

Supplementary written evidence submitted by the Charitable Journalism Project

To: Department of Culture Media and Sport Select Committee, House of Commons

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

This note follows up the evidence hearing on the sustainability of local journalism in which I took part on 7th July (2022). It should be read in conjunction with the CJP's original submission to the committee's inquiry.

1) Charitable donations and the law

I was asked about the difference between the UK and the US: in America, the amount that philanthropic organisations give to journalism is much greater than in the UK. A number of factors lie behind that discrepancy, but one of them is what the law makes possible. British charity law formally recognises certain purposes as charitable. There are currently thirteen of these purposes described in the Charities Act 2011 and journalism is not one of them. The existing recognised purposes include the advancement of citizenship, the development of communities and education.

Journalism sits awkwardly somewhere between these three aims. The result has been that, in practice, local news providers find it extremely hard to be registered as charities. The *Burngreave Messenger* (Sheffield) is the only example we know of; its editor gave evidence alongside the CJP. There is not yet a satisfactory basis on which public interest journalism can be sustained, still less expanded, nationally.

The 2011 Act and pre-existing case law allow the scope of purposes considered to be charitable to be adjusted as society changes without the need for new legislation. In the past, support for environmental protection (in the 1970s) and sustainable development (in the 1990s) have been acknowledged as charitable after negotiation and debate. The Charity Commission has recently shown itself more open to accepting public interest journalism as a charitable purpose. The Charitable Journalism Project, the Bureau of Investigative Journalism (for part of its activities), TheConversationUK have for example all been granted charitable status in recent years. In particular the Commission chose to explain its approach by publishing its reasoning when [registering the Public Interest News Foundation](#).

We hope that the committee will encourage these promising developments to be taken much further. Action by the government and the Charity Commission will send a strong signal not merely to local journalism in the UK but also across the world: countries such as Canada, Germany, Ireland, Australia and France are all debating very similar issues.

There are two specific actions which we hope the committee will recommend, listed here in order of priority:

1. The government should insert a clause in the forthcoming Media Bill to install public interest journalism as the fourteenth charitable purpose in law.

- Legislative change is the top priority because it would remove any doubt about the charitable status of public interest journalism. Applicants for charity status would find it much easier to achieve registration because the Charity Commission would not need so much evidence that individual applicants are advancing a charitable purpose. It would add a great deal of certainty and clarity. This option would enormously assist both qualifying applicants and the Charity Commission because it would remove the evidential hurdle currently faced by applicants who must demonstrate that their journalism advances citizenship or community-developing purposes. Our drafting below also reflects discussion we have had with the Commission on the meaning of “public interest journalism/news”.
- We would suggest that something could be inserted into the Media Bill along these lines:
 - S.3 of the Charities Act 2011 “descriptions of charitable purposes” shall be amended to include an additional description of a charitable purpose as follows: *ss.3(1)(m) the advancement of public interest journalism* (and other subsections renumbered accordingly).
 - Ss.3(2) shall be amended to include a new *ss.3(2)(g)* as follows: *ss.3(2)(g) in paragraph (m), “public interest journalism” means “journalism which is conducted in accordance with high ethical and quality standards and which generates reliable, objective, unbiased information in the public interest”.*

2. The government should forcefully urge the Charity Commission, in the light of the crisis in local journalism, to welcome and process with speed charitable status applications from local and community newsrooms.

2) Social Impact

Our panel was asked about the social impact of the deterioration of local journalism. One vivid way to measure that is to look at the detailed examples of what happens in ‘news deserts’. This is the subject of recent Charitable Journalism Project report, which had not been finished when CJP’s original submission to the committee was written. The report can be found here: <https://publicbenefitnews.files.wordpress.com/2022/06/local-news-deserts-in-the-uk.pdf>

We would point you to the 4th section of the main findings (pages 17-20) which looks at – in the words of people from areas of poor local news provision – examples of what people don't know but which is clearly important for their community to read.

3) Money and reputation

The issue of charitable status for local newsrooms is often seen only as a tax break. For independent news organisations with beleaguered finances the 20% gain from gift aid is certainly important. But it is important to remember that charitable status confers two additional advantages:

- Many philanthropic organisations will only donate to registered charities. Charitable status widens access to donations large and small.
- The reputational gain. Donors are giving to an organisation which is non-profit and regulated. A local newsroom registering as a charity will need to show that it has appropriate governance and an enforceable editorial code.

4) Why do independent newsrooms matter?

Across the world, a large number of journalism organisations have shifted away from depending on advertising revenue (which is much weaker online) and tried to generate 'reader revenue', usually in the form of income from subscriptions. The subscription business model is not impossible at local level, but it is very hard to make work and examples of success are difficult to find.

That leaves local newsrooms caught in a dilemma. Journalism must now establish its distinctive value in a world in which a torrent of information flows through smartphones. Raising advertising revenue depends on clicks and that can often mean clickbait. But concentrating on public interest news (subsidised by advertising in the print era) is not likely to win a large income.

The ways in which local newsrooms can establish their value to their communities and get out of this trap vary enormously. The route to making that value clear is often experimental and innovative trial and error. That is the reason why small, often hyperlocal, non-profit newsrooms matter. They are conducting numerous experiments well out of public view, juggling and refining their editorial output and voice to find out not only what matters to their community and what it needs but also what attracts and engages its interest. People working inside these experiments are quite often ex-employees of local newspapers which have shrunk or disappeared.

These independent local newsrooms are an important element in the search for a model of the future. However dedicated and talented the individuals in their newsrooms, the corporate chains are trying to prop up the model of the past. We don't yet quite know what the best model for the future is. But if the independents go out of business while trying to look for it, the search for viable local journalism will take even longer. Whatever measures

the committee sees fit to recommend we hope that they will cover the smaller, independent newsrooms.

George Brock, Chair, CJP
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