

Joshi Herrmann, founder, Mill Media—supplementary written evidence (FON0066)

House of Lords Communications and Digital Select Committee inquiry: The future of news: impartiality, trust, and technology

About us

[Mill Media](#) publishes high quality local journalism in Manchester, Birmingham, Sheffield and Liverpool. Our approach is based on giving readers in-depth, nuanced reporting that holds local politicians and institutions to account and reflects the richness and human variety of local life. We have 12 full time staff, including editors who have written for titles like the New York Times, the Spectator and the Guardian, plus dozens of freelance contributors.

We are best known for [The Mill](#), our first publication, which has won awards and received coverage around the world since it was founded in Manchester in June 2020. Building on that, we've created a model that has now attracted more than 7,000 paying subscribers and more than 100,000 newsletter signups across our four cities. It includes [The Post](#) in Liverpool, [The Tribune](#) in Sheffield and [The Dispatch](#) in Birmingham, all of which have broken major local stories.

Financial sustainability is core to our mission to establish a durable and viable future for robust journalism across the country. In 2023, all of our costs were covered by our income, the vast majority of which came from reader subscriptions and the rest from advertising partnerships.

Last year we [received seed investment](#) to expand to other cities across the country. Our investors included the University of Cambridge economist Dame Diane Coyle and CNN chief executive (and former BBC director general) Sir Mark Thompson. When he made the investment, Thompson said:

"I'm backing The Mill because of the exceptional quality of its journalism and because it's such an interesting and encouraging initiative. Britain's cities need great commercially-sustainable journalism to inform the public and hold powerful institutions to account. That's what The Mill and its sister publications were founded to do, and what they are consistently achieving."

From our experience building the company, we have come to believe there is a chance for a genuine renaissance in local media in the UK, based on the huge demand from readers for higher quality local journalism. We also believe there are steps that the government could take that would help to enable such a revival.

The local news crisis

The local journalism sector in the UK has suffered an extraordinary collapse in revenue and capacity in the past two decades. According to [one recent estimate](#), the three largest local media companies now employ around 3,000 local journalists, a two-thirds drop from around 9,000 in 2007. As per [evidence](#)

[given](#) to the House of Commons Digital, Culture and Sport Committee, 265 local newspapers closed between 2005 and 2020, and it seems highly likely that we have fewer local titles than any time since the early 18th century.

In a [recent column](#) in The Times, William Hague described the “scene of utter devastation” in local news and pointed out that, during this year’s general election, “few of the candidates will need to worry about an authoritative local paper holding them to account.” Hague described the crisis as a threat to democracy, echoing recent comments from Bernie Sanders, who [told The Mill](#) that it is a “disaster for democracy”. As Sanders put it: "How can you be a good citizen and participate if you don't know what's going on?"

The biggest losers in this crisis are everyday citizens, who no longer get the high quality local information that they need and want. And the statistics actually *underestimate* the scale of the collapse, as in many communities readers have been left with [“zombie newspapers”](#), papers that no longer have any original local journalism but which are instead filled with national content and stories from other localities.

Online, many readers complain that they find local news websites virtually unreadable because of exceptionally high ad-loads. A regular theme in local Reddit forums and Facebook groups is the decline in quality of these websites, which also contain a large number of stories that aren’t about the local area or which are based on things celebrities have posted online.

The large players

The largest publishers of local news in the UK — most notably Reach Plc, Newsquest and National World – have undoubtedly faced extremely challenging market dynamics. But they have also chosen a business model that has alienated readers and damaged trust with the public.

Whereas the subscriptions-based business model incentivises news publishers to give readers high-quality, highly differentiated content that they are likely to pay for, the digital ads-focused model incentivises the publication of high volumes of cheaply written stories that are likely to drive online traffic. We can see the results of this strategy in almost every local newsroom in the country, where inexperienced reporters are instructed to write high volumes of stories – sometimes more than a dozen during a working day. At such volumes, it is almost impossible to do any original journalism.

By prioritising online ad revenue rather than subscription income from readers, the legacy publishers have chosen to chase largely unfocused traffic, much of which comes from social media and online search. It means these publishers now derive most of their readers from *outside* their local areas. One analysis by Press Gazette [estimated that](#) less than a fifth of the traffic to the Liverpool Echo and Manchester Evening News websites came from local readers.

The trend in the past decade has been clear in local news: the largest publishers have cut thousands of jobs, severed very old relationships with readers and showed no sign of innovating in a way that might lead to a renaissance in the kind of local journalism that people need. As [a report](#) from

the DCMS committee put it last year: "We are concerned that some of the approaches of the largest publishers appear to be compromising the quality of the local journalism produced by their titles."

Reasons for hope

There are grounds for optimism. Hundreds of local news startups have opened up across the country in recent years, in response to a demand for better quality local journalism.

Many of them have been founded by journalists who were laid off by the larger companies. In many communities, these local outlets have more local journalists doing original reporting than the larger publishers, and many of them have incredibly high engagement from readers.

As the Guardian reported recently: "a new wave of local and hyper-local websites are rising up from the rubble of local news. The Bristol Cable is member-funded, while in Glasgow, two nonprofit outlets – Greater Govanhill and the Ferret – have come together to open the UK's first community newsroom. Social Spider Community News, which has six London-based publications, is a social enterprise that is now breaking even."

Many others could be added to that list, including the excellent Local Authority newsletter in Kent and the NN Journal in Northamptonshire, both of which have broken important local political stories despite being run on very small budgets.

The demand for better quality local journalism is clear. To use our own story as an example, we started with just one member of staff publishing in Manchester in June 2020 and we now employ 12 full time employees operating new titles in Manchester, Sheffield, Liverpool and Birmingham, with more planned for opening this year.

We have exposed wrongdoing in the cities we cover, scrutinised metro mayors and provided a range of stories that help people to feel more connected to the places they live. Within two months of launching, our Birmingham title [exposed the collapse](#) of a major local provider of social housing, which hit the wall owing £13 million. In Liverpool, a [major investigation](#) by our team showed how an acclaimed community was having its public assets sold offshore.

These kinds of stories are deeply appreciated by readers, who have been crying out for better quality coverage of their areas. Here are two comments we recently got from our paying members:

- "The Mill offers sound and highly reliable local journalism, something that it sorely lacking elsewhere right now."
- "Local journalism is super-important, and Sheffield Tribune has brilliantly stepped into a gap left by the stripping back of the established local press."

Practical steps

There is an opportunity to achieve a genuine wave of renewal and rebuilding in local journalism that would have major benefits for local economies and local democracy across the country. This isn't a call for new government money — but simply for the money the government already spends to be allocated fairly. We need to level the playing field so that the new entrants into the market get an opportunity to compete with the dominant local news companies, giving what William Hague called "a fair chance for new ideas in local media".

There are many ways in which the odds are already stacked against smaller providers of news due to the UK's procurement and legal frameworks. We believe there are three steps that the government could take immediately, to give a huge boost to smaller local media. They are all close to zero cost.

- 1. Reform public notices rules.** Various laws require local authorities to spend money on public notices, including licensing notices, planning notifications, highways, and tenders. The Public Interest News Foundation estimates that £46.3m was spent in 2022 by councils on such notices. These notices serve an important function — of informing people about important developments in their area.

However, the requirements for public notices are that they are published in a newspaper. The legal definition comes from the Newspaper and Libel Registration Act 1881 which requires such a publication to be printed at least every 26 days. Given that most people now consume news online and almost all independent publishers don't use print (due to the high costs) this is outdated and should be reformed. This would allow smaller, independent media outlets to bid to publish their council's public notices, on the basis of being able to demonstrate greater reach and impact.

Last year, the DCMS committee recommended that the Government "review existing rules for placing statutory notices in local newspapers and whether local councils need guidance on how to measure the reach and audience levels of news publications in a digital age. This should include an assessment of how the revenue stream from statutory notices can be made more easily accessible for new entrants to the local news market."

- 2. Redirect government advertising.** Currently, almost all of the government advertising money that is spent in local and regional news goes to the legacy local news publishers. This means that new entrants to the market aren't able to access a major source of revenue, despite being highly trusted by their audiences. It also means that key public messages are not reaching the many people who no longer use or trust the legacy local news websites. Just as seriously, taxpayer-funded spending is overwhelmingly flowing to foreign-owned or London-based conglomerates, rather than the hundreds of local news startups and independent companies based in communities around the UK.

We believe government advertising could be used to support genuine community wealth-building, by backing media organisations that are providing communities with a valued service: high-quality, balanced reporting. We would like to see a framework developed that would reassure OmniGOV that these smaller local news companies can deliver strong reach, high engagement, reliable brand safety, transparent audience measurement and good value for money, so that a fair portion of this ad spend can be directed towards a wider range of publishers.

- 3. Bring forward anti-SLAPP legislation.** We need strong laws to protect media companies from so-called SLAPPs (Strategic Litigation Against Public Participation), so they can't be bullied into silence by spurious lawsuits from the big companies and wealthy individuals they are reporting on. Often these lawsuits have no legal merit but are brought in order to spook or damage journalists or media companies. This is a problem across all levels of media, but in particular for small companies that don't have the resources to stave off legal attacks.

25 March 2024