Registering a local newsroom as a charity

A handbook



About the handbook



Purpose of the Handbook

This handbook is produced by the Charitable Journalism Project (CJP) for the benefit of people in the UK considering registering a local newsroom as a charity.

To find out more about the CJP, please visit cjproject.org

What You'll Find in This Handbook

Introduction An overview of who this handbook might be helpful for, and

how, and definitions of terms

What you will need The documents you'll need to produce and processes you'll

need to follow to become a charity

A guide to the process The steps you'll need to follow, in order, and an estimate

of how long the process might take

Appendix Example documents from a previous application



Introduction

This guide is based on the first successful registration of a local newsroom with the UK Charity Commission: The Guildford Dragon News, in 2024. We'll outline for readers the process by which the registration was successful, and the underlying materials produced by specialist charity lawyers Stone King LLP, for the CJP.

Charitable journalism is a recently recognised purpose in charity law. The Charity Commission stance on what is and is not qualifying charitable journalism is set out in its <u>published decision</u> to register the Public Interest News Foundation in 2020.

This handbook is written by Tom Murdoch, Stone King LLP, legal advisor to the CJP.

This handbook is a living document and may be updated periodically to reflect changes in charity law, or journalism industry practices. Please ensure you revisit it and use it in a timely manner.

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A definition of charitable journalism

In short, the Charity Commission recognises that reliable, objective factchecked news, which is published in the interests of the local community, is capable of being charitable.

That said, charitable status is not suitable for news publications that have a motivating political purpose or perspective they're trying to promote. This does not mean that political material cannot be published — lots of locally important information will be political in character. What matters is that the editorial approach to the material is neutral, 'fair' and not biased towards or against one political party or perspective or another.

Charitable news must be published to high editorial standards. This means that published material is accurate, written from an objective perspective, and that important factual background to the story is researched to an appropriate standard. It may require the newsroom to publish corrections when they are needed. Many newsrooms are registered with a regulator (like IPSO or Impress) and this will also help demonstrate that appropriate editorial standards are met.

Good quality newsrooms who take care preparing stories will meet these standards comfortably.





For profit vs non-profit

Charitable journalism is not appropriate for newsrooms that exist to generate profit. It's only suitable for newsrooms whose main purpose is to benefit their local communities. That doesn't mean they can't generate revenue — of course, they must.

Charitable newsrooms can still generate advertising income, charge for access to content or for printed copies, and pursue other sources of income to support themselves (including to pay journalists, editors and others for the services they provide to the newsroom). There is no reason why a charitable newsroom can't create a healthy trade surplus, if that's possible in their area.

This guide does not cover tax. As a rule of thumb, charities do not pay many forms of tax (although they are subject to VAT), so generating a surplus will usually not create a tax liability.

Charitable status confers many benefits. For some, the favourable tax treatment is important, but for many, the ability to raise funds, and the public trust and confidence that comes with charitable status, is paramount. In the case of a newsroom this can be especially important, to reflect its privileged position as the voice of its community.

What you will need



1. Trustees

Trustees will be ultimately responsible for everything a charitable newsroom does. Typically, the trustees will delegate editorial freedom and control to an editor in chief who is not a trustee. **See Appendix: Editorial Policy**

The policy will typically give the editor freedom to decide what is published and in what manner, according to basic defined standards. Ultimately, the editor reports to the trustees, in a similar way to a chief executive reporting to a board of directors.

Trustees are not paid, but if they provide (non-trustee) services that are required by the newsroom they may be paid for these services.

You will need at least three and preferably five or more trustees. They should not be employees or staff of the newsroom, and they should not be closely related to or have any overlapping business interests with the editor or any other newsroom staff.

In a charitable company the trustees are also the directors. When you are ready to incorporate the company, you will need to name the trustees as directors of the company. **See Appendix: Articles of Association**

2. A legal structure

Because a local newsroom will provide publishing and other services to the local community, a corporate legal structure is appropriate.

Because companies are so well-understood and familiar to people (including stakeholders like banks, funders and the public), in this handbook we will assume that a charitable company structure is chosen, but a charitable incorporated organisation or CIO can also be a suitable vehicle.

3. Articles of Association

Charitable companies are governed by articles of association. The articles will contain the newsroom's charitable purposes or 'objects'. It is important that these reflect the purposes of the newsroom but also the legal purposes which have been recognised by the Charity Commission.

The articles of association also contain basic information about the conduct of trustee meetings and other administrative arrangements. It's important that all trustees are familiar with their articles of association and can comply with their provisions.

See Appendix: Articles of Association

4. Editorial policy

The editorial policy is essentially the framework within which the trustees require the editor to publish. It contains all editorial standards, including requirements of objectivity, fairness and accuracy.



It should also contain basic procedures for handling corrections and complaints and it should summarise the matters that need to be referred to the trustees, as those who are ultimately responsible for the newsroom.

See Appendix: Editorial Policy

5. Charity application

The application sets out a summary of the newsroom's activities and purposes, and explains how it operates for the public benefit. Much of this material may be stating the obvious: for example, it should explain how the local community requires local news in order to operate healthily and effectively as a community.

Obviously, communities require information about a wide range of local matters ranging from local services, facilities, transport, health, the local council, crime and local policing, elections and general news. The application should explain how the newsroom reports on this sort of news and information and why it is crucial to the local community. See the next section.

See Appendix: Charity Commission Application



6. Content analysis and charity rationale

The Charity Commission will need to understand what sort of material is published by the newsroom, including how much material is strongly charitable in nature (because it contains vital public interest news of important to the community), and how it is balanced with any material that is less charitable in nature.

For example, this could be material which is simply entertaining, in some way trivial, or provided to 'lighten' the overall mix of news, public information and other material.

See Appendix: Charity Content Analysis



03 Process

Here is a basic step by step guide to the process of setting up your newsroom charity and getting it ready to register with the Charity Commission:

1. Agree the Articles of Association

Start with the template articles accompanying this handbook. Decide how they need to be customised to suit your circumstances.

You will need to choose your name (if you haven't already) and adjust the 'objects' to reflect your geographical area — and perhaps in other ways too, to suit your newsroom. Remember that our template articles have previously been accepted by the Charity Commission as charitable, so you may wish to make the minimum amendments possible.



2. Identify your trustees

These will also be the directors of the charitable company.

For simplicity you may decide to define them as the members of the company (the members of a charitable company are equivalent to its shareholders).

3. Incorporate your company

When you have the above details and materials ready you can go to the Companies House website and incorporate the company.

You will also need to decide where the company's registered office is going to be.



4. Open a bank account

Your bank account will need to have at least £5,000 in it, or to be able to demonstrate that you will generate at least £5,000 a year to meet the registration threshold at the Commission.

Opening a bank account can take a long time — in our experience at least 2-3 months. It's important to allow enough time for this step.

5. Begin your application

We suggest you start by reviewing the template application and attachments accompanying this handbook.

Again, these are documents that resulted in a successful application to the Charity Commission. However, you should not slavishly stick to it — it's important you describe the true purposes and activities of your newsroom, how it operates and how it serves its community.

As above, don't be afraid to state the obvious; the community needs reliable local information to function properly. Citizens need information about local services and facilities and the people in public offices who serve them in order to participate in the democratic process.

Ways in which your newsroom strengthens its community and serves its citizens in these ways will form the basis of a successful application to the Commission.



6. Complete your application

You will need an editorial policy, and to conduct some kind of an analysis of your newsroom's content.

Again, you can use the accompanying materials in this handbook to help with this.



7. Submit your application

Submit your application, with your three attachments: **Articles of Association**, **Editorial Policy** and **Charity Content Analysis**. Ensure you've given the Commission a way to respond to you. Do not be surprised or put off if you receive questions from them — it's expected that the Commission will want to question the various forms of content you publish and the ways in which you believe the newsroom serves its local community.

If you are clear that this is its fundamental purpose and you can demonstrate that it's effective at fulfilling the needs of the local community, you can be confident that your application will be ultimately successful.

Timeline

In terms of timing, the whole process is likely to take several months. Sometimes a really well prepared application will be processed very quickly; but many, and particularly those that are questioned by the Charity Commission, can take at least six months.

4 Appendix



Click here to download all template documents



Questions?

If you have any questions about this handbook will you require any assistance with an application please contact the charitable journalism project at info@cjproject.org or our charity specialist lawyer Tom Murdoch at Stone King LLP, at tommurdoch@stoneking.co.uk