



8 workshops
featuring 14 speakers
in 4 jurisdictions
attended by 200
people
connecting with 120+
organisations

**Make Your Local
News Work**
Final Report





CHANGING MINDS • CHANGING LIVES

100
YEARS

1913 – 2013

ACKNOWLEDGEMENTS

Written by Dave Boyle, with support from Carnegie UK Trust and Co-operatives UK.



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The Challenge

The decline in the number of distinct local newspaper titles serving a specific local need has been well documented. Many titles have closed – more than 240 between 2005 and 2012¹. Of those that remain, most are operating at lower capacity and overwhelmingly lower levels of circulation. Daily titles have become weekly, whilst many weeklies have closed or merged with neighbouring publications to cover wider geographical areas. In short, fewer people are reading fewer titles produced by fewer people. This has serious implications for local civic society and community identity and cohesion.

These problems have not yet, however, been matched by the identification of a sustainable, effective policy solution to support the local news sector. Ideas that have been floated include either enabling existing owners to reduce costs by developing local monopolies, or various degrees of public support on the grounds of local media's vital role in a functioning democratic system. However, the challenges persist. Through this project the Carnegie UK Trust and Co-operatives UK invite you to help us find a solution.

¹ 2 Ponsford, D., PG research reveals 242 local press closures in 7 years, Press Gazette, 30 April 2012.

Make Your Local News Work Project

During 2013, Co-operatives UK and the Carnegie UK Trust have worked in partnership to highlight an alternative solution to the difficulties facing local media, focusing on the potential for new business models to sustain local news enterprises.

The central premise of this joint initiative, entitled Make Your Local News Work, was that co-operative ownership could provide a mechanism for locally-focused stewardship of the media, leveraging the power of engaged membership to rebuild balance sheets, defray production costs through volunteer input and deliver quality content by dint of single-minded focus on the local community and its needs.

The project builds on previous and ongoing work by both the Carnegie UK Trust and Co-operatives UK. The Carnegie UK Trust has a

long-standing interest in the crucial relationship between the media, civil society and democracy and in 2012, in the report Better Journalism in the Digital Age, identified a pressing need to examine how more accessible, pluralistic and diverse local news could be made available for citizens and communities. The Trust is now delivering its groundbreaking Neighbourhood News project, through which it is providing £10,000 of support to five local news organisations around the UK to deliver innovative local news projects. Co-operatives UK, meanwhile, has a strategic aim of promoting the growth of the UK co-operative economy through supporting the development of co-operative enterprises and innovation that meet new needs in society and the economy. One such area is in local media and the report Good News: A Co-operative Solution to the Media Crisis was published in 2012, examining

opportunities for co-operative news enterprises and providing case studies of successful models.

The joint Co-operatives UK/ Carnegie UK Trust Make Your Local News Work project comprised eight workshops to showcase and debate the ideas, practicalities and opportunities for co-operative owned local media in the UK and hear from practitioners developing alternative delivery and production models. The workshops were held in all four UK nations, attended by around 200 people, representing over 120 different

organisations, including working print and hyperlocal journalists, community activists, policy professionals and campaign groups. Following the workshops, applications were sought from groups actively looking to explore community ownership and four groups selected to benefit from practical development support and advice, mentoring and signposting through to March 2014 – in essence providing the kind of support given by organisations that have successfully developed new sectors of community ownership.

Key Findings from the Workshops

The workshops provided participants with a unique opportunity to discuss and consider the need and potential for more co-operative owned local media in their area. While each of the eight workshops inevitably explored certain issues

in more depth, a clear pattern of key issues emerged from across the eight events. A summary of these points is set out below:

- There is a pervasive pessimism about the future for local media and

a feeling that economic change, in particular the move of advertising online, means that local media will disappear in the same way as have greengrocers, hardware stores and haberdashers.

- Despite the pessimism, there is evidence of strong latent demand and support for local media. Local media is not in trouble because of a fundamental shift in people's needs, the workshops heard, but because of a challenge to the traditional business model. This continued support for the idea of local media could be harnessed to support new business models created to sustain it.
- Harnessing that demand will require a business model that enables a quality product to be produced. Financial pressures from the loss of advertising and

the pressures of debt servicing have led to many ownership groups to focus on cost-cutting. That has impacted on the quality of their publications and thus the readership levels, which in turn further exacerbates the problems from the flight of advertising to alternative markets.

- Voluntary models such as hyperlocal websites have carved out a niche, but making them a sustainable enterprise in the medium to longer-term remains a key challenge.
- The co-operative model has particular attraction because it leverages support for local news into new sources of revenue and capital based on ownership as well as consumption.
- This mirrors similar developments in the field of rural shops and community pubs, where local people have saved

services that they care about, by locking in collective loyalty and support through co-operative membership and capital-raising.

- However, in a similar way, there may also be a need for advice and support on business and membership development for local media ventures, including access to early stage support and finance around transfers. It is possible to source support and training in the skills required to be an effective

community journalist, but community ownership of an institution requires additional competencies. In addition to generic business management, groups need ‘ownership skills’ tailored to their reality as volunteer-run bodies with a variety of stakeholder relationships set in a democratic context.

- There are also barriers that were identified in the workshops – including the difficulty of acquiring existing titles from current owners who no longer see



value in them, as ownership transfers happen at a scale and a pace that is usually beyond a community's immediate ability to respond.

- It was suggested that changes to public policy changes could address this through changes to media ownership rules that enable transfers to communities in the event of existing owners deeming them failed publications, combined with enhanced rights for

communities to designate their media as assets of community value, along with financial incentives to support the transfer of assets.

- Co-operative ownership is not a panacea for every community, but there is now a body of practice that suggests that there can indeed be new business models to sustain local media, responding in new ways to an old need.

The Building Blocks – Inspiring Stories

Each workshop was dedicated to challenging the pessimism by introducing inspiring examples of alternative business models which are proving successful, despite the technological and economic challenges.

- Paul Wood spoke about how employee ownership by the editorial and production staff of the *West Highland*



- Free Press* enabled them to produce a quality weekly newspaper for the 200,000m² community they cover. That engendered excellent advertising revenues and enormous community goodwill. He was clear that only a form of ownership with sincere and meaningful commitment to the area can properly serve it.
- *Ethical Consumer* turned to their readers to provide them with capital, leveraging the deep connection between the publication's content and its reader's values to so ask those readers to take responsibility for the continued existence of the magazine. Clay Shirky has written that 'you'll miss us when we're gone isn't a viable business plan', but *Ethical Consumer* demonstrate that 'we'll all be the poorer if we don't exist' *does* have the power to add value.
 - The *Port Talbot Magnet* are participating in the Carnegie UK Trust's Neighbourhood News project and are using funding from the Trust to good effect to bring back a printed newspaper to a community that was the poorer for the lack of one for many years.
 - Readers of *Taz* in Germany take responsibility for providing working capital to the daily paper, which is democratically controlled by its staff, an intriguing hybrid model that blends the advantages of consumer and employee ownership.
 - That hybrid approach is shared by *The Media Coop* in Canada, which mixes online and offline publishing of national and local editions, with control shared between writers and subscribing readers.

Barriers to Growth

The workshops were also spaces for interested activists to share their experience, and through that, we identified what seem to be the major barriers to future development.

- Although there are a number of good examples of co-operative business models for local media (see above) more are needed and these need to be drawn from a variety of different places across the UK, in order for people to believe they can develop similar new business models in communities like theirs. For example, as inspiring a case study as the *West Highland Free Press* is, it was notable that participants were also unsure how relevant the example was because of the paper's special geographic, cultural and historic environment. Case studies themselves are not
- enough to draw people into action if they are able to distance themselves from the particular circumstances in these studies.
- A critical issue in developing those examples is being able to get control of publications to see how different models can affect sustainability. There are now enough community-owned pubs and shops to make it clear that this model works. Unlike the pub sector, though, existing owners have proven resistant to selling assets they deem surplus to requirements to others who can experiment with alternative models of ownership and operation. Most sales are of clusters of titles sold en bloc as part of reconfiguring regional portfolios to derive economies of scale.

It was also noted that this approach extended to closed titles, with owners equally reluctant to consider sale of the intellectual property (mainly archive material and brand) in order for the community to resurrect it.

Public policy can potentially play a key role here. In England and Wales, extending the 'Right to Buy' legislation to services, as well as physical assets, would enable communities to enter a

process of negotiation with current owners that is not taking place at present. Regulations on media ownership could also be amended to ensure communities were given first rights to acquire titles which existing owners proposed to close or merge. Consideration should be given as to whether there is a need for similar mechanisms in Scotland and Northern Ireland.



- Initial work with the four projects receiving follow up development support indicates that the pathways to developing alternative models are difficult, involving people trying to devote time and energy as volunteers. Being a revolutionary pathfinder for something new can inspire some people, but it can as easily be daunting for those who seek the comfort of knowing their efforts will likely prove successful.
- Experience from other sectors – for example, in the way the Plunkett Foundation has supported village shops or Supporters Direct with football clubs – demonstrates that developing that first wave of examples that will in turn enthuse and inspire others is made far more likely if there is a central support agency to signpost, mentor, and support new ventures.

Conclusion and Next Steps

The project has showcased the concept for co-operative ownership of local media and found support for it. The core theoretical argument has been widely debated by practitioners and interested activists and there are now 12 groups looking at putting these ideas into practice, partly as a result of this

project. There is clearly scope for further work to develop this agenda.

In March 2014 the support phase of the project will complete and will provide new evidence and ideas on the challenges and opportunities for developing co-operative ownership as

a new business model for local media. Meanwhile a series of reports and outputs from the Carnegie UK Trust Neighbourhood News project will be published throughout 2014, offering new recommendations on effective business models and strategies for local media.

We look forward to working with others to pursue these issues, ideas and solutions

in the months ahead. The journey has only just begun and we would be delighted to hear from you and hear your thoughts and views on the issues raised in this report. To share your experiences please get in touch with Lauren Pennycook at lauren@carnegieuk.org or join the debate on Twitter [#neighbourhoodnews](https://twitter.com/neighbourhoodnews).





Carnegie UK Trust

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 and we are delighted to be celebrating our centenary in 2013. Please see our website for further information on our centenary plans.

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Co-operatives UK

Co-operatives UK works to grow the co-operative economy by promoting, developing and uniting co-operative businesses. It has a unique role as a trade association for co-operatives and its campaigns for co-operation, such as Co-operatives Fortnight, bring together all those with a passion and interest in co-operative action. Any organisation supportive of co-operation and mutuality can join and there are many opportunities online for individuals to connect to the latest co-operative news, innovations and campaigns. All members benefit from specialist services and the chance to network with other co-operatives. All members benefit from specialist services and the chance to network with other co-operatives.



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