

## **Adam Cantwell-Corn—written evidence (FOJ0045)**

### **Written submission: House of Lords Communications and Digital Committee inquiry on the future of journalism**

#### **Question 1**

**(a) Please could you introduce yourself and give a brief overview of the work of your organisation?**

*NB: This written submission replaces a scheduled oral evidence cancelled due to coronavirus.*

*Contributions are my own and do not necessarily reflect the Cable or my colleagues' positions.*

Thank you for the opportunity to contribute. I am co-founder and a managing editor of the Bristol Cable.

The Bristol Cable is a 100% member-owned media cooperative producing public interest journalism rooted in local communities.

The Cable was formally launched in October 2014 by a small team of volunteers. The organisation was largely volunteer-run until April 2016. We now have a small team of eight full time equivalent staff paid the Real Living Wage, spanning editorial, tech, membership, events, administration and management, in addition to freelancers.

We focus on producing original features and investigations in a free [quarterly print magazine](#) of 30,000 copies, and publish articles and videos several times a week online. All of our journalism is free to access.

Our journalism has appeared multiple times in the national media, changed local government [policies](#), sparked [criminal](#) and [human rights](#) court cases, and has been [cited in parliament](#). We are the recipients of the 2019 British Journalism Award for local journalism and have been longlisted for an Orwell Foundation Prize this year.

The Cable's 2,100 paying members contribute a minimum of £1 per month, averaging at £3.40. We are incorporated as a not-for-profit Community Benefit Society, meaning that all members are legal and equal shareholders in the organisation. Members are engaged to help steer the co-operative forward. For example, by [voting on editorial campaigns](#), standing for election to our board of trustees, prioritising our resources or strategic focus, and grappling with key issues facing the organisation. This is delivered through in-person events such as our [Annual General Meeting](#), or the pioneering development and use of digital technology for effective participation.

Alongside journalism and membership engagement, we proactively engage with the wider public through events, our [Media Lab](#) free community training programmes, and initiatives such as our paid [Early Career Journalist](#) scheme. This community engagement approach is also reflected in our journalism, which seeks to provide a platform for underrepresented voices and groups, as well as ['solutions journalism'](#) that unpacks answers to key questions of public concern.

The Cable's unique business model and approach to local journalism is widely cited as a leading example of local journalism innovation in international industry and academic research and forums. We regularly participate in these forums to advance discussion and action on innovation in journalism.

Our current funding mix is 37% generated revenue (35% is membership, the remainder is print advertising and commissions) and 63% from philanthropic sources, primarily two USA-based foundations. All of our financial information is [available on our website](#).

While the Cable is noted as a success story, we face major challenges to work towards financial sustainability and the model, like all others, is far from proven. But, as is sometimes said in this industry, the very act of survival is success in itself.

***(b) What do you see as the defining characteristics and purposes of local journalism, and how do local and hyper-local journalism differ?***

You will have heard about the need for local accountability, information and news.

An additional defining characteristic that we aspire to at the Cable, but can often be overlooked, is the need to connect local-level reporting with the national and even international context.

In a centralised country within a globalised world, this is critical to enhance the understanding of key issues that may otherwise seem remote, abstract or unconnected. This includes, for example, the impact of government decisions on local councils, how climate change impacts on or is affected by local issues, immigration and changing communities, how the housing crisis is linked to the financial system, and more.

This understanding of broader issues as illustrated by local stories helps us all be informed, have a sense of place and navigate a complex world, in part by seeing the trends, and not just the events that affect our day to day experience.

Hyperlocals in many respects tend to offer essential but more micro-level information that will be relevant mostly to a smaller group of people.

**Question 2**

***(a) How has local journalism been changed by the growth of digital media?***

As a result of the collapse in print advertising and sales, and the capture by tech platforms of the vast majority of digital advertising I believe we have seen a cyclical downturn in the viability and quality of journalism across the sector, but local journalism has been particularly hit.

With a tiny share of advertising and increased competition in the general digital 'attention economy', publishers have further squeezed production costs at one end and sought to maximise revenue at the other. The product, inevitably, has suffered. The result is too often the regurgitation of press releases, production of 'click bait' and pressure on journalists to publish multiple stories a day, by which the main measure of success is number of page views.

Of course, advertising revenue is needed to survive and fund other more 'worthy' forms of journalism, and there are many shining examples of this. But there is a structural problem with the advertising based business model. The market currently cannot not support public interest journalism.

The result has been round after round of cuts to newsrooms, and entire closures across the UK. That the soaring digital traffic experienced by all newsrooms due to coronavirus has failed to deliver proportional gains in revenue only underscores the vulnerability of the advertising model.

At the same time, while the concentration of ownership of local media (80% of all local media is owned by five entities) can help achieve economies of scale, it also brings major drawbacks. These include the lack of plurality in the sector, a disconnect between corporate decision makers and the communities the publication serves as well as the effects of short-term profit-seeking by remote institutional shareholders, for example the international investment funds and asset managers that own Reach Plc or Gannet.

The overall result has been relentless cutting and lack of investment in journalism, meaning that the industry has lost and undermined much of the public's faith and trust, let alone encouraged a habit and commitment to paying for it.

However, this change has of course brought opportunities to reach larger audiences with innovative and engaging journalism - and business models that can support it. The challenge is how to monetise the product while retaining the values of quality journalism.

***(b) How can local journalism remain financially sustainable as print circulations and advertising revenues decline?***

The following are some suggestions for how local journalism could work towards financial sustainability. I must stress a caveat that these are not 'solutions', but rather strategies to improve the current situation.

The basic premise is that the legacy model that heavily relies on advertising or traditional sales cannot be revived sufficiently. Equally, there needs to be an intervention to address the failures of the market to provide a public need.

***Within newsrooms:***

- Build audience generated revenue by a re-centring of the audience, innovation on engagement and safeguarding the values of journalism.

In order to rebuild trust and stimulate public support for journalism, newsrooms need to reconsider interactions with 'the people formerly known as the audience'. This involves using new methods of dialogue, engagement and organisational transparency in order to start eating away at a mountain of distrust or ambivalence.

Most of all, it is increasingly crucial to safeguard the value and integrity of journalism. This means moving away from journalism which may generate passing interest, but undermines the standing and value of journalism in the long term.

The ultimate goal is to establish among the public a culture where quality journalism is something needed and worth financially supporting. This will help create relationships of loyalty that moves even beyond the transaction of buying a publication at the shop and is more equivalent to how people support charities or are members of trade unions.

Business models and ownership structures like cooperatives or social enterprises that are accountable to the communities they serve are well placed to deliver this.

Equally, major national or international brands that have committed to quality have demonstrated success on this, for example The Financial Times, The Guardian, The New York Times.

Interestingly, sales and subscriptions of magazines like Private Eye or the Economist have held firmer. They are not so susceptible to the very limited shelf life of daily news, and offer a more in-depth and slower pace of journalism. This perhaps indicates that though a transition to less frequent and higher quality publication may reduce short term

advertising income for publishers, it could drive up sales and subscriptions. International examples include France's [MediaPart](#) and Spain's [El Diario](#).

It is that style of journalism - investigations, features, interviews - rather than daily news that we pursue at the Bristol Cable on a local level.

However the titles listed above tend to attract a demographic of higher income patrons, and some exist behind paywalls. This raises serious concerns around information inequality and the need for accessibility of public interest journalism for all.

Generating revenue from audiences is the most promising avenue through this crisis, and there is much research, discussion and activity in this space already. A [comprehensive international list](#) of news organisations that generate revenue from their audience has been compiled by the New York University initiative The Membership Puzzle Project.

To move away from a failing model is of course costly and risky, and there needs to be bridging support from government and institutions.

### ***Government and institutional support:***

- Regulatory change

Public interest journalism is a public service, and should have regulatory treatment as such. The certification of quality journalism with the equivalent of charitable status and preferential tax arrangements is an obvious idea to explore and implement. Of course, given the commercial and profit orientated nature of many publishers it is important that this subsidy comes 'with strings' and is closely monitored to ensure accountability while preserving journalistic independence.

Other policies such as vouchers, innovation incubators to develop tech or business model solutions to industry challenges, sharing of resources among a networked group of local public interest publishers and the distribution of public advertising money must also be considered.

### ***(c) How do the challenges facing local news providers differ from those facing national news providers?***

A major distinction is the question of scalability and market size, and whether the portion of the 'Total Obtainable Market' that can be converted to customers/readers/advertisers/members can provide sufficient revenue to sustain publishing. Related, local publishers face a dynamic where national or international stories can be more attention grabbing or seemingly significant.

This applies similarly to advertising/sales based models as well as subscription or membership models.

### **Question 3**

#### ***(a) What do you see as the main challenges for recruiting and training staff?***

A big challenge is being able to offer adequate or competitive salaries for the wide range of staff and skill sets needed in a modern newsroom, particularly those who are innovating in the sector; As well as reporters, there is a need for skills as managers, computer programmers, data specialists, communications and marketing and community engagement.

As well as a skills deficit issue that stems from inadequate development at training or university level, there may also be an effect of regional disparities in that London is the centre of gravity for many motivated and skilled staff in the sector.

Additionally, the skills and experience required for things like audience development and community engagement in news are relatively new, so it is both the case that it is not always clear what role we need, nor if there is anyone available who can readily fill that position.

**(b) How can local news providers ensure that their journalists are representative of the communities they serve**

I take issue with the concept of 'representativeness'. It encourages a false sense that communities are homogenous, and that a reporter from a given community is somehow representative of that community - as opposed to an individual with diverse characteristics, experience and values.

That said, the distinct lack of demographic diversity in the media needs to be tackled proactively. This can be done in several ways, for example:

**Paid early career opportunities:** At the Bristol Cable we have delivered two free annual [training programmes](#) and are currently running a 7 month [paid placement](#) for individuals hoping to get into journalism. This first rung on the ladder is crucial for diversifying the sector.

**Community engagement and editorial approach:** The development of partnerships with community organisations, hosting of events and an editorial approach that is explicit about covering underrepresented issues and also supporting people to contribute can help diversify both contributors and the journalism itself.

These approaches include getting offline and into the community to build trust, relationships and sources that feed into better journalism that can then reach and engage diverse communities.

It also means conceiving of public interest journalism in a more expansive way than just court reports and planning applications, or even investigations, to include journalism that sparks conversations and deepens public engagement with issues.

In addition, it is incumbent on journalists and editors, particularly those working on policy or context-heavy issues, to ensure that the journalism is as accessible as possible in terms of writing style, vocabulary and presentation.

#### **Question 4**

**(a) How successful has the BBC Local Democracy Reporter scheme been?**

There has been some important journalism produced through the scheme. However, questions remain including:

- How well the journalism has been engaged with by the public: This should not be determined by limited metrics such as page views, but the aims and assumptions of the scheme should be rigorously evaluated to assess whether there are ways to deliver public interest journalism in a more high impact way - for example by improving the 'editorial product' in terms of the communications, story development, branding and distribution of the content to enhance.

- The response by the publishers and distribution of resources: There was some controversy regarding the award of the vast majority of publicly funded reporters to private companies that continue to award shareholders profits and cut newsroom resources.
- The long term aim and stimulation of innovation: It is legitimate to have subsidies or 'props' for an industry in crisis, but this must also be paired with a push to innovate solutions that do more than plug a hole and work towards a longer term model of supporting public interest journalism.

## Question 6

**(a) *What has been your experience of receiving a funding grant? Should this model be expanded and what are the best funding models for local start-ups?***

At the Bristol Cable we have been successful in raising grant funding. Due to the unavailability of opportunities in the UK, our two major grants have come from the two USA based foundations: The Reva and David Logan Foundation and Luminare (Formerly Omidyar Network).

While the process of application and reporting is rigorous and tied to specific aims, these funders have been particularly enlightened in granting unrestricted funding. Most crucially, this enabled us to pay for core costs (staffing and overheads) as well directing resources to projects and initiatives in a more responsive and creative way than if we were tied to a restrictive model.

This is particularly useful for start-ups as it allows for the ability to pivot or adjust approaches as they progress and assumptions and strategies are tested.

We have also had several small pots from UK funders to support specific investigations or other projects such as our training programme.

**(b) *Are there any ways in which public policy could better support local journalism?***

### **Regulation and market intervention:**

As mentioned above the introduction of an equivalent to charitable status as well as ongoing support, for example through extension of initiatives like DCMS funded and NESTA administered Future News Pilot Fund.

Other measures such as a public interest journalism tax on the tech giants that profit from the content produced by publishers must be considered seriously and introduced to be managed by a publicly accountable body of such funds. While the initiatives by Facebook and Google to support journalism should be welcomed, the level of support offered is not sufficient to address the collapse of the advertising based model and longer term support will be necessary.

The damage wrought by the pandemic on the industry is particularly painful, but it also exposes and amplifies pre-existing vulnerabilities that need to be addressed. We would do well to remember that the 'normal' state of journalism before the coronavirus was of crisis, and is not something we merely want to return to.

**Training and skills development:**

University and other training providers could develop a better pipeline of skills and talent that better meet the needs of the modern industry and harness emerging tech and best practise. For example, business management for newsrooms, computer programming, product development, and community engagement approaches for journalism as well as editorial training. Again, the higher education sector in the USA is relatively advanced on this.

**Media literacy and public awareness:**

A comprehensive approach to improve media literacy and public awareness of the role of journalism in our society would contribute to appreciation and support of the sector. This could be as part of the school curriculum, a public marketing campaign or other creative initiatives.

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