

Written evidence submitted by the Charitable Journalism Project

To: House of Commons Digital, Culture and Sport Committee inquiry into the Sustainability of Local Journalism

From: George Brock (Chair) on behalf of the Charitable Journalism Project

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This submission addresses the third of the five questions listed in the terms of reference: *'How can the Government support local news outlets to develop sustainable business models?'*

The [Charitable Journalism Project](#) (formerly and briefly the Public Benefit Journalism Research Centre) was founded in 2019 by a [group](#) of editors, lawyers, funders of journalism and academics concerned about the future of journalism. The CJP's purpose is to conduct and encourage research, inquiry and debate on ways to support non-profit, public interest journalism which is the bedrock of healthy democracy. The business model of local and community journalism is most threatened by the shift from print to online and the resulting loss of advertising income. Our argument for a more open and understanding approach to charitable status for newsrooms which are willing to apply for it was set out most fully in [evidence](#) to a recent House of Lords committee inquiry. The aim of this submission is to underline that the government can help to bring about this change of approach.

1. Background

One [reputable survey](#) found a net loss of 265 newspaper titles in the UK between 2005 and 2020. Britain very probably now has fewer local papers than at any time since the 18th century. It is difficult to separate the job losses caused by the long structural crisis in mainstream publications and losses from Covid, but one analyst predicted that the combined effects might lead the [disappearance of 5,000 jobs](#) – roughly one-third of journalism's UK workforce. The potential reduction in the number of journalists gives a clue not just to the closures of titles but to what is probably an even larger issue: the 'hollowing out' of local newsrooms which no longer have the resources or experience to produce effective reporting. This leaves an alarming gap for less reliable sources of information.

2. News deserts

The CJP has commissioned Dr Steven Barclay to conduct research on 'news deserts' in a variety of locations across the UK to look more closely at the effects of what is already a widespread weakening of local journalism. His research is not yet complete, but focus groups and interviews in places such as Trowbridge, Lewisham, Whitby and Devon have already highlighted three aspects of the decay of local news:

- The central position of social media in all local news and communication. Most of this activity takes place in local online groups established through platforms such as Facebook or NextDoor.
- The greater popularity of local Facebook pages compared to the circulation (print or online) of legacy publications tells its own story.
- The degree to which the public rely directly on communications from large public organisations such as central and local government and the police without referring to material generated by local newsrooms.
- Dr Barclay reports that the people he interviews are well aware of the unreliability of social media and are simultaneously critical of local papers, often described as ‘not what they were’.

3. A solution

There is one solution to these problems which gets little discussion but which requires no new law and no cost to the taxpayer: allowing providers of quality journalism to register as charities. This is a ‘minimal intervention’ which could have large effects in meeting the information needs of communities all over Britain.

- a. The Charity Commission does register news organisations as charities. But very few applicants succeed and the path to success is strewn with obstacles: expensive specialist legal advice is needed, often over a long period.
- b. In a recent statement¹ the Charity Commission’s chief executive defended their approach by pointing out that journalism is not recognised as a ‘charitable purpose’ in its own right in the Charities Act and that to be registered a news organisation must ‘show the journalism that it funds or carries out is a means to achieving an existing charitable purpose’. Those existing purposes include promoting education, citizenship or community development. That statement cited four recent examples of registration. All four organisations are concerned with journalism, but only one (the [Burngreave Messenger](#) in Sheffield) actually provides local news.
- c. Baylis Media, publisher of the *Maidenhead Advertiser* and other papers nearby approached the Charity Commission about possible charitable status. But despite the educational, citizenship and community benefits of a well-established local paper which has served its community for 150 years, the Commission’s response implied that would be lengthy, expensive and offered little prospect of success. Baylis Media [decided not to apply](#). Both the fact-checking organisation [Full Fact](#) and the [Bureau of Investigative Journalism](#) only succeeded in registering on their third applications. In the BIJ’s case the registration only covers some of its output and Full Fact had to take their case to a tribunal. The CJP is certain that these examples are representative

¹ Letter to *The Times* from Helen Stephenson, Chief Executive, Charity Commission, 19.1.21

of a much larger group of local newsrooms which have been discouraged before starting to apply or never even thought of it.

- d. The potential advantages of charity status for a news organisation are twofold: financial and reputational. The shift to online news poses particularly acute difficulties for the business model of local news: it is proving very hard to replace what was once revenue from printed classified advertisements (for cars, houses, jobs) with either other ad revenue or subscriptions. Operating as a charity or with a charitable arm a local news organisation can offer tax incentives to donors large and small and we have gathered assurance over the last couple of years that there are philanthropic funders who would be prepared and keen to fund journalism, if the regulatory environment enabled them to do so. Those publications which wish to advertise that they are reliable, unbiased and accountable can point to the regulation of their activity by the Charity Commission. (Further illustration of these points is at section 2.5 of our [evidence](#) to the House of Lords).
- e. Charity law allows for adjustments to the exercise of the law to take account of developments in society. The simplest route to making charity registration easier would be for journalism to be more explicitly recognised as a charitable purpose. One way that the committee might assist with this is by making a clear statement in support of this development, affirming the importance of and the benefit provided by local news organisations. Another possibility might be to request the Attorney-General to make a 'reference' to the Charity Tribunal², which has the power to clarify and develop charity law. The reference might ask the Tribunal to determine how the advancement of journalism should now be recognised as a charitable purpose in its own right and in the light of the new importance of charitable donations in sustaining local journalism.
- f. If journalism was more clearly recognised as a charitable purpose, how could the Charity Commission ensure that this status was not being abused and that the news organisations were independent, accountable and operating in the public interest? One way might be to require compliance with a model code of conduct or an editorial policy. By definition, newsrooms which want to apply for charity status must have ways of maintaining the professional editorial quality which they promise to maintain. One member of our group drafted a version of the editorial guidelines which might be required to do that (Appendix 1 [here](#)).

4. The Cairncross objection

When Dame Frances Cairncross published her review '[A Sustainable Future for Journalism](#)' in 2019, she took the view that widening the access to charitable status was, while very

² Under section 326 of the Charities Act

desirable, unlikely to happen. She suggested that the government consider establishing a fund, held at arm's length from political decision-making, to develop and sustain quality journalism.

We respectfully disagree with Dame France's pessimism. The crisis in journalism has only grown worse in the last three years. We see little realistic prospect that the government will act on Dame Frances's proposal for a new funding agency.

We do not know how many local newsrooms, well established or newly started, might want to take advantage of charitable status. Some will not want to; some would not qualify. But we believe that the number may be large enough to make a significant difference. A rising number of experienced professional journalists who have lost their jobs could be galvanised into starting a new enterprise with the help of philanthropic benefactors. An injection of charitable money could generate a new generation of innovative journalism entrepreneurs.

We are doing what we can to estimate the scale of demand for charity status by setting up a project to give legal advice to newsrooms which want to explore this option and to publish a guide based on experience in a few test cases, so that others can benefit from what has been learnt about the best way to maximise the chances of being registered as a charity. The simplest way to see how powerful a stimulus this could be for local newsrooms would be to make charity status easier to obtain and see what happens.

5. Conclusion

Digital publishing has changed how we know the world around us. Multiplying cheap, frictionless routes along which information can travel expands opportunities to participate in the 'public square' and for free expression generally. But this wide ability to publish information and opinion also means that deception and fiction flourish at greater velocity and volume.

Journalism, done independently and professionally, attempts to establish and distribute the truth of what matters to a community or society in real time. That effort, which takes many different forms in different places, needs help urgently. Making charitable status easier to reach is not a silver bullet or a one-size-fits-all solution. But it will provide game-changing help where it counts: on the ground in communities where the provision of news is inadequate to peoples' needs.

We hope that the committee will support the adoption of journalism as a charitable purpose.

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