The Future’s Bright –
The Future’s Local

Findings from the Carnegie UK Trust’s Neighbourhood News initiative
ACKNOWLEDGEMENTS

Design by Full Cycle

The images on the front cover are courtesy of Port Talbot Magnet, Brixton Blog and Jennifer Jones.
01 The new reality

The market for local news in the UK has changed forever.

Four in ten adults in the UK now use online sources for local news, while half of local news consumers rely on the internet even more frequently today than they did only two years ago\(^1\).

Traditional business models are under extreme pressure in this new digital age. Many of the difficulties experienced by the local print media in recent years are well known: more than 240 local newspapers closed\(^2\); over £400 million in advertising revenue lost\(^3\); the circulation of regional daily newspapers halved in just over a decade\(^4\); four in ten jobs in the regional press gone in five years\(^5\); and a quarter of local government areas now having no daily local newspaper while a third served by only a single provider\(^6\).

In the last year observers note a hollowing out of editorial staff at titles rather than further closures.

There are far fewer journalists to hold people to account in communities, just as we may be on the brink of greater devolution.

This is a bleak picture. It presents a major challenge to the industry but also to local democracy and to people’s sense of connection to the place where they live. Good quality local journalism, which investigates and reports on politics, business, planning, crime and social issues is a long-established, critical function of a healthy and thriving local democracy. Meanwhile, reports on local events, stories, achievements and personalities are vital to citizens’ sense of their community and place. If these services are lost then the detriment is severe.

However, with challenge also comes opportunity.
The local newspaper industry is adapting to the new circumstances in which it finds itself and has adopted a variety of different approaches to try and secure viable business models in this new age.

While some approaches have proved more successful than others, there is no doubt that the traditional local newspaper industry will continue to play a vital role in the ecosystem of local news.

The 20th century model was for news to be gathered and delivered by institutions, very much shaped by the technologies available to them. The 21st century model shaped by new technologies is for news to be gathered and delivered by individuals and small specialist organisations and networks.

Their work is often aggregated by large media brands.

Digital-led delivery models will fulfil an increasingly critical function in the local media landscape – and one of the most important of these new types of delivery models is the emerging hyperlocal news sector.

A growing sector

There are now nearly 500 active hyperlocal news websites across the UK, delivering 2,500 stories a week. These sites are the epitome of the small, nimble, largely digital entities that are taking over from older intuitions.

A 2014 survey by academics from Cardiff, Birmingham and Westminster Universities found that these sites are making a significant contribution to their communities, closely aligned to the core purposes of local news – holding decision-makers to account and providing a forum for information, connection and discussion. This includes reporting on local council meetings, political issues, planning decisions, and businesses, offering listings information and covering community news and events.
Hyperlocal sites offer great potential in helping to fill gaps in provision left by the decline in traditional models and can play a central role in a new, thriving local news system in the 21st century. There is a growing sense of purpose around this sector, and increasing interest in its current work and future potential.

**Emerging interest in hyperlocals**

In October 2014, a new report by the Media Standards Trust highlighted the role played by hyperlocal websites in filling democratic deficits, the far-reaching impact of small sums of money in the sector, and the opportunity for a large-scale competitive fund to encourage innovation. NESTA has been engaged with hyperlocals for a number of years and has run two dedicated programmes targeted at the sector. Crowdfunder recently launched a hyperlocal campaign to support projects to deliver local news and information, with seven hyperlocal projects successfully funded and nearly £40,000 raised.

A new BBC working group on the revival of local journalism has confirmed it is interested in working with hyperlocal news providers. And Media, Community and the Creative Citizen, a research council-funded project launched in 2012, has brought together academics from Birmingham City University and Cardiff University, Ofcom and experts in hyperlocal publishing Talk About Local, to examine the potential of the UK hyperlocal news sector.
It took newspapers several hundred years to attain their market dominance; the vast majority of hyperlocal sites have been around for less than ten years. It is a new, mainly non-commercial market segment in a sector dominated, with one or two exceptions, by large corporations. There remains however, much work to be done if hyperlocal news is to fulfil its potential and play an effective and widespread role in the future of local news in the UK.

Consistency and scale

Hyperlocal sites have not yet grown out to cover the entire country – some areas are well served but there are others where there are no, or very few, active sites. There are considerable differences in the type and frequency of output that sites provide; and in how they identify their core purpose – is it to provide information, offer a forum for discussion, scrutinise local decision-makers, or a combination of these? The hyperlocal sector also faces challenges in terms of its sustainability and growth and building critical audience mass. The sector is something of a ‘cottage industry’ with coverage largely dependent on the time and skills of volunteers. It undoubtedly has many of the essential elements of a future local news service – being locally based, low cost, community driven and digital – but if it is to fulfil its considerable potential then the right support is vital.

Current interventions

At present, public and charitable financial support for UK local media is worth well over £250 million every year. This includes resources for BBC local radio, fees for statutory advertising in local newspapers, the local TV infrastructure and buy-back subsidies and the Community Radio Fund.
In addition, the Reuters Institute has estimated that the zero-rating of VAT on newspapers in the UK is worth an estimated £600 million per annum to newspapers in reduction of their sales price, based on 2008 prices\textsuperscript{14}. Clearly, a significant proportion of this tax benefit is derived by local newspapers.

These interventions mainly support existing media forms of print, radio and television generally produced by large businesses.

The gap for hyperlocals

However, support for the community media sector including hyperlocal websites is, by comparison, very limited. There are some exceptions, including the Destination Local programme delivered by NESTA and the Technology Strategy Board, which provides grants to partners innovating with technology in local internet news projects; the Community Channel which is a national TV channel offering community content; and the Community Radio Fund, which uses funds provided by the UK Government administered by Ofcom to support small community radio projects. While highly welcome, these specific interventions which support local community media currently account for only around 1% of the annual financial intervention in the local media market by government. This suggests that there remains considerable scope for more financial support to be made available to community media – including hyperlocal websites – in the future, and this is vital if the sector is to play a more significant role in helping to sustain high quality local news.
The Carnegie UK Trust launched ‘Neighbourhood News’ in 2013 to help support and grow the emerging hyperlocal news sector and test out new delivery models. Through the project the Trust provided £10,000 each to local news organisations in Brixton, London; Alston, Cumbria; Port Talbot, South Wales; Wester Hailes, Edinburgh; and Harlow, Essex to further their activities and try out new approaches. The five projects were known as ‘Carnegie Partners’.

Table 1 below provides a brief overview of the Carnegie Partners in terms of their geographic coverage and project aims:
Table 1: Carnegie Partners Overview

<table>
<thead>
<tr>
<th>Project</th>
<th>Geographic area</th>
<th>Project Aim</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brixton Blog</strong> in Lambeth, South London</td>
<td>Brixton is a vibrant, densely populated, highly culturally, socially and economically diverse area of 65,000 people in South London</td>
<td>Train students and new contributors to contribute to an existing blog and print publication</td>
</tr>
<tr>
<td><strong>Cybermoor</strong> in Alston, Cumbria</td>
<td>Alston is an isolated small market town of 1,200 people high in the Cumbrian hills of North West England</td>
<td>Overhaul an existing community website and train community reporters to contribute to it and improve local scrutiny and accountability</td>
</tr>
<tr>
<td><strong>Digital Sentinel</strong> in Wester Hailes, Edinburgh</td>
<td>Wester Hailes is an area of 13,500 homes in South West Edinburgh in Scotland predominantly composed of high-density social housing built in the early 1970s</td>
<td>Resurrect in digital form a local community news sheet ‘The Sentinel’ that had been shut down for some years. Train local people to contribute to and run the site to build community cohesion and improve the image of the area</td>
</tr>
<tr>
<td><strong>Port Talbot Magnet</strong> in Port Talbot, South Wales</td>
<td>Port Talbot is a small industrial town of 37,000 people in South Wales, dominated by a large steel works</td>
<td>Seed fund a print edition of the website of the local news co-op, the Port Talbot Magnet. Aim is to reach people who aren’t online across a wider area than urban Port Talbot and produce advertising revenue leading to a self-sustaining business model</td>
</tr>
<tr>
<td><strong>Your Harlow</strong> in Harlow, Essex</td>
<td>Harlow is a medium-sized ‘new town’ of over 80,000 people on the borders of Essex and Hertfordshire in South East England</td>
<td>Create a brand new news website, with substantial video content for Harlow to improve local civic affairs coverage. Project will build on the success of neighbouring Your Thurrock website and will aim to run as a sustainable entity</td>
</tr>
</tbody>
</table>
In return for a relatively low level of investment, hyperlocal, grassroots news organisations can deliver a significant range of community news and information at an output rate comparable with more traditional sources of local news. For example, Your Harlow produced a remarkable 275 videos in just 13 months, on local issues such as flooding, the opening of a new supermarket, and an interview with the leader of Harlow Council.

Despite the relatively small investment and the highly organic nature of the Partner projects, they delivered remarkable results – in 80% of cases delivering a substantial contribution to local plurality and civic voice.

The programme has been evaluated by Talk About Local and from our work over the past two years we have drawn out six key lessons which can be used to inform the development of hyperlocal news in the UK:
2 ADDING VALUE

Hyperlocal news organisations are adept at using funding to help attract volunteer time and leverage pro bono input from professional journalists to supplement paid wages. Brixton Blog, for instance, leveraged 112 volunteer hours (£1,557 at national average hourly rate) with £1,400 of paid labour during the start-up phase of their project. In the second half of the project, the ratio of volunteer time grew to two full days per week, worth £222 at national wage rates, to complement the £100 per week in labour costs. This significantly increased the range of outputs that the project was able to deliver and widened its reach within the community.
3 FOCUS ON IMPORTANT LOCAL ISSUES

The projects participating in Neighbourhood News undertook a range of reporting which added significantly to local accountability and democracy, backing up previous research about the importance of the hyperlocal sector in this context. Topics covered by the Carnegie Partners included local transport issues (Brixton, Port Talbot); knife crime, police and fire services (Wester Hailes); responses to local flooding (Harlow); and a campaign to save a community ambulance (Alston). It’s unlikely that any of these stories would have received news coverage without the hyperlocal site.

4 STIMULATING COMMUNITY ENGAGEMENT

Local news can be used as a tool for community engagement, development and action. Each of the Carnegie Partners undertook specific activities to engage their local communities and help develop new skills amongst citizens. This included social media workshops (Brixton); giving school children the chance to produce local news stories (Wester Hailes); photosharing content (Port Talbot); and journalism training at the local library (Alston).
5 MANAGING A COMPLEX WORKFORCE

Funders should always bear in mind that hyperlocal community news organisations made up of freelancing and volunteer contributors are subject to competing demands on their time, such as employment, family and pre-existing commitments. These real-life time pressures can cause disruption in delivering consistent output, but they are pressures which policy makers and funders must respect if the sector is to be supported and grown. Recruiting individuals with skills which supplement core journalism skills, such as advertising sales and IT know how, which help to sustain local news projects can be a real challenge for hyperlocal providers. These issues can impact on news production, and again, it is important for funders to take a long-term perspective and show understanding and tolerance to any delays incurred.

6 WORKING TOWARDS SUSTAINABILITY

Investing in hyperlocal news sites has also enabled these sites to become increasingly sustainable. Small grants can help avoid creating unsustainable business models but can encourage innovation and support capacity building. Following their involvement in Neighbourhood News, Brixton Blog are planning a transition to a more broadly-based community social enterprise structure to increase capacity, and have launched a campaign to crowd fund a new journalist; Port Talbot Magnet have successfully
brought in sufficient advertising revenue for their latest print edition to make a small profit and the team remain ambitious to deliver a thicker, more regular newspaper in the future to complement their online offering; the Digital Sentinel in Wester Hailes have now secured additional funding for a community reporter and plan to deliver more content while encouraging more local people to contribute to the site; Your Harlow’s sister site Your Thurrock has entered into a partnership with the Local World group, which supports the sustainability of the hyperlocal operations; and Cybermoor in Alston is continuing to develop its community reporters training programme through close ties with a very successful local community broadband project.
Drawing on the learning from Neighbourhood News and our wider analysis of the UK local news market, it is clear that the hyperlocal news sector has a considerable contribution to make to media provision, plurality of voice, democratic scrutiny, accountability and information provision at a local level. However, if this is to be achieved then support is essential to help the sector develop and grow. There are a range of opportunities for how this support might be provided and government, regulators, funders and those already delivering local news all have a critical role to play. We suggest a package of measures to support the growth of community-led local news:

### Plurality and Platform

1. **The plurality debate on local news has to date focused on market exit** – ensuring that a sufficient level of plurality is retained when local newspaper titles close or merge. In the future, **Ofcom** should welcome grassroots hyperlocal media as a positive asset in contributing to media plurality. These providers bring a new voice and market entry at low cost at a time when the number of voices in traditional media is shrinking. At a community level, some local relevant media asking questions and bringing people together is far better than none.

2. **Ofcom** should understand the strengths and weakness of new independent hyperlocal media, track this new market and measure it accordingly as part of the new plurality regime. Grassroots local media is as different to conventional radio, TV, print and corporate websites as those media are from each other. Hyperlocal grassroots media is a patchwork but covers more towns than local TV at a fraction of the cost. Ofcom’s promising initial work in the 2012 Communications Market Review needs broadening and deepening as part of the
Financial support

4 The UK Government should stimulate hyperlocal media by reworking existing interventions in the local news market that are currently heavily skewed to support existing providers and can act as a barrier to market entry for the emerging hyperlocal sector. The Secretary of State for Communities and Local Government intervened heavily to support local bloggers attending and then filming local council meetings, alongside the traditional press. The Department for Communities and Local Government could also intervene to start levelling the playing field on financial support, for instance to permit local authorities to spend some (e.g. 10%) of their statutory advertising budgets through hyperlocal news providers. This requires a proper overview by DCMS of the significant market interventions by the UK Government in local media; and attaching some conditionality to what are now support schemes such as...
statutory notices, for example, the provision of at least some ‘public interest’ content; and sensitive rebalancing so that undue harm is not caused to traditional media who have become dependent upon these interventions.

5 The UK Government should consider whether a small proportion of the revenues raised through proposed new tax rules for technology companies could be reinvested in relevant industries. Volunteer-run hyperlocal news providers risk losing out to Google’s local search algorithm which tends to favour entities that are in business directories with fixed addresses. In France, Google has provided resources to establish a £50 million Digital Publishing Innovation Fund.

6 The Big Lottery and other relevant funders should review and publicise how existing funding programmes can support communities who want to invest in their hyperlocal website or local paper as a community asset. This includes: providing guidance and publicity to make it clear that existing general community support schemes – such as BIG’s Awards for All – can and are used for this purpose; inviting proposals for the development of local grassroots media as part of existing funding programmes that are focused on community engagement, cohesion and local democracy; and encouraging current grantees supported through relevant programmes to include a local news publishing element in their projects to improve local transparency, democracy and accountability.
When supporting hyperlocal news projects there are a number of lessons that the Big Lottery and other relevant funders can learn from Neighbourhood News. This includes: using a broadly-based selection panel with widespread media experience to reduce risk; keeping grant sizes small (£5k to £15k) to avoid swamping a volunteer-led industry; giving priority to those projects which have personnel at the centre of the initiative who have experience of journalism, publishing or story-telling and are able and willing to produce content; focusing funding resources on labour and skills, rather than capital as most community news projects are able to source hardware and IT equipment from other local supporters; and being tolerant and understanding of delays and disruption to output which emerge as a result of real-life pressures on volunteers.

More ambitiously, the Big Lottery and other relevant funders should consider the potential for establishing a new funding programme dedicated to the hyperlocal news sector. The recent Media Standards Trust report on local news offers valuable ideas about how such a programme might be approached, as does NESTA’s Destination Local programme and the Carnegie UK Trust Neighbourhood News initiative.

The National Union of Journalists should consider how it can work with employers and the government to support its members who lose their jobs in a news institution to become entrepreneurs running hyperlocal media.

The National Union of Journalists should consider how it can work with employers and the government to support its members who lose their jobs in a news institution to become entrepreneurs running hyperlocal media.
Peer support

10 The BBC should facilitate stronger relationships with hyperlocal news providers. There are a number of ways in which the BBC, with its trusted brand and significant resources, can support the provision of independent, quality local news provision amongst hyperlocals. This might include: the inclusion of credited hyperlocal content in Local Live newsfeeds; hosting joint training with hyperlocals; offering content for hyperlocals to use – particularly local history archives; and featuring stories on hyperlocals themselves in order to increase awareness of new and equally independent sources of local media.

11 Hyperlocal news projects should draw on learning from their contemporaries in the sector, including the Neighbourhood News projects. Key lessons include: manage project workloads carefully and build up a broad-based team to allow project leaders to spread capacity and avoid burnout by taking breaks; understand the project’s web metrics – who visits your site, how do they find it, what are they looking at and for how long; use more than one platform, such as a blog and Twitter, a printed newspaper and Facebook, or video and Twitter, as this can increase audience size and deepen engagement with the output; and build sufficient time into project business plans for recruiting people who can sell advertising, which can take longer than anticipated.
Endnotes


3. The Guardian (2013) *UK newspapers’ print ad revenue ‘to shrink by £400m by the end of 2014’ Wednesday 19 June 2013* Guardian (online) www.theguardian.com/media/2013/jun/19/uk-newspapers-print-ad [accessed November 2014]


12. Media, Community and the Creative Citizen http://creativecitizens.co.uk/ [accessed November 2014]


The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work.

The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

Andrew Carnegie House, Pittencrief Street, Dunfermline, KY12 8AW

Tel: +44 (0)1383 721445
Fax: +44 (0)1383 749799
Email: info@carnegieuk.org
www.carnegieuktrust.org.uk

This report was written by Douglas White, Lauren Pennycook, William Perrin and Sarah Hartley
December 2014