions and authorities, the police, the councils and so on. Most of it is coming out online but the paradox is that, with institutions much more able to communicate themselves than they used to be, the role of somebody independent looking at what they are doing is more important than ever. That is the paradox in it, in a way.

In the report about the news deserts, there are one or two quite shocking examples of where people decided at a local level that a quite important development was something better not debated in public and because there were not local media looking at it, it went under the radar. Not two miles from here there is a publication—independent, very local, extremely well embedded in its community—called *SE1 News*. That is the south-east 1 postcode. James Hatts started it 21 years ago and not long after he began he turned up in the public gallery of the council in that area that happened to be discussing a multi-million pound development project. He went along thinking, “I am going to meet one or two of the local reporters who I haven’t really come across yet, because this is potentially a very big story”. He was the only person in the public gallery and they



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were debating and deciding multi-million pound development projects. That is less than two miles from where we are sitting.

Accountability matters an awful lot, even if institutions are communicating, as they are bound to do in the digital world, frequently and on their own account.

Matt Abbott: I think it goes against the vital role of journalism as being the fourth estate. Councils have no right to be publishing their own information and publishing it in a printed newspaper, for example, which directly competes with a local independent title that seeks advertising from the same businesses and local organisations that the council paper is seeking advertising from. I don't know if David Floyd is still here, but David Floyd and other organisations in London have been battling this issue for a long time. Councils should not be publishing newspapers that seek to compete with local newspapers, yet they are doing so. They are breaking the law by doing so. They are doing it more frequently than they are allowed to and I think that there may be one or two council-run newspapers that are still doing that.

I want to add that occasionally MPs will put a flyer or a leaflet through my door that looks on the face of it like a newspaper. I think that is very disingenuous and I don't think it helps journalism at all when advertising is propaganda, as I would call it, and pretends to be journalism.

Chair: That concludes our session. Thank you very much, Matt Abbott, George Brock and Polly Perkins, for your evidence today.