

Nesta—written evidence (FOJ0031)

House of Lords Select Committee on Communications and Digital: Inquiry into the Future of Journalism

Introduction

[Nesta](#), the global innovation foundation, is currently running the Future News Pilot Fund, a programme supporting organisations across England who are working in the public interest news sector. The pilot fund was a recommendation of the Cairncross Review. Funded by DCMS, it is specifically designed to support early-stage ideas that address problems faced by the sector. The fund supports ideas that are reimagining engagement with currently underserved groups and those improving the financial sustainability of the sector.

The pilot fund defines public interest news as news that covers facts and information that helps hold the powerful to account and allow communities to campaign for the issues that matter to them.

From February to June of 2020, the pilot fund will be supporting 21 diverse organisations across England through financial and wrap-around support to help test and prototype their ideas. The grantees are a mixture of news and charitable organisations, as well as for-profit businesses, with their projects ranging from testing of casual payments for local news providers will work, to opening up the newsroom on the hyperlocal level. The programme aims to test the demand for this kind of funding with a view to scaling up and will be aiming to share findings and research in a report due early July.

7. Why is the journalism profession not more representative of the population? How could this be addressed?

We know from other organisations' research that journalism as a sector is not representative of the population. Ninety percent of journalists are white and the proportion of young people aged under 25 is lower in journalism than that for the UK workforce as a whole¹.

Oxford Reuters research also found that news consumption is now more unequally distributed in the UK than income². This aligns with Nesta's forthcoming research³ that found a decline in journalistic activity particularly affects areas that already have higher levels of unemployment and lower levels of education.

With the Future News Pilot Fund, Nesta is supporting several organisations who are testing potential solutions to the problem of better representation in the news industry. In practice, we need better solutions that can improve the diversity of those who make the news as well as reimagining what engagement with communities, especially currently underrepresented groups, could look like.

¹ <https://www.nctj.com/downloadlibrary/JaW%20Report%202018%20web.pdf>

² <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2018-10/Kalogeropoulos%20-%20Social%20Inequality%20in%20News%20FINAL.pdf>

³ Nesta's research report is due to be published mid May but an embargoed copy can be sent to the committee should they wish to read it earlier.

Improving diversity is about changing who we see and hear in the news. We are supporting Media Trust, in partnership with the BBC, to improve the underrepresentation of disabled people commenting on current affairs. It's also about changing who makes and shapes the news and that's why the pilot fund is supporting Press Pad to build better routes into journalism for young people from lower socio-economic backgrounds by matching up interns with industry experts who can house them. Improving diversity also means focusing on audiences who are normally underserved by mainstream news. Projects such as Black Ballad, an online media outlet with a membership model, target Black women in the UK to amplify the voices and stories of a group that is currently largely overlooked by the mainstream UK press.

Reimagining the engagement of newsrooms with communities is another key area we need to work on to improve representation. We need to find ways of opening up newsrooms, while retaining high journalistic standards, to allow journalists to regain trust from people who have become disengaged with news. Through the pilot fund, we're supporting Tortoise to test new models of open news meetings, allowing those who attend to give their opinions and shape the editorial line. Other innovations test how to bring the newsroom to groups who normally wouldn't engage with news. We are also backing Manchester Meteor who are taking their newsroom into the community, for example, into food banks, in order to reach underrepresented groups.

In supporting these projects, we can experiment and test out what actually works in terms of increasing diversity across the news sector and work to share learnings so others can replicate the successful initiatives.

9. How can innovation and collaboration help news providers of all types to maintain sustainable business models and adapt what they produce to audience demand? What lessons can be learnt from successful innovations, including in other countries?

Through the Future News Pilot Fund, we are seeing how collaboration and new ways of working are helping to tackle some of the problems prevalent in the sector. In particular, testing new ways to engage with underserved groups (as mentioned above); and leveraging innovation and digital technology to improve the financial sustainability and resilience of those producing news.

To develop financially sustainable business models, we are seeing many of our grantees using technology or data-driven approaches and taking inspiration from other sectors. For example, Glimpse Protocol is working to boost revenue for smaller publications using data-driven advertising that is both useful for local publishers but also allows individual users to control what kind of data is given and to whom. Another example is Axate, who are testing whether allowing people to casually pay for articles, rather than via a full subscription, could enable many publishers across the country to become more financially resilient.

Both of these innovations took inspiration from other sectors and applied them to the news ecosystem, and we would encourage organisations and those supporting them to collaborate more across sectors, for example across the news and technology sector.

In addition to collaboration across sectors, we see a lot of potential in testing very different business models. This includes restructuring the way media is owned, particularly around giving audiences more of a concrete stake in their business. One of the grantees we are backing, the Bristol Cable, are an example of a hyperlocal media outlet which is co-owned by 2,100 people from the city. The New Internationalist is another grantee and example of a media cooperative that we're supporting to experiment with a model where members pay forward memberships to sponsor people

from marginalised groups in order to give them access to their magazine. What both of these examples are testing is not only a new model of media funding and ownership but also how audiences that are financially invested in their organisations, either through additional funding or being directly involved in the governance of the organisation, contribute differently to that organisation's success. We're also seeing sharings across the cohort about how co-operative models work and how different organisations can learn from each other to strengthen their individual funding model.

All examples mentioned above only represent a subset of the innovation potential already present in this country. With the Future News Pilot Fund, we were only able to support 21 out of 178 applications, of which many had huge potential. There are many to-date unsupported and untried innovations in the public interest news space. Other countries are heavily investing in this area and the UK risks being left behind if we do not act quickly and with considerable resources.

We recommend the Government urgently consider a larger innovation fund, to explore topics such as misinformation or media ownership, to ensure the untapped innovations are able to flourish and solve some of the imminent problems facing the sector. Any future fund needs to be substantially larger than the pilot fund and be conducted over multiple years to ensure impact is achieved. This way we can truly understand what works and what doesn't when it comes to innovating in the public interest news sector. Going forward, Nesta is keen to act as a facilitator to convene funders and sector organisations working on innovation in this space.

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