

Media Reform Coalition submission to Digital, Culture, Media and Sport Committee on the sustainability of local journalism

Summary

The Media Reform Coalition has been researching the crisis in local news, and campaigning for solutions, for many years. Two decades of consolidations and cost-cutting measures by the largest commercial local news providers has led to the loss of many titles and hundreds of journalist jobs, severely undermining the volume and quality of local journalism. While many new independent local news outlets have sprung up, these are often run on tiny budgets and struggle to sustain themselves.

This cost-cutting by regional news conglomerates has been a response to two main factors: a) changing technologies and the migration of classified advertising online and b) choices by these companies to protect profits and executive salaries rather than invest in local journalism. Creating a sustainable local journalism ecology requires us to address both of these causes.

Firstly, since changes to the advertising market fundamentally alter the business model, there is a need for a new funding stream to address the crisis in local news; the logical way to fund this is through a levy on the tech giants. Secondly, the allocation of these funds need to be reoriented towards supporting local public interest journalism, rather than propping up the very institutions who have contributed to the crisis. Any new forms of funding or subsidy must therefore be distributed via an independent body using transparent and democratic criteria and procedures, prioritising those local news organisations which act in the public interest, are independent of powerful interests and accountable to the communities they serve.

Full submission

Since 2011, the Media Reform Coalition has been at the forefront of the media reform movement, producing evidence and giving oral testimony to a broad range of public enquiries into the media. Our particular concerns relate to media accountability, democracy and pluralism and the future of public service media is central to much of our research, analysis and advocacy.

For the past year, the Media Reform Coalition has been running the *BBC and Beyond* campaign (funded by the Joseph Rowntree Charitable Trust) developing a vision for a media system fit for the future. Our broad-based consultation engaged 30,000 people from all the home nations and across the UK, out of which we created a *Manifesto for a People's Media*,¹ which includes proposals for supporting independent media, as well as transforming the BBC and Channel 4. This response draws on the wide-ranging views and perspectives from across civil society that we encountered through this consultation.

¹ Grayson, D. [Manifesto for a People's Media: creating a media commons](#). Media Reform Coalition, 2021

MRC has been researching the crisis in local news, and campaigning for solutions, for many years. As the Cairncross Review documented, two decades of consolidations and cost-cutting measures by the largest commercial local news providers has led to the loss of many titles and hundreds of journalist jobs.² While many new independent local news outlets have sprung up, these are often run on tiny budgets and struggle to sustain themselves.³

Research has documented the growing news deserts resulting from these trends. In 2017, MRC showed that 45% of Local Authority Districts (LADs) in the UK – in which 57.9% of the population live – had no daily local newspaper.⁴ More recent research from Canterbury Christchurch University in 2021⁵ found that 4.6% of postcodes had no local print newspapers at all, and 30.7% had only one title – usually a weekly newspaper. The average reach of these newspapers was 23% of the local adult population monthly, and this reach was lower when fewer newspapers were available. Furthermore, where areas had one newspaper available, this was always controlled by the dominant corporate owner in the region. No smaller publishers enjoyed a similar local monopoly. These studies show the effects of a downward spiral where consolidations and cost-cutting by the largest companies in local news results in a low-quality product reaching ever smaller audiences.

As detailed by Cairncross and other research, there are many negative consequences to this loss of local journalism. These include decreasing participation in democratic life,⁶ less accountable public institutions, and the failure to cover major public interest news stories such as the flammable cladding on Grenfell and other tower blocks.⁷ In the absence of universal affordable broadband, the fact that local news outlets are increasingly digital-only also exacerbates digital exclusion. The collapse of the local reporting infrastructure has affected the national news agenda, since traditionally the regional press has been an important source of stories for the national media, and in its absence many parts of the UK now go routinely ignored or forgotten in national news coverage.⁸ Local and regional newspapers also offered a route into journalism for those without an elite education, and their disappearance contributes to journalism being one of the most elite professions in the UK.⁹

Solutions to this crisis have to recognise and distinguish between two major causes:

a) the collapse of profitability due to the migration of advertising online. This fundamentally alters the business model; **there is no long-term funding mechanism that can address the crisis in local news at the scale that is needed, and only a new funding stream can achieve this.** The logical way to fund this is through a levy on the tech giants who now dominate the advertising market, which could potentially be built into the negotiating code being developed by the new Digital Markets Unit.

² Cairncross, F. [The Cairncross Review: A Sustainable Future for Journalism](#). Department for Digital, Culture, Media and Sport, 2019.

³ PINF. [Index of Independent News Publishing 2021](#). Public Interest News Foundation, 2021.

⁴ MRC. [Mapping changes in local news 2015- 2017](#). Media Reform Coalition, 2017.

⁵ Gulyas, A. [Mapping local news provisions and reach in England](#). Centre for Research on Communities and Cultures, Project report, 2021.

⁶ E.g. Howells, Rachel 2015. *Journey to the centre of a news black hole: examining the democratic deficit in a town with no newspaper*. PhD Thesis, Cardiff University.

⁷ Cairncross, F. [The Cairncross Review: A Sustainable Future for Journalism](#). Department for Digital, Culture, Media and Sport, 2019.

⁸ Watkins, L. [Media Influence Matrix United Kingdom](#). CEU Democracy Institute, 2021.

⁹ Sutton Trust. [Elitist Britain](#). Sutton Trust, 2019.

b) the business decisions of the commercial companies that dominate the sector, who have protected profits and executive salaries rather than invest in local journalism. This indicates that **the current models for allocating public funding and support need a fundamental rethink**. Commercial conglomerates have already received hundreds of millions in public subsidy over the past 20 years while presiding over the precipitous decline in the quality and reach of local journalism. Any new forms of funding or subsidy must be distributed via an independent body (or network of bodies) using transparent and democratic criteria and procedures, in which the key concern is how this will support accountable local public interest journalism, rather than propping up the very institutions who have contributed to the crisis.

Our submission details a range of policy proposals to address these issues for a long-term sustainable future for local news. In the short term, the key recommendations we support are those from the News for All campaign, which is calling on the Committee to:

- Make sure that truly local news providers get a priority share of revenue and data from the tech giants through the forthcoming Digital Competition Bill and the newly established Digital Markets Unit.
- Create a £100m innovation fund to kick start and build the capacity of truly local news providers, helping them find sustainable business models.
- Create tax incentives to help truly local news providers raise donations and investment.

1. **How are public service broadcasters, particularly the BBC, supporting or disrupting local journalism?**

As most television broadcasting is national or regional, outside of the BBC the public service broadcasters that audiences most commonly turn to for local news are radio stations. Unfortunately, these rarely provide high quality local news due to their reliance on standardised news packages. The UK has 279 local commercial analogue radio stations, 70% of which are owned by two companies – Bauer Radio and Global Radio – which is a 20% increase in concentration since 2018.¹⁰ Bauer, Global and Wireless Radio also control three quarters of the national commercial DAB market.

The news being broadcast by the stations is even more homogenous than these figures imply, since they tend to rely on packages from Independent Radio News, which are produced by Sky News. While Bauer and Global have their own newsrooms, and Sky is not their exclusive wholesale provider, research by MRC in 2017 found significant similarities in the stories and clips being aired across a range of Global and Bauer stations, indicating that their bulletins were both significantly shaped by IRN content. We concluded that Sky should be considered the provider for around 50% of their news.¹¹ Community Radio stations, to the extent that they provide news at all, also tend to rely on packages from IRN. The result is not only a huge lack of plurality in the news being broadcast on local radio stations, but also a distinct lack of ‘localness’ given that so much originates from Sky’s centralised newsrooms.

¹⁰ MRC. [Who Owns UK Media?](#) Media Reform Coalition, 2021.

¹¹ Schlosberg, J. [21st Century Fox / Sky merger inquiry Submission to the Competition and Markets Authority on plurality](#). Media Reform Coalition, 2017.

In terms of the BBC, the principal way in which the BBC has contributed to local journalism in recent years has been through the Local Democracy Reporter scheme. Launched in 2017, this pays for up to 165 junior reporters to work for regional and local news publishers reporting on local councils and other civic institutions. We warned in our submission to the BBC Charter Review in 2015 that top-slicing the licence fee in this way to prop up the failing local press would simply lose journalists¹² – and indeed the jobs created to the scheme have done little to offset more than 400 jobs that were lost between 2015-17¹³ and the hundreds more that have subsequently followed.

Furthermore, over 90% of LDR journalists in the first phase of the scheme,¹⁴ and 85% of the contracts awarded in 2021,¹⁵ were placed with the three regional conglomerates Reach PLC, National World and Newsquest. This is effectively a public subsidy being channelled to the same publishers who have protected their profits in recent decades by closing titles, consolidating their operations and undermining the quality and provision of local news. They are also all members of IPSO, an organisation that is not independent of the industry and does not comply with the Leveson recommendations, which has never levied a fine or launched an investigation and very rarely upholds complaints.¹⁶ Their audiences therefore have limited avenues for redress.

While claiming to need this public subsidy because they are in crisis, these companies are in fact often highly profitable. Reach PLC made nearly £150 million in profit in 2021, up 9% on the previous year,¹⁷ and significantly increased executive pay: its top two executives received over £6 million in 2021.¹⁸ This is almost the size of the entire LDR scheme, and more than the total income of the 56 independent publishers surveyed by the Public Interest News Foundation that year, who had combined revenues of only £5.4 million.¹⁹

While some LDR journalists have undoubtedly done valuable reporting, Barnett and Greenslade's 2020 research shows that there has been a lack of rigorous monitoring and some journalists who have been critical of the scheme have stated that they have been afraid to speak out. As they point out, this lack of scrutiny for the £8 million of licence payers money being put into the scheme annually is in marked contrast to almost every other aspect of BBC expenditure, where senior executives “are asked about value for money, editorial chains of command, impartiality, and the quality of output”.²⁰

As we argue in our *Manifesto for a People's Media*,²¹ we believe that there are huge opportunities to reimagine the relationship between public broadcasters and independent media committed to acting in the public interest. Our vision for a 'People's BBC' is for a national broadcaster which is radically devolved and democratised, and which works collaboratively with news providers, cultural producers and digital innovators rooted in communities. Unfortunately, the Local Democracy Reporter scheme as it is currently designed does little to inculcate values of public

¹² MRC. [Media Reform Coalition submission to BBC Charter Review](#). Media Reform Coalition, 2015.

¹³ MRC. [Mapping changes in local news 2015- 2017](#). Media Reform Coalition, 2017.

¹⁴ MRC. [Who Owns UK Media?](#) Media Reform Coalition, 2021.

¹⁵ BBC. [New Local Democracy Reporting Service contract holders revealed](#). BBC, 2021.

¹⁶ Hacked Off. [Press Recognition Panel warns of “chilling effect on free speech”; finds “IPSO is not a regulator”, as the Government holds out against the Leveson system](#). Hacked Off, 2022.

¹⁷ Reach PLC. [Full Year Results: 52 weeks to 26 December 2021 - 1 March 2022](#). Reach, 2022.

¹⁸ Kersley. A. [UK News Media Rich List: Top 50 highest-earning execs revealed](#). Press Gazette, 2022.

¹⁹ PINF. [Index of Independent News Publishing 2021](#). Public Interest News Foundation, 2021.

²⁰ Barnett S, Greenslade R. Not the way to use our money. *British Journalism Review*. 2020; 31(2):43-49.

²¹ Grayson, D. [Manifesto for a People's Media: creating a media commons](#). Media Reform Coalition, 2021

service into local news production, and instead subsidises the very organisations who have prioritised profit-making over investing in high quality local journalism.

In principle, we are supportive of innovations which facilitate greater collaboration between the BBC and other media organisations, where these are underpinned by core values of accountability, independence, democracy and universality. If the LDRS is to continue (which seems questionable under the new licence fee settlement²²) we believe it needs the “careful independent review” that Cairncross called for,²³ and to be reoriented towards increasing capacity for organisations genuinely dedicated to producing local journalism in the public interest. However, if the intention of the scheme is solely to invest in journalism (rather than encourage a more collaborative BBC) we believe this is best done directly through new forms of public subsidy, rather than by top slicing the licence fee.

2. What has been the impact of the 2019 Cairncross review on local journalism, and what more needs to be done?

In 2019 the government’s Cairncross Review identified the collapse of local reporting on civic institutions like courts and councils as a major area of ‘market failure’ in the provision of news in the UK, and highlighted the damaging civic consequences. The Review suggested a range of recommendations, including new tax breaks and approaches to funding news and journalism, but there has been resistance to implementing these policies. The most significant proposal – a publicly-funded Institute for Public Interest News to award grants for public interest journalism – was rejected by the government.

Civil society has responded to this lack of action, and the Public Interest News Foundation (PINF) was launched in 2019 with a remit to research, design and deliver programmes that “build the capacity of independent news providers and improve public understanding of their work”.²⁴ Alongside research and coordinating the sector, PINF distributed £60,000 in emergency grants to 20 news publishers affected by the pandemic, and it has subsequently distributed £40,000 to 5 publishers engaging with the 2022 local elections. While these funds have been welcomed by grantees, they show the limited resources available in the absence of state support. £100,000 in two years is a tiny fraction of the £35 million allocated via the government’s All In, All Together campaign early in the pandemic, almost none of which went to independent publishers.²⁵

One recommendation which was taken forward was to create a publicly funded ‘innovation fund’, to help independent news publishers develop new business models and other digital capacities. Following the Review’s recommendations, the Department for Digital, Culture, Media and Sport (DCMS) gave Nesta a £2 million fund to award in grants to support innovation in news. Nesta created the Future News Pilot Fund and awarded 20 grants to a range of

²² Kersley, A. [BBC director-general warns licence fee freeze means World Service and local democracy reporter investment not guaranteed](#). Press Gazette, 2022.

²³ Cairncross, F. [The Cairncross Review: A Sustainable Future for Journalism](#). Department for Digital, Culture, Media and Sport, 2019.

²⁴ PINF. [‘About us’](#). Public Interest News Foundation, 2022.

²⁵ Stephen, P. [All in, All Together leaves independent news publishers in the cold #saveindependentnews](#). Edinburgh Reporter, 2020.

independent news projects. Recipients included The Bristol Cable, New Internationalist, The Meteor and openDemocracy.²⁶

In its end of programme report, Nesta recommended that the government “get behind innovators with an annual investment – set as Dame Frances Cairncross recommended at a minimum of £10 million a year – for the next decade.”²⁷ The funding needed to “come from diverse sources. While tech giants are helping to drive innovation, the government needs to step up and provide sustained financial support, as well establish a much-needed Institute for Public Interest News, as recommended by the Cairncross Review.”²⁸ However, there has been no indication as yet that the government intends to introduce a permanent annual journalism innovation fund. It seems that the Nesta Innovation Fund was a one-off, and it has therefore had little impact on local journalism more broadly.

The issues laid out by Cairncross remain live concerns, given the lack of government action since 2019. As already argued, new sources of funding and public subsidy are essential for providing local news on the scale needed. This funding must be distributed according to different criteria and mechanisms than the ones used to date if it is to result in different outcomes. More detailed proposals for this are outlined in our response to Question 3.

3. How can the Government support local news outlets to develop sustainable business models?

Ensuring local news provision in all communities will require a wide range of measures across a number of policy areas, including:

- ongoing public subsidies
- levies on major social media platforms
- plurality measures to break up local news monopolies
- supporting alternative business models

These are addressed in turn below.

Ongoing public subsidies

By framing the question around “sustainable business models”, the question implies that a self-sustaining business model exists which is capable of providing for the local news needs of all the UK’s communities. However, there is mounting evidence from across the globe that, in the medium term at least, direct public funding will be a necessary part of viable businesses. This was recognised by Cairncross, particularly in relation to the worthiest kinds of journalism – investigative journalism and local democracy reporting on councils and courts – which she recognised as least able to sustain themselves in the current technological and economic context.

²⁶ Watkins, L. [Media Influence Matrix United Kingdom](#). CEU Democracy Institute, 2021.

²⁷ Nesta. [Future News Pilot Fund: End of programme report](#). Nesta, 2020, p. 41.

²⁸ Ibid.

Her findings were echoed by the Forum on Information and Democracy in 2021, which warned that independent journalism faces a potential ‘extinction event’: “the new market conditions in which journalism... lives mean that it is all but impossible to achieve independence, stability, pluralism, diversity, and quality without a major reset”.²⁹ They recommended that governments globally commit to spending 0.1% of GDP annually to achieve this. Similarly in the US, which has a strong history of robust local journalism, and far higher levels of philanthropic investment than the UK, it has not proved possible to create an easily replicable business model for local news:

After two decades of having investors, tech innovators, desperate journalists, consultants, foundations, and billionaires experiment with every possible notion to create a commercially viable local news media, the verdict is in: Nothing has come remotely close to providing the foundation for the broad-based local journalism that is required to sustain the civic discourse in American cities and towns, let alone the effective democratic governance that is supposed to extend from that discourse. The market has failed, and technology has exacerbated, not solved, the problem of local journalism.³⁰

McChesney and Nicholls propose a voucher scheme of \$33 billion a year to support local journalism, which would allow every citizen to allocate around \$100/year to 3 independent, non-profit news outlets in their area.³¹ They are thus proposing a scheme of far greater scale and ambition than the £10 million a year recommended by the Cairncross Review, and even greater than the £1 billion a year (for all independent media, not just news) we advocate in the *Manifesto for a People’s Media*.

While public funding is often seen as inimical to independent news production, this ignores the widespread public subsidies that currently exist. These include the VAT exemption for newspapers and magazines, worth £500 million a year for newspapers alone, government notices such as the £35 million spent on the All In, All Together campaign early in the pandemic, and the £8 million a year on the BBC Local Democracy Reporter scheme.³² These subsidies are almost all received by the largest media companies who are not independently regulated, who are investing less and less in public interest journalism, and who in some cases are still paying out hundreds of millions in settlements to victims of phone hacking.³³

For local news in particular, any subsidies need to recognise that the industry’s rapid decline has resulted both from the migration of advertising online, *and* from profit-maximisation by local newspaper publishers seeking to deliver ‘shareholder value’, evident in the coexistence of huge job losses at local titles with high corporate margins. While the loss of classified advertising has been pivotal, there have also been conscious decisions on the part of these businesses which show no sign of abating, despite their growing reliance on public subsidy. If the aim is to increase investment in journalism, simply continuing to channel money towards publicly traded

²⁹ Working Group on the Sustainability of Journalism. [A New Deal for Journalism](#). Forum on Information and Democracy, 2021, p.28.

³⁰ McChesney, R. W. and Nichols, J. [To Protect and Extend Democracy, Recreate Local News Media](#). Free Press, 2022, pp. 9-10.

³¹ Ibid.

³² Watkins, L. [Media Influence Matrix United Kingdom](#). CEU Democracy Institute, 2021.

³³ Duffy, N. [Newspapers’ phone-hacking payouts could cost £1 billion, as thousands more make complaints](#). i newspaper, 2020.

commercial newspaper publishers has been shown to be an ineffective and inefficient way of achieving this goal.

In the *Manifesto for a People's Media*, we propose a new mechanism for distributing public funding that would guarantee independence and inculcate core values of accountability, democracy and universality into local news production. We recommend creating a network of Regional and National Media Councils to support news, cultural content and digital innovation. Funds would be distributed using participatory methods to evaluate and select applicants, drawing on participatory budgeting, participatory grantmaking and digital citizenship initiatives. This could take different forms, for example by having an elected board, selecting participants randomly from the electoral roll, or using digital tools to bring large groups to consensus.

The key criteria for distributing funds should be the extent to which applicants fit with the core values of independence and acting in the public interest, and who will aid plurality and enhance sustainability of local news provision. This means prioritising organisations that are either low-profit or not-for-profit; that are genuinely embedded in the communities they serve; that are accountable, including being signed up to an independent regulator such as IMPRESS; that provide an architecture of sustainability through local journalism training and community meet-ups; and are run democratically and pay their journalists a decent living wage on permanent contracts.

Levies on social media platforms

The obvious source for new funding streams to support local public interest journalism are the platforms who now dominate the advertising market. News publishers at present receive little revenue for content when it is published via digital platforms. What income does trickle back to the news organisations comes in the form of advertising revenue which is generated programmatically, either directly by the platforms, or via third party organisations. Although this advertising is directly related to news content the level of payment is very low. A report from Digital Content Next in February 2018³⁴ found that publishers were receiving only 5% of their revenue via Facebook and Google while at the same time relying more and more heavily on those platforms for audience reach.

Given the method by which advertising is raised and distributed it is hard to see how the platforms can change the system to reward journalism at a higher rate. Any attempt to do so would inevitably result in accusations of censorship. Already attempts to 'white-list' publications have reduced incomes of a number of small scale companies that depended on the platforms. A more equitable solution would be to redistribute a portion of advertising income to fund public interest journalism, including local journalism.

The mechanism currently being developed by the Digital Markets Unit (DMU), recently established by the Competition and Markets Authority, has the potential to provide this kind of new revenue stream. The government has stated its intention that this code of conduct should be modelled on the Australian News Media Bargaining Code (NMBC). However, the NMBC, in its Australian form, will not enhance the sustainability of local journalism in the public interest. The Australian code excluded publishers with turnover below AUS\$150k (c.£80k), and it is currently

³⁴ Moses, L. [Google and Facebook make up less than 5 percent of publishers' digital revenue](#). Digiday, 2018.

non-binding on platforms. This has enabled the dominant platforms to strike individual deals with the dominant publishers that do not guarantee the sustainability of local journalism in the public interest and continue to prop up failed models.

For the DMU mechanism to effectively support the local journalism we need, it cannot solely be approached through the lens of market share and competition. The value of local news cannot be measured solely in terms of the size of its audience, but also has to be seen in terms of its social and democratic value. These are not forms of value that the tech giants are well placed to assess in negotiations with individual publishers.

Rather than rely on one-to-one negotiations between tech giants and individual local news publishers, we propose that money should be channelled to a new body for redistribution – whether the Institute for Public Interest News recommended by Cairncross, or the network of media councils outlined in our *Manifesto for a People's Media*. The level of funding could be agreed via collective negotiations between tech giants and independent public interest new providers, or by taking a fixed percentage of any deal struck with dominant news outlets, or (more simply) by imposing a levy on the country-specific revenues of any platform with more than a 20% share of the online search or social networking markets. These funds should be distributed according to core criteria outlined above.

Plurality measures

The local news media market is highly concentrated, and is becoming ever more dominated by a handful of companies. Following its recent acquisition of Archant, Newsquest now controls over 30% of all local newspapers.³⁵ Together with Reach and National World, these three publishers control 70% of all local news titles. As these forms of media concentration increase, it becomes ever harder for new and innovative initiatives to emerge and survive and particularly for non-profit or cooperative forms of journalism operating in the public interest to flourish.

Concentration of ownership limits plurality in the public sphere and it also prevents non-commercial forms of journalism from emerging. As a minimum, the MRC believes we should:

- Establish a plurality measurement framework that can address cross-market audience share in local radio, TV and print and online news markets, drawing on a mix of methodologies and taking into account not just quantitative measures of reach and consumption, but also qualitative data on impact, especially in respect of the wider media agenda and the impact on local democratic participation.
- From the above determine a set of thresholds based on cross-market audience share that will ensure plurality of ownership and, where necessary, redress existing concentrations. These thresholds should be subject to regular periodic assessment by an independent regulator. Where thresholds are exceeded this should trigger intervention and remedies aimed at promoting not just plurality in terms of numbers, but a rich ecology of media at both the local and national level, including commercial, public service and independent not-for-profit vehicles.
- Digital intermediaries should be subject to bespoke monitoring for plurality. Both the metrics and performance of the news algorithms of intermediaries should be scrutinised

³⁵ MRC (2022) [Newsquest's acquisition of Archant – bad news for local journalism](#)

and monitored by an independent regulator to ensure that they do not unduly favour particular types of news providers and voices over others, at both the individual and aggregate levels. Except, in the case of print and online news, where those outlets who are members of a recognised press regulator are given due prominence over those who are not.

Supporting alternative business models

Government should encourage and incentivise alternative models of media ownership – such as cooperatives and employee buyouts – that promote equality and financial security over shareholder returns. These ownership models are a response to the need to broaden the range of voices involved in decision-making, which in turn aims to ensure that our media meet a wider range of needs and serve a more diverse set of interests. This can only be realised through ownership models that embody genuine agency and collectivism. This could be achieved through improving access to finance, support for charitable status and measures like tax relief or direct subsidies (as above) that are designed to sustain a plurality of outlets without compromising independence. We also advocate for the creation of a new legal structure for public interest news organisations that has some of the tax benefits of charities, on condition that they are regulated by IMPRESS.

4. What role does social media play in local journalism?

UK audiences increasingly access news online, with half of adults using social media (49%) and/or other websites and apps (49%).³⁶ This is not necessarily leading to a greater plurality of sources or good visibility for high quality local news. The MRC ownership report 2021 noted that Facebook controls 3 of the top 5 social media sites used to access online news and that legacy news organisations accounted for 48% of Facebook users' news sources.³⁷ Algorithms prioritise content coming from accounts which already have large audiences, which can pay for large-scale online promotion and/or which will gain the strongest reactions from those encountering it (clickbait).

Local investigative and democracy reporting rarely fulfils these criteria, and news organisations orienting themselves towards algorithmic success are unlikely to see it as a good investment. That maximising audiences and gaming algorithms is embedded in commercial regional news organisations is evidenced in Barnett and Greenslade's article on the BBC Local Democracy Reporters scheme.³⁸ They recount the case of a reporter who left the scheme "because the newspaper they were stationed at kept instructing them to drop their LDRS duties and write clickbait instead", and also point out that Reach emails newsrooms with weekly roundup of the LDRS stories which have attracted the most page views – an approach which runs counter to the ethos of the service.

³⁶ Ofcom. [News Consumption in the UK: 2021](#). Ofcom, 2021.

³⁷ MRC. [Who Owns UK Media?](#) Media Reform Coalition, 2021.

³⁸ Barnett S, Greenslade R. Not the way to use our money. *British Journalism Review*. 2020; 31(2):43-49.

Algorithmic changes have seriously restricted organic reach in recent years.³⁹ In addition, attempts to automatically distinguish between ‘real’ and ‘fake’ news have often had pernicious effects, as intermediaries have increasingly sought to prioritise large scale and ‘legacy’ news brands over smaller, independent sources. For example, in 2017 a change to Google’s algorithm aimed at combating fake news elicited an outcry from progressive independent news sites claiming they had been unfairly penalised in Google’s search rankings as a result.⁴⁰ Underlying such ‘filters’ is a highly questionable association between size and trustworthiness, which is particularly inappropriate for *local* news. Many smaller publishers in the UK have also experienced legitimate content being automatically removed or accounts being shut down, often with no explanation and no route to appeal or communicate with platforms.

While there are additional dynamics at play in the relationship between social media and local journalism, the principal effects have been 1) to make it ever harder to build businesses supported by advertising that can fund high quality public interest journalism and 2) to enable larger publishers with multiple titles and local monopolies to grow at the expense of smaller independent publishers. In other words, reliance on social media platforms to distribute local news largely exacerbates trends towards consolidation and diminishing investment in high-quality journalism. The best remedies are those already outlined i.e. new sources of funding being distributed according to core public interest criteria.

The Online Safety Bill, as it is currently drafted, is likely to exacerbate these problems while also posing serious threats to free speech by ordinary citizens and smaller publishers.⁴¹ The exemption for ‘recognised news publishers’ (which includes the comment sections on newspaper websites) means that individuals will face more scrutiny and penalties for posting or sharing potentially harmful content than The Sun or The Daily Mail. While it is still unclear exactly how ‘recognised news publishers’ will be defined, many of the smallest hyper-local news sources are run as blogs or Facebook pages by individuals, who will almost certainly be disadvantaged through this regime.

A viable solution to this would be to define ‘recognised news publishers’ as those who are members of an independent regulator such as IMPRESS. This would ensure that those claiming to provide journalism are held to *higher* standards of accuracy and ethical practice than non-journalist citizens, rather than the current exemption which would hold them to lower standards.

5. How are partisan and hyper-partisan news outlets disrupting local news production?

This question contains some misleading assumptions. The term “disrupting” implies that partisan or hyper-partisan news outlets are a recent phenomenon. Yet the majority of legacy news organisations in the UK are themselves explicitly partisan or hyper-partisan, especially at

³⁹ Sehl, K. [Organic Reach is in Decline—Here’s What You Can Do About It](#). Hootsuite, 2021

⁴⁰ Wakabayashi, D. [As Google Fights Fake News, Voices on the Margins Raise Alarm](#). New York Times, 2017.

⁴¹ Sparks, N. [The Online Safety Bill: Riddled with dangerous loopholes](#). Hacked Off, 2022.

the national level. While highly partisan national newspapers undoubtedly have some impact on how local news is produced and framed, these are long-standing dynamics rather than trends that could be considered disruptive to the status quo.

The implication that there is something novel about the partisan or hyper-partisan news outlets also indicates that the question is interested in digital-first initiatives. It is true that the internet has facilitated a range of blogs and sites which are explicitly right and left wing, and some have been able to build regular and sustained audiences. According to 2021 data, the right-wing Guido Fawkes received 2.2 million monthly views, the centre-left openDemocracy received 1.1 million monthly views, and the left-wing The Canary received 645,000.⁴² The most successful right wing hyper-partisan outlets have bigger audiences than those on the left - and all their audiences are many magnitudes smaller than those of legacy providers. For comparison the Daily Mail at this time was clocking 149 million monthly visits, and the Guardian 146 million.⁴³

Furthermore, none of the partisan digital news outlets reaching even these size audiences were offering what could be considered 'local news'. It is therefore extremely difficult to track any direct relationship between their modest success online and some kind of disruption to local news production. They may, in a general sense, be contributing to changing values and expectations around 'impartial' or 'objective' journalism, particularly amongst younger audiences, but these are far broader issues, and ones where the behaviour of our public broadcasters and legacy news outlets undoubtedly play a far greater role given their far more sizeable reach.

The key question for local news is not partisanship, but trust and accountability. Local news outlets will be trusted if they have a consistent presence within communities, and prove themselves to be a reliable source of accurate information over time. This requires investment in journalism. Since the market will not provide this, we need new sources of public funding and subsidy, distributed according to core public interest criteria. These criteria must include guarantees of accountability via membership of an independent regulator such as IMPRESS.

⁴² MRC. [Who Owns UK Media?](#) Media Reform Coalition, 2021.

⁴³ Ibid.