

**MEDIA
STANDARDS
TRUST**

**Addressing the Democratic Deficit in Local News
through Positive Plurality**
Or, why we need a UK alternative of the Knight News Challenge

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INTRODUCTION

There is a window of opportunity for the UK government to seed, through an independently run competition, a flowering of innovation in news and information and civic technology at a local level, without spending a penny of taxpayers' money.

Innovation in local news and information is desperately needed to address the decline in local newspapers and to help support and reinvent local news and community information for the 21st century. Without such reinvention we risk weakening our civic communities and our local authorities becoming unaccountable. The window of opportunity will only exist for a short while.

Rarely has there been such a range of inexpensive tools available to innovate in news and information – from publishing platforms to geo-location services.

New sources of news are emerging and new research shows the important role they are beginning to perform. But their growth is fragile and nascent. Without support it is likely to remain so.

The opportunity for innovation and growth will decline as non-UK technology platforms further colonise local media space. As listings and advertising migrate further to Google My Business and AdSense, or to Facebook and its related mobile platforms, it will become harder for independent local media to thrive. At the same time local media provision will become heavily reliant on foreign delivery platforms.

A relatively small amount of money, distributed competitively, could – in this critical period – transform the local media environment. There are a range of options for sourcing these funds, described later, none of which need to be taken from existing public funds.

This short paper lays out the problem, shows why we find ourselves in this position, and outlines a plan for how to address it.

SUMMARY

Local newspapers are in crisis. The number of professional journalists reporting on local news has plummeted in the last decade. There are now areas of the UK where there is virtually no professional news reporting at all. Local Councils now regularly go unattended and unreported.¹

There is a slowly growing network of hyperlocals, and many are performing important community and democratic functions, but the network is far from universal and is varied in both depth and quality. A 2013 study identified 496 active hyperlocal sites across the UK.² These are not spread consistently across the UK. In the whole of Wales there are fewer than 30 hyperlocal sites.

The ‘army of armchair auditors’ using open data to keep public authorities accountable, that the 2010 Coalition government looked forward to when it promised the most transparent government ever, has yet to materialize.³ There are open data enthusiasts but they are still a rare breed and a long way from replacing the traditional role of our local press.

Although there are a handful of valuable UK third party applications that enable accountability and public engagement, such as FixMyStreet and OpenlyLocal, these are limited in number and in scale.

At the same time the opportunity for innovation in this area is huge. Relatively small investments can have an impact far beyond their effect in other sectors. This is because the tools available for innovating – with regards publishing, distributing and promoting news and information – are widely available at low cost.

There has been innovation in local news and community information in the UK, but nothing like on the scale there has been in the US. In the US \$67m was invested in civic technology through Foundation grants alone

1 See, for example, *Local Journalism and Local Media: making the local news*, edited by Bob Franklin (Routledge 2006), *Turning Around the Tanker: Implementing Trinity Mirror’s Online Strategy*. Cardiff University School of Journalism Media and Cultural Studies, Andy Williams & Bob Franklin (2007),

2 Hyperlocal Publishing in the UK – A 2013 Snapshot, Dave Harte

3 “The simple task of putting spending online will open the doors to an army of armchair auditors who will be able to see at a glance exactly where millions of pounds spent last year went”, Eric Pickles, August 2010, <https://www.gov.uk/government/news/eric-pickles-shows-us-the-money-as-departmental-books-are-opened-to-an-army-of-armchair-auditors>

between 2011 and 2013 (five times more than this was invested by the private sector).⁴ This investment has led to widespread innovation, in everything from digital tools to involve people more closely in planning decisions (e.g. OpenPlans.org), to crowdfunding platforms for civic projects and engagement (e.g. Citizeninvestor.com) to private social networks for your neighbourhood (e.g. NextDoor.com).

The difference between the US and the UK is not due to lack of will or expertise, but to material factors, most notably:

1. Recognized need – in the US they have recognized, for almost a decade, the crisis in provision of local news and information. It has still to be recognized to the same degree in the UK.
2. Charity status – in the US news organisations can set themselves up as non-profits with charitable - 501c3 – status. This option is not available in the UK.
3. Large foundations with this purpose – in the US there are a number of large US foundations that focus on supporting innovation in this area.
4. Funds invested – the amount of money invested in local news innovation and civic technology in the US – by philanthropic and private investors - dwarfs the amount invested in the UK (the Knight Foundation identified 237 separate major investors in US civic tech between 2011-2013).⁵

Were contestable funds available, as there have been in the US, for which individuals and organisations could compete for small grants, the effects – on democratic engagement, on social cohesion, and on local enterprise – could be significant.

Contestable funding could generate a virtuous circle. It could address a significant democratic dilemma. It could generate lots of interest, enthusiasm and effort from those who might not otherwise have participated in this area. It could, based on US precedent, spark private as well as Foundation funding. It could create a flowering of innovation and information about local communities. It has the potential to leave a legacy of enterprise, experience and invention that would put the UK at the forefront of digital information development.

4 *The Emergence of Civic Tech: Investments in a Growing Field*, Knight Foundation (2013)

5 *The Emergence of Civic Tech* (2013)

This would not need to be funded through existing public funds, or through the diversion of public money from elsewhere. There are at least three ways in which such a fund could be filled:

1. A one-off contribution from Google and/or other digital intermediaries.
2. An annual charge for the collection and commercial use of personal data.
3. A voucher scheme through which each adult receives a voucher once a year, which s/he can donate to any non-profit news or information service of his/her choice.

Each of these options is described below.

Contestable funding could generate a welter of innovation in the collection and provision of public interest news and information at a local level.

Without such contestable funding, access to public interest local news and information will become increasingly unequal, and we will become more and more reliant on US digital platforms and technologies. This reliance will not only limit the power and scope of UK producers, but will siphon funds away from local communities and hinder local democracy.

Crisis in local newspapers

Local newspapers are in crisis. The funding model for the local press has collapsed. In the five years between 2005 and 2010 the revenue of the four leading local newspaper companies in the UK dropped by between 23% and 53%.⁶ This led to sustained cost cutting, including a long series of journalist job cuts. In south Wales, for example, the number of editorial and production staff at Media Wales dropped from almost 700 in 1999 to 136 in 2010.⁷

In some areas this has left one senior reporter per newspaper: there are ‘just six senior reporters and five trainees to cover the seven remaining local titles in communities like Pontypridd, Merthyr, Aberdare, Llantrisant, and the entire Rhondda Valleys’ (A Williams). In other areas like Port Talbot there is no longer a dedicated local newspaper.

This is not just the case in Wales. Journalists have been cut across the local press. The “latest company results from Johnston Press state that it cut 1,300 jobs in 2012, some 23 per cent of the workforce’ James Harding – head of BBC news – said in January 2014, ‘almost half the employees of Northcliffe Media went between 2008 and 2012, falling from 4,200 to 2,200 according to its owners the Daily Mail & General Trust. Claire Enders, the media analyst, has calculated that 40 percent of jobs in the UK regional press have gone in the course of five years’.⁸

Press Gazette estimates that 242 local newspapers closed between 2005 and 2012.⁹ The Media Reform Coalition has calculated that ‘Out of 406 Local Government Areas, 100 (25%) have no daily local newspaper at all while in 143 LGAs (35% of the total) a single title has a 100% monopoly’.¹⁰

Even in those locations where local newspapers remain, much of the content is produced elsewhere. Newsquest is moving newspaper production from

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The funding model for the local press has collapsed

6 Enders Analysis, Competitive Pressures on the Press, Presentation to the Leveson Inquiry (2011)

7 ‘Stop Press: crisis in Welsh newspapers and what to do about it’, Andrew Williams, (2011) <http://www.radicalwales.org/2011/10/stop-press-crisis-in-welsh-newspapers.html>

8 James Harding, WT Stead lecture, ‘Journalism Today’, British Library, 13 January 2014

9 ‘PG research reveals 242 local press closures in 7 years’, 30 April 2012, <http://www.pressgazette.co.uk/node/49215>

10 The Elephant in the Room: a survey of media ownership and plurality in the United Kingdom, Media Reform Coalition, 2014

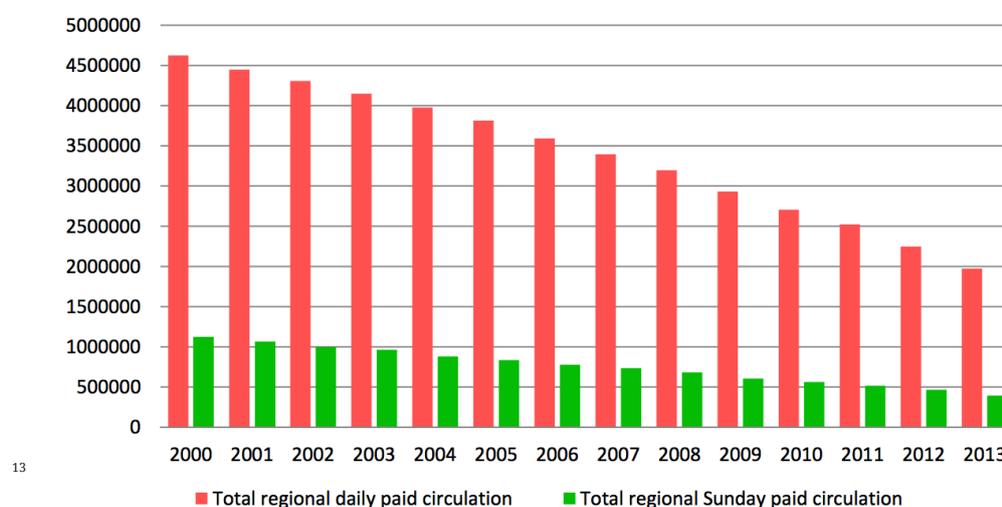
its newspapers in the North-East to Newport in Wales. Trinity Mirror has a shared content unit in Liverpool. This reduces the local-ness of these papers, distances them from the local community, makes it more difficult to cultivate and check sources and perform the watchdog function, and compromises the ‘scarecrow’ function of the local press.¹¹

As a consequence of the job cuts and centralisation there are fewer professional journalists available to attend local council meetings. Certain local news groups discourage journalists from leaving the office. David Montgomery, owner of Local World, has said that he sees a future in which one journalist will ‘fill a weekly paper by “skimming online content” while dailies will be produced by a “handful” of office-based staff’.¹²

With no-one attending and recording what happens in local government there is a real danger that we will lose the accountability function that most agree is integral to a functioning and healthy democracy.

Total regional daily / regional Sunday newspaper paid circulation, Great Britain, 2000-2013.

Taken from ‘Daily Newspaper Circulation Trends 2000-2013: Canada, USA, UK’, Communications Management Inc., October 2013



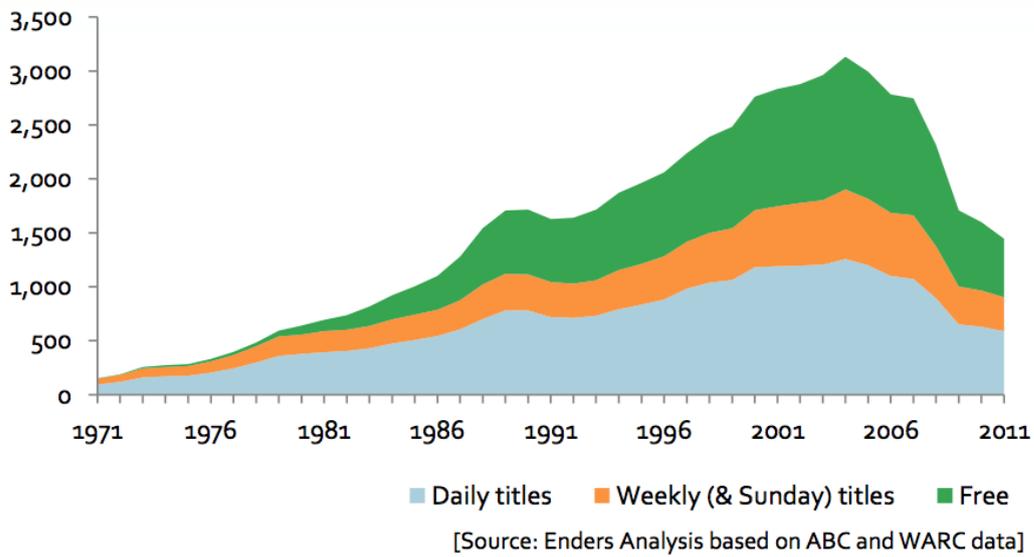
11 ‘Though the scarecrow “does nothing” its very existence, the very fact that crows know it is out there, “watching”, is often enough to constrain bad crow-like behavior. And the same goes for journalism’, *Post-Industrial Journalism*, Emily Bell et al, Tow Center for Digital Journalism (2013)

12 ‘Montgomery’s vision of local journalism’s future: “skimming online content”’, Roy Greenslade, 21 November 2013, <http://www.theguardian.com/media/greenslade/2013/nov/21/david-montgomery-local-world>

13 From ‘Daily Newspaper Circulation Trends 2000-2013: Canada, USA, UK’, Communications Management Inc., October 2013, http://media-cmi.com/downloads/CMI_Discussion_Paper_Circulation_Trends_102813.pdf

UK regional and local newspaper advertiser expenditure (£m)

Taken from 'Local Media: a holy grail?' Enders Analysis 2012



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14 From 'Local Media: a holy grail?' Enders Analysis 2012

Growth of Hyperlocals

There is a growing ecosystem of hyperlocal websites and services across the UK. Although there is limited research about the number and type, a recent study by Dave Harte found 496 active hyperlocal websites in the UK.¹⁵

These sites range enormously in distribution, scale, reach, type and regularity of output. There is, for example, a large variation in the spread of sites across the UK. Most sites are concentrated in metropolitan areas like London and Birmingham, with some large rural areas lacking any sites. 90% of the sites are in England. Across Wales there are fewer than 30 active hyperlocal sites. In Northern Ireland there are only three.¹⁶

In terms of revenue and resources, most sites are ‘in their infancy’ and ‘There is still... a huge disparity with legacy local media in terms of resources’.¹⁷

Sites also vary considerably in terms of purpose and aims. Many were set up as a means of sharing of information within a community, and providing a forum for discussion.¹⁸

However, from a 2014 survey we know that many hyperlocal sites are also performing similar democratic functions as local newspapers. The survey found that 81% of the hyperlocal sites that responded had covered local council meetings in the last two years, 79% had covered local government planning issues, and 75% had covered local businesses.¹⁹

The same survey found that ‘Seven out of ten producers see what they do as a form of active community participation, over half see it as local journalism, and over half as an expression of active citizenship’.²⁰

Certain sites have been reporting from local councils for years (since 2007

15 Hyperlocal Publishing in the UK – A 2013 Snapshot, Dave Harte, <http://daveharte.com/hyperlocal/hyperlocal-publishing-in-the-uk-a-2013-snapshot/>

16 Ofcom, Internet Citizens 2013, <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/Internet-Citizens-Report.pdf>

17 Plurality, Policy and the Local - Can hyperlocals fill the gap?, Steven Barnett and Judith Townend, Journalism Practice (upcoming 2014)

18 94% of hyperlocals surveyed had covered community events in the previous two years. Ibid.

19 ‘The Value of UK Hyperlocal Community News: Findings from a content analysis, an online survey and interviews with producers’, Andy Williams, Dave Harte, and Jerome Turner (forthcoming), *Digital Journalism*

20 Ibid.



Many hyperlocal sites are performing similar democratic functions as local newspapers

in the case of **OntheWight.com**).²¹ Others, like **YourThurrock.com**, give space to politicians to write about local political issues.

However, many of these hyperlocal sites are not yet able, or aiming, to perform an ongoing ‘accountability’ function of the type associated with a local press. Many sites choose to focus on community news, providing a public forum or publishing listings information rather than acting as the Fourth Estate.

In and around Ed Miliband’s constituency in Doncaster, for example, there are no hyperlocal websites (based on the OpenlyLocal directory of hyperlocal sites).²² There is a local Johnston Press newspaper, The Doncaster Free Press, though the weekly Doncaster Advertiser closed in 2012.

For almost all hyperlocal sites there continue to be questions around sustainability and growth.²³ In 2012 Nesta noted that ‘the [hyperlocal] sector also faces a number of challenges, including funding, sustainability and visibility²⁴’.

‘traditional media providers have found it hard to adjust their high-cost models to a sufficiently local area. Meanwhile, hyperlocal bloggers find it difficult to develop a critical mass of audience and to define the right business models to grow their offers into more sustainable services’ (Radcliffe 2012)

Hyperlocal sites may become central to maintaining the accountability of public authorities in the future. As two of the authors of the 2014 hyperlocal survey wrote, hyperlocals could play a ‘potentially major role in compensating for the decline of traditional local media and making a genuine contribution to local plurality’.²⁵

However, to be an effective and widespread Fourth Estate in the future, they need support.

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To be an effective and widespread Fourth Estate in the future, hyperlocal sites need support

21 The 2014 Survey of Hyperlocal Community News found that 73% of 183 producers surveyed had been producing news for over three years. ‘The State of Hyperlocal Community News in the UK: Findings from a survey of practitioners’, Andy Williams et al, July 2014

22 Openlylocal.com (accessed September 2014)

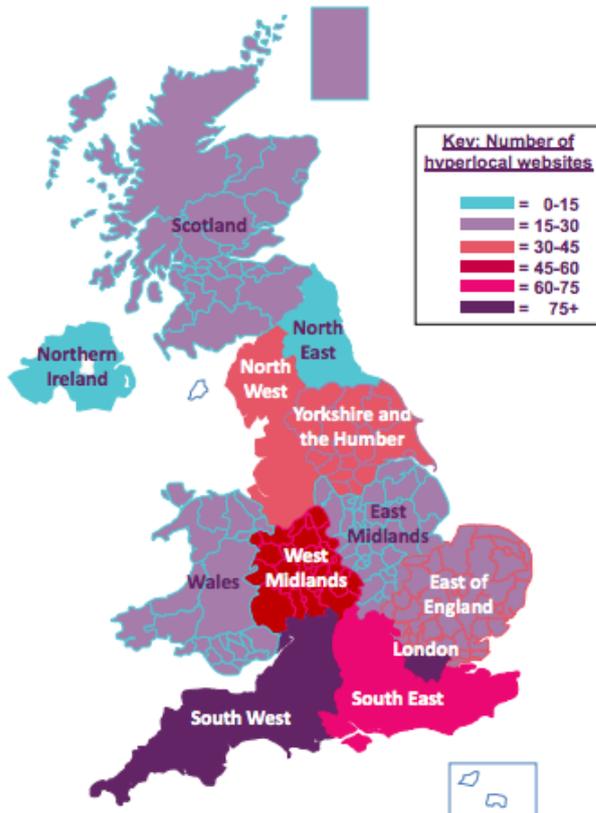
23 Only 16% of hyperlocal sites surveyed made enough to return a profit, from Andy Williams et al, July 2014

24 Here and Now: UK hyperlocal media today’, 2012, Radcliffe

25 Plurality, Policy and the Local - Can hyperlocals fill the gap? Steven Barnett and Judith Townend, Journalism Practice (upcoming 2014)

Location of Hyperlocal websites in the UK: 2013

Taken from *Internet Citizens*, Ofcom



Source: Data from Openly Local / Ofcom / Birmingham City University (June 2013)

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Few armchair auditors

David Cameron came to office promising to ‘extend transparency as far and as wide as possible’.²⁷ This included requiring local authorities to make much more information available to the public, including details on all spending over £500.

Local authorities responded to this challenge, some more quickly and enthusiastically than others. The LGA 2012 survey found that all those who responded to the survey (37% of the total) had made spending data transparent. Two-thirds of these had gone beyond spending data.²⁸

There was an expectation that such transparency would mobilise an ‘army of armchair auditors’ who would keep local government accountable, and provide accessible information to the public.²⁹

Yet, by the end of 2013, there was still little sign of this army of auditors, according to research by Dr Benjamin Worthy:

‘There is no sign of an ‘army’ of auditors... In contrast to the idea of an ‘army’, the auditor is very much atypical.’

‘The obstacles to ‘Armchair Auditing’ reflects the general difficulty of ‘crowd-sourcing’, which can be skewered by biases due to political or profession influence and is reliant on ‘a tiny subset of the crowd’ (Clark and Logan 2011, 31; 26). Such ‘fragile’ work is often ‘inconsistent’, ‘delicate’ and ‘likely to implode’ unless closely watched and assisted (26)’

The publication of local government spending has led to some accountability, though from those already monitoring government rather than citizen driven initiatives.³⁰

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There is no sign of an ‘army’ of auditors

27 PM Outlines Plans for Transparent Government, 29 May 2010, <https://www.gov.uk/government/news/pm-outlines-plans-for-transparent-government>

28 Local Government Transparency Survey 2012, http://www.local.gov.uk/documents/10180/11541/Local_Government_Transparency_Survey_2012.pdf/dd4c24ed-20ba-4feb-b6eb-fea21e4af049

29 Eric Pickles, ‘New era of transparency will bring about a revolution in town hall openness and accountability’, 4 June 2010, <https://www.gov.uk/government/news/new-era-of-transparency-will-bring-about-a-revolution-in-town-hall-openness-and-accountability--2>

30 ‘David Cameron’s Transparency Revolution? The Impact of Open Data in the UK’, Ben Worthy, Birkbeck College, 29 November 2013

This and other research to date has found that most citizens do not have the motivation, the expertise, the contextual knowledge, the time, or the outlet to analyse open government data.

When there has been real change it has generally come when people have access to enabling platforms and tools that make it straightforward to find public interest information.

As the Public Administration Committee's recent report found, data.police.uk, 'has been well-used by the public, with more than 53 million visits from 22 per cent of all family households in England and Wales since its launch in 2011'.³¹

CDEC Open Health Data Platform shows how third parties can start to make health spending more accessible. OpenlyLocal has collected, and made accessible, data on spending, councillors' expenses and planning applications for over 140 local authorities. TheyWorkForYou.com, a site that provides transcripts of debates in the Houses of Parliament, has 200,000-300,000 visitors each month.

These enabling tools and platforms are, however, the exception rather than the rule. They also rely heavily on the quality and timeliness of government open data.

Yet one witness to the Public Administration Committee (PAC) criticised the ONS, government departments and public bodies for the way they released data saying that finding data and using data tended to be 'difficult and frustrating':

"It is hard to know which producer to go to or whether to go to the ONS. It is hard to know whether there is more than one data set dealing with the same subject, and it is hard to know how those different data sets relate to one another. Of course, as soon as you get to the websites, you are in a magic roundabout all of its own."

"Regarding www.data.gov.uk - I think it has become an elephants' graveyard where good data sets go to die. Departmental websites are variable; none of them, I do not think, is an outstanding example of how to communicate statistics."³²

31 Public Administration Committee, Tenth Report, 'Statistics and Open Data: Harvesting unused knowledge, empowering citizens and improving public services', 17 March 2014

32 Will Moy (Director, Full Fact) oral evidence to Public Administration Select Committee, 11 December 2012, response to Q.48

As the PAC report recognizes, ‘Simply putting data “out there” is not enough to keep Government accountable.’³³

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Simply
putting data
out there is
not enough

33 Public Administration Committee – Tenth Report, Paragraph 19

Local TV: unable to fill the deficit

In 2011 the Coalition government announced its plans for Local TV, to be broadcast on the Freeview platform (Channel 8). Since then Ofcom has awarded 30 local television licenses.³⁴ Six local TV channels are on air, and one has gone into administration.³⁵ London Live, the most ambitious of these services, launched on 31st March 2014, focusing on entertainment, interviews and London news. Four others are also broadcasting (September 2014).

Even if these 29 and potential future licensees eventually launch, however, there are numerous reasons why Local TV will struggle to fill the growing democratic deficit left by our declining local newspapers and will be unable to provide the accountability or renewed civic participation we might hope for from digital media:

- **Economically unsustainable:** Enders Analysis estimated that it would cost approximately £500,000 per annum to run a local digital television service along the lines outlined in the Ofcom licenses.³⁶ The Shott report concluded that it may 'be possible to sustain 10 to 12 local TV services around major conurbations'. It is hard to see how local services like Basingstoke (63,000 homes) will raise this revenue. One local television service – ESTV – has already unsuccessfully sought to dilute the terms of its license.³⁷
- **Not ubiquitous:** the local TV services will never have 100% reach in the UK, and may not even reach the majority of homes
- **Not local:** most local TV services will have a catchment area considerably larger than people consider 'local'. London Live, for example, covers over 2,500 square miles, with a population larger than Scotland
- **Not global:** unlike a local news website, local TV broadcast via Comux transmitters cannot be viewed by people who live or work away from their local area
- **Dated technology:** the transmission of local TV via Comux transmitters is a short-term, subsidized solution. As the Shott report

34 Ofcom.org.uk news, 'Ofcom awards Maidstone and Basingstoke local TV licences', 30-07-14

35 Ofcom.org.uk news, 'Update on local TV in the UK', 15 September 2014, <http://media.ofcom.org.uk/news/2014/local-tv-progress/>

36 'Local TV station cost analysis', Enders Analysis, 4 August 2011

37 'Ofcom: Local TV Decision – Proposed Changes to License Obligations, Statement' 16-09-14, http://stakeholders.ofcom.org.uk/binaries/consultations/estv/statement/ESTV_statement.pdf

said in 2010 ‘In the long term, local TV looks set to be delivered through IPTV technology’.³⁸ Questions have also been raised about the financial position of the company responsible for the transmitters.³⁹

- **Not collaborative:** television is inherently not collaborative, it requires initial and ongoing investment, and it does not have a history of pro-am partnership, which is crucial to the future of local media services
- **A service not a platform:** It is broadcast, not a platform. It will therefore not provide a network for wider participation or a base from which to build other applications

Local TV will provide a limited number of cities with a television service they may not otherwise have. It will not serve the democratic needs of the rest of the UK’s local areas. It does not fill the growing democratic deficit. It will not provide a platform for innovation in news and information at a local level.



Local TV will not provide a platform for innovation in news and information

38 Commercially Viable Local Television in the UK, A Review by Nicholas Shott for the Secretary of State for Culture, Media and Sport, December 2010

39 ‘Local TV plan on the rocks as funding frozen, while London Live head quits’, The Guardian, 25 April 2014, <http://www.theguardian.com/media/2014/apr/25/local-tv-london-live-bbc-funding-stefano-hatfield>

Lack of enabling platforms and services

There are – to date – only a handful of enabling platforms and tools that allow the public to interrogate government and local authority information and data.

While ‘there are many examples of hyperlocal media services producing content valued by its users, there appears to be relatively few examples of UK-developed platforms which support and promote hyperlocal content’.⁴⁰

NESTA raised this as a concern in 2013:

‘[G]iven the role and importance of centralised platforms in hyperlocal we are concerned that there is no major UK hyperlocal platform’ (NESTA, Destination Local)⁴¹

A network of 21st century local news and information services requires not just individuals willing to devote time and energy to gathering and publishing information, but (principally digital) platforms and services that support them, and that support the public more generally.

There is currently a dearth of these in the UK.

There is a similar lack of third party tools – or civic technology – that would enable the analysis of open data, and support accountability of public authorities.

Partly for this reason, in 2012 the Technology Strategy Board (TSB) supported 11 hyperlocal feasibility studies, focusing on platforms rather than content. Each of these received between £35,000-£55,000.

Some of these services are now available (such as SayIt from MySociety). Others are not currently available or were found not to be feasible.⁴² None of them provides a centralized platform or support for hyperlocal services.

NESTA’s concern is that, unless there are such platforms and services soon, the gap will be filled by global (mainly US) providers, and the revenue disappear from the local area:

40 ‘Destination Local: Our Lessons to Date’, NESTA, June 2013, http://www.nesta.org.uk/sites/default/files/destination_local_our_lessons_to_date.pdf

41 Ibid.

42 Technology Strategy Board, www.innovateuk.org

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Unless there are enabling platforms soon, the gap will be filled by US providers

‘While there are global platforms which do host hyperlocal content, there is a risk that advertising revenues which flow to them are leaving the UK’s content economy, reducing the sums available for investing in hyperlocal news and other socially valuable services’ (NESTA, Destination Local).

THE OPPORTUNITY

There is a major opportunity for innovation in the provision of local news and information, thanks to the astonishing number and range of digital newsgathering and publishing tools now available. In addition to which there appears to be growing untapped citizen demand.

Digital publishing tools are now so freely accessible and useable that even government departments opt to use WordPress or Tumblr rather than create their own. Many of these tools are also now geographically specific so have even greater local potential. As NESTA wrote:

‘The landscape is potentially very exciting. New online services can be more geographically specific than ever before, and there is an explosion in the adoption of ‘location-aware’ devices. Moreover, the economic costs of running hyperlocal services means that practically anyone who wants to can set up and provide valuable information about where they live or work’ (Destination local, NESTA)

Recent Ofcom research found a significant increase in the number of people looking for local news online and on mobile devices:

‘Our research shows very clearly that there is a phenomenal growth in the proportion of people who are now accessing local news through digital and mobile devices’ (James Thickett, Ofcom research)⁴³

Most smartphones now provide audio and video recording services as standard (smartphone penetration will reach 75% in 2014 according to the Internet Advertising Bureau).

‘the markets for search, display and behavioural advertising are anticipated to become increasingly locally-targeted, creating opportunities for hyperlocal revenue models that could fund future developments’ (Here & Now, NESTA)

Unlike traditional local media, those currently using hyperlocal media are the more connected and the more affluent, according to a Kantar media study for NESTA in 2013.

In most cases, the obstacle to innovation in the provision of local news is not technological, but financial. The chief obstacle is lack of funding –

43 James Thickett, ‘World’s first community journalism MOOC’, 23 January 2014, <http://www.communityjournalism.co.uk/news/worlds-first-community-journalism-mooc/>

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Even government departments opt to use Wordpress or Tumblr rather than create their own

either to support staff before finding sustainable income, to fund technical innovation, or to sustain nascent services beyond start-up.

‘this emerging sector is very fragile, with entrepreneurialism and a willingness to try a range of business models often being the defining traits of success for small, hyperlocal media providers’ (Destination Local, NESTA)

Personal importance of local news 2013 (% rating 7-10 out of 10)
 Taken from Ofcom *Communications Report 2013*



Source: Ofcom local media omnibus 2013

Q2: How important are the following types of local media to you?

Q3a: And of all the local media sources you use [at least once a month] which one would you say is the most important to you personally?

Base: All UK adults 15+ who use all local media once a month or more

From Ofcom *Communications Market Report 2013*

Significant Innovation in the US

In the US there has been considerable innovation in the field of community news and information, particularly in technology that either facilitates communication within communities, or that enables civic engagement and public accountability. This is often referred to as ‘civic tech’.

For example, in public accountability & transparency, services like:

- **Socrata** – helps public sector organizations improve transparency, citizen service, and data-driven decision-making
- **AlertID** – a family and neighbourhood safety network
- **Localocracy** - an online town common where registered voters using real names can weigh in on local issues
- **SeeClickFix** – community activism tool that allows citizens to report non-emergency neighborhood issues, which are communicated to local government
- **PublicStuff** - a digital communications system for residents to submit real-time requests in their neighborhoods
- **Azavea** - location-based web and mobile application development to promote the emergence of more vibrant and sustainable communities
- **Public Engines** – using crime data to support law enforcement
- **TurboVote** – helping people register to vote
- **Causes** (Votizen) – a platform enabling people who support a common cause to take action together

These examples are taken from the Knight Foundation report ‘The Emergence of Civic Tech: Investments in a Growing Field’ (2013)

For example, in community organising & informing, services like:

- **Neighbour.ly** – crowdfunding for civic projects
- **Citizeninvestor** - a crowdfunding and civic engagement platform for local government projects
- **BangTheTable** – putting traditional town hall style meetings online, and making them ‘safe, constructive and just better’
- **Waze** - community-based traffic and navigation apps, where drivers share real-time traffic and road info
- **NextDoor** – a private social network for your neighborhood
- **FrontPorchForum** – a free community-building service
- **ActsOfSharing** – enables people to ‘start a sharing community’ to

share items and meet needs together

- **Lyft** - peer-to-peer ridesharing via a mobile app

Again, these examples are taken from the Knight Foundation report 'The Emergence of Civic Tech: Investments in a Growing Field'

Prior to 2011 there were many similar innovations in this field, of which quite a number are still going, such as:

- Spot.us, Voice of San Diego, Texas Tribune, Pro Publica/Document Cloud, Change.org, FrontlineSMS, LocalWiki, Seedspeak, NextDrop, PublicLab

Knight estimates that between 2011 and 2013 more than \$400m was invested in these companies. Further, it calculates that the compound annual growth rate of US companies in this area since 2000 has been between 20% and 25%.⁴⁴

44 *The Emergence of Civic Tech: Investments in a Growing Field*, Knight Foundation (2013)

Less innovation in the UK

In the UK, although there has been innovation in this area, it has been much more limited than in the US, especially in terms of scale.

Many of the innovations in government accountability were pre-2010, such as:

- TheyworkforYou (200,000-300,000 visits per month)
- WhatDoTheyKnow (100,000-200,000 visits per month)
- OpenlyLocal

Others launched in the last three years include

- Data.police.uk (500,000-600,000 visits per month)
- openhealthdata.cdehub.org

In 2012 the Technology Strategy Board supported 11 initiatives, with a total investment of between £400,000-500,000. These included Our Say, TrulyLocal (now NearYouNow), and YouCanPlan. The current status of most of these ventures is not clear.

In 2014 Nesta and the Technology Strategy Board gave a total of £2.4m to four initiatives.

1. **TownFizz** by LocaFizz Ltd - publishers, journalists, developers, manufacturers and academics will combine forces to develop a platform that pulls in high quality geotagged content from a range of local sources.
2. **Near You Now** by Near You Now Ltd – A mobile application that will allow users in North and East London to access local media stories based on their precise location.
3. **Community Channel South West** by CarelineUK – A social media based community channel for older people designed to counter a reduction in face to face interaction in social housing in the South West.
4. **Media Mill** by Hebe Media – a consortium of partners, including media producers, researchers and data scientists will identify and transform open data in Leeds and York into local media content, primarily for mobile.

Carnegie UK has given £10,000 each to five local initiatives through its Neighbourhood news project.⁴⁵ The Media Trust has built a 'Local 360

⁴⁵ Brixton Blog, Cybermoor, Digital Sentinel, Port Talbot Magnet, Your Harlow – see 'Neighbourhood News: Interim Evaluation Report for Carnegie UK Trust' Talk About Local,

network’ of ‘citizen journalists, community reporters and local storytellers’ with Lottery Funding.

Altogether this amounts to less than £5m in the UK over three years, as compared to over \$400m in the US over two years.⁴⁶

There are other significant interventions at a local level though these are not aimed at supporting new ventures in digital news/information or civic technology:

- The BBC provides local media to the nations and regions through radio, television news and online. Spending on BBC local radio in 2013 was over £220 million.⁴⁷
- The Community Channel, run by The Media Trust, costs approximately £1.1 - 1.5 million in cash per annum. Small grants totalling approximately £429,000 were granted to community radio projects via OFCOM and the DCMS in 2013.⁴⁸
- Local councils are required to place statutory notices in local newspapers (such as notices on traffic, on planning, alcohol licensing etc.) Though no aggregate figures are available it has been estimated that this equates to £45 million to £50 million a year.⁴⁹
- The government is targeting approximately £40m towards Local TV (see earlier assessment).
- Print newspapers – local and national – also benefit from VAT-zero rating which, according to analysis by Timo Toivonen, represents a subsidy of about £594 million per annum (paid-for-newspapers, 2008 figures).⁵⁰

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None of these interventions are targeted at innovation

February 2014

46 The UK figure does not include private investment

47 From ‘Neighbourhood News: Interim Evaluation Report for Carnegie UK Trust’ Talk About Local, February 2014

48 Ibid.

49 Professor Steven Barnett, evidence to House of Lords Select Committee on Communications, Inquiry on Media Plurality, 18-06-13, p.45

50 ‘Appendix’ in Nielsen, R.K. and G.Linnebank (2011) *Public Support for the Media: A Six Country Overview of Direct and Indirect Subsidies*, Oxford, Reuters Institute for the Study of Journalism

None of the interventions referred to above are targeted at innovation in local news and information or civic technology. The schemes that have been targeted at innovation – such as the NESTA/TSB Destination Local initiative - have been too large, and their requirements for matched funding too difficult, for small-scale operators to access.

Why the Difference?

Over the last decade news has gone through a huge period of transition. The business model that supported news in the twentieth century no longer sustains it in the 21st. Hardest to fund has been local news reporting. This is not peculiar to the UK but symptomatic of many mature western democracies.

US Foundations have responded to this crisis in local news reporting by supporting innovation at a local level. The leader in this field is the John & James Knight Foundation. The Knight Foundation has invested over \$235m in the last eight years in journalism and media innovation.

Private funders have also seen an opportunity in investing in digital services which connect local communities, particularly where such services may be scalable to multiple communities.

There are four particular reasons that help explain why there has been so much more innovation in this area in the US (beyond simply the size of the US market):

1. **Recognized need** – in the US they have recognized, for much of the last decade, the crisis in provision of local news and information. It has still to be recognized to the same degree in the UK.

‘American journalism is at a transformational moment,’ Michael Schudson and Leonard Downie wrote in 2009, ‘in which the era of dominant newspapers and influential network news divisions is rapidly giving way to one in which the gathering and distribution of news is more widely dispersed’⁵¹

2. **Charity status** – in the US news organisations can set themselves up as non-profits with charitable – 501(c)3 – status. This is unlike the UK.

News organisations with 501(c)3 status include: Voice of San Diego, ProPublica, The Texas Tribune, and Mother Jones.

There are no news organisations with charitable status in the UK, despite attempts by some, such as the Bureau of Investigative

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There are no news organisations with charitable status in the UK

51 *The Reconstruction of American Journalism*, Len Downie and Michael Schudson, 2009

Journalism, to gain such status.⁵²

In the UK journalism is not considered a charitable purpose so news organisations are unable to constitute themselves as charities. This can, as Levy and Pickard found in their international Reuters Institute study, ‘have a dramatic effect on what opportunities can be pursued’;

‘Greater clarity in this area would be helpful particularly in the UK. Its absence risks communities seeing local commercial news provision collapsing with no real chance of trying to sustain that service on a different legal basis’.⁵³

3. Large foundations with this purpose – in the US there are a number of large US foundations that focus on supporting innovation in this area. These include:

- The Knight Foundation
- The MacArthur Foundation
- The Ford Foundation
- The Bill & Melinda Gates Foundation
- The Sandler Foundation
- The Omidyar Network

A few UK Foundations and individuals have supported news ventures, such as the David and Elaine Potter Foundation (£2m to the Bureau of Investigative Journalism). However, the scale of support is dwarfed by the US. It is notable that the UK organisation MySociety has received substantial support in the last few years from the US Omidyar Network.

4. Funds invested (via contestable funding programmes – examples, not comprehensive)

US:

- The Knight Foundation alone invested more than \$235 million in journalism and media innovation grants between 2005 and 2013.⁵⁴ The Knight News Challenge itself provided

⁵² There are examples of community news services as social enterprises, such as York’s One & Other. However, journalism is not considered a charitable purpose

⁵³ ‘Is there a better structure for news providers? The potential in charitable and trust ownership’, edited by David Levy and Robert Pickard, The Reuters Institute, University of Oxford (2011)

⁵⁴ By Reinventing the Knight Foundation, Alberto Ibarguen helped reinvent the news’, Fast Company, 30 July 2013, <http://www.fastcompany.com/3014961/how-alberto-ibarguen-is->

more than \$37 million in funding to 111 projects from 2007 to 2014.⁵⁵

- The Open Society Foundation has consistently spent up to \$50m annually on media development worldwide (though only a limited amount in the UK)
- The Omidyar Network has made dozens of grants in government transparency and consumer internet and mobile, including \$2.9m to the UK's MySociety to export its transparency tools to other countries
- Other Foundations like the MacArthur Foundation and the Ford Foundation have made investments in this area in the past and are now doing so again

UK:

- The Carnegie Trust launched The Neighbourhood News project in 2013 in order 'to help test new models of delivering local news to meet demand'. In May 2013 it gave five UK hyperlocal sites £10,000 each to test new models.⁵⁶
- The Media Trust has invested in a network of citizen journalists, community reporters and local storytellers
- NESTA and the Technology Strategy Board have invested in a number of news initiatives, particularly as part of the 'Destination Local' initiative. Most recently they have given £2.4m to four projects that will be working within local communities across Yorkshire, the South West, London and beyond, to provide new hyperlocal media service.⁵⁷

The funds invested in the transition of local news and information to the digital era in the US are at an entirely different scale to the funds invested in the UK.

reinventing-the-knight-foundation

55 'About our Knight News Challenge Strategy', June 2014, <http://www.knightfoundation.org/funding-initiatives/knight-news-challenge/>

56 See 'Neighbourhood News - Interim Evaluation Report for Carnegie UK Trust', Talk About Local, February 2014

57 Destination Local competition results, April 2014, <https://www.innovateuk.org/documents/1524978/14654581/Destination%20Local%20demonstrators%20-%20Competition%20results>

CONTESTABLE FUNDING

The benefits of contestable funding

Over the last two decades foundations, philanthropists and governments have increasingly seen the benefits of contests for funding.

As a 2009 McKinsey report found, ‘the use of this powerful instrument [prizes] is undergoing a renaissance’.⁵⁸

Prior to 1991, McKinsey found, prizes were generally given as recognition of prior achievement (97% of the value of the 291 prizes that McKinsey analyzed). By contrast, ‘78% of new prize money [since 1991] has been dedicated to inducement-style prizes that focus on achieving a specific, future goal’. So effective has this style been that it has led to an explosion of prize-winning contests:

‘Today prizes are booming once again. Both their value and their absolute numbers have risen sharply. We tracked 219 current prizes with award values of more than \$100,000; over the last 35 years, the total value of that group has increased more than 15-fold. More than 60 of these prizes have debuted since 2000, representing almost \$250 million in new prize money.’

McKinsey identified seven reasons why prizes were a powerful tool for change:

- Identifying excellence
- Influencing public perception
- Focusing communities on specific problems
- Mobilizing new talent
- Strengthening problem-solving communities
- Educating individuals
- Mobilizing capital

There is also research, cited in the report, establishing an empirical link between prizes and innovation. It finds that ‘a medal’s prestige seems to be a stronger motivator than cash’.

For these reasons the use of prizes to motivate innovation is likely to

58 ‘And the winner is...’ Capturing the promise of philanthropic prizes, McKinsey & Company, 2009

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There is ample opportunity for invention, if inventors are incentivized

increase, McKinsey conclude.

Prizes also encourage ground-up rather than top-down solutions. This is critical in areas where there is neither an obvious answer nor one single solution. Local news and information is just such an area, as NESTA found:

‘If we want to support hyperlocal media, we should not seek to create ‘cookie cutter’ templates, but to give a platform to the creativity and innovation already taking place, so that everyone can benefit’ (‘Here and Now: UK hyperlocal media today’, NESTA)

Innovation prizes are particularly suited to local news & information and civic technology. There is an urgent need for seed funding to generate widespread and varied experimentation, given that the funding model for local news – via advertising and classifieds - no longer works. At the same time the extensive availability of digital tools means there is ample opportunity for invention, if inventors are incentivized.

On the Knight News Challenge

The Knight Foundation's mission is to support 'transformational ideas that promote quality journalism, advance media innovation, engage communities and foster the arts'. The Knight Foundation believes 'that democracy thrives when people and communities are informed and engaged'.

Since 2007 the Knight News Challenge has sought to accelerate media innovation by funding breakthrough ideas in news and information. It does this through a contest.

The Challenge has three application rules:

- Distribute news in the public interest
- Be tested in one or more local communities
- Use open source software

Over the first five years of the Challenge the Knight Foundation gave awards to 79 news innovation projects – a total of \$26.5 million.⁵⁹ In 2009 there were 2,323 applications and 9 awards. These are just news challenge awards. The Knight Foundation provides significant amounts of funding in related areas as well.

As a direct consequence of the contest there has been innovation in:

- Investigative journalism – for example with spot.us, an online service that crowdfunded local investigations
- Open government – for example through Document Cloud, an online database of primary source documents (in use in over 600 newsrooms), and Civic Insight, that provides information on property use in cities, and Outline, that builds public policy dashboard for local governments
- Local government spending – for example through Councilpedia, a wiki to aggregate and synthesize campaign funds given to New York City council members data journalism; and OpenPlans, that involves more people in local planning decisions

The contest has had repercussions beyond the individual winners, it has:

- Prompted other Foundations to set up contestable funding competitions

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Democracy thrives when people and communities are informed and engaged

59 From *Experiments in Media Innovation: A Look at the 2009 Knight News*, August 2012

- Raised awareness about the crisis in local news and information provision
Raised awareness about the innovations of organisations and individual to solve this crisis
- Sparked further activity, interest and innovation amongst individuals and institutions otherwise unconnected to this area

The potential benefits of contestable funding for UK local news and information

Small amounts of money, made available on a competitive basis, could have a huge impact on UK local news and information.

When *The Guardian* employed three journalists for Guardian Local Cardiff, Guardian Local Leeds and Guardian Local Glasgow, their investment was limited to the websites themselves, the support, and the salary of the three journalists. Yet the effect on the cities on which they reported was immediate. In Cardiff, local newspapers increased their attendance and reporting on council meetings and WalesOnline.co.uk the regional news website set up its own community news site for Cardiff. In all three cities hundreds of local groups were motivated to post reports and activities online. In Leeds, John Baron led a successful campaign to save Kirkgate market, and he was just one of numerous active citizens inspired by *The Guardian's* initiative.

A UK competition, open to anyone who wished to enter, in which 100+ winners received amounts ranging from £10,000-£50,000, could generate widespread innovation and experimentation that would, in turn, then provide the basis for a 21st century local media that would serve both an economic and a democratic purpose.

Such a competition would:

1. Act as a catalyst for new ideas and innovation
2. Mobilize new entrants who otherwise would not participate
3. Create value beyond the winners (e.g. motivating others to compete, and often to continue even if they do not win)
4. Encourage and enable investment in emerging trends
5. Engage and energise local communities
6. Create new networks of innovators

2010 research found that the community benefits of digital hyperlocal services, include: “social capital and cohesion, communication and information- sharing, supportive behaviour, empowerment, civic involvement and co-production, civic activities and participation”.⁶⁰ More recent research has confirmed and enhanced these findings.⁶¹

60 The Online neighbourhood networks study, Flouch & Harris, 2010

61 ‘The Value of UK Hyperlocal Community News: Findings from a content analysis, an online survey and interviews with producers’, Andy Williams, Dave Harte, and Jerome Turner (forthcoming)

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Small amounts of money, made available on a competitive basis, could have a huge impact

Britain, which is already a leader in digital development and creativity, has the opportunity to take the lead in platforms for, and provision of, local news and and information services. But such a lead needs to be catalyzed.

Making the awards

Any contestable funding would require clear criteria for entry, and an independent and well-structured award-making body.

In the US the Knight Foundation has done this successfully for almost a decade. In this time it has sifted through over 10,000 applications.⁶²

The UK has a long history of organisations set up expressly to distribute funding to creative ventures in an independent and efficient manner.

From 2008 to 2010 Channel 4, ran an innovation fund called 4ip. 4ip spent £12m over two years on about 60 projects. Its investment led to the development of iPhone app Audioboo, the Newspaper Club printing service and Chromaroma, which turned Oyster card check-ins into a health game'.⁶³ It also invested in Talk About Local, where the funding led to the launch of many hyperlocal publishers thanks to the training in hundreds of less well-off communities across the UK.

NESTA, and the Technology Strategy Board, both have a track record of running contestable funding competitions, such as the recent 'Destination Local Demonstrators'.

A contestable fund for local news and information would have to make clear that it was intended as seed funding for innovative products and services that would help address the growing democratic deficit at a local level.

It would also need to be open to all applicants – whether they are existing news organisations looking to innovate, or entirely new entrants.

The purpose would be to kickstart new ventures which are currently starved of funds. No-one would be precluded from entry. Existing local newspapers would compete on an equal footing as hyperlocal sites and entrepreneurs.

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62 'About our Knight News Challenge Strategy', June 2014, <http://www.knightfoundation.org/funding-initiatives/knight-news-challenge/>

63 'Channel 4 axes 4ip', Jemima Kiss, The Guardian, 7-10-2010, <http://www.theguardian.com/media/2010/oct/07/channel-4-axes-4ip>

How to fill a contestable funding pot

There is no need to use any existing public funds (or BBC funding) to fill a contestable funding pot.

Three possible options:

1. A one-off contribution from Google and/or other digital intermediaries.
2. An annual charge for the collection and commercial use of personal data.
3. A voucher scheme.

A one-off contribution from Google and/or other digital intermediaries

In early 2013 Google agreed to give the French government 60 million Euros to fund digital publishing innovation. The commitment to help news transition from print to digital came after a dispute about whether Google should pay to display news content in its search results.

The funds that Google gave to the French are spread over 5 years and their dispersal will be governed by a Board.

A similar arrangement in the UK would work well if structured in a similar way to the Knight News Challenge. It would mean that a contestable fund of approximately 10 million Euros a year could be made available, based on parameters that could be similar to those set down by Knight.

Moreover, Google have indicated they are open to discussing such an arrangement. At the Google Big Tent summit in March 2013 Alan Rusbridger asked Eric Schmidt, the CEO of Google, about the digital transition fund and whether Google might do something similar for the UK. This is the exchange:

AR: Can we [the UK] have one [a digital transition fund] too?

ES: I'm sure we can talk about it

AR: Is that a yes? Just say yes

ES: The reason I like this model is... I don't like the idea of randomly writing cheques to publishers in the old model, and I think it's a very good idea for Google to assist in the transformation of their business model from old to new. So it's a very good positioning

No-one has yet, as far as is known, continued this conversation with Google.

Nor need Google be the only one to contribute to such a fund. Facebook, Twitter and others may also be interested in participating in supporting such a transition, given how much they rely on news and information to stimulate conversation and sharing.

Annual charge for the collection and commercial use of personal data

Small and large companies are already charged for processing data. Most companies that collect personal data pay £35 per year to the ICO. Large companies with a turnover of £25.9M and above, and more than 249 members of staff, or public authorities with more than 249 members of staff pay £500 per year.

These charges bear no direct relationship to the nature, scale or extent of use of personal data. For this reason there is almost no limit on, or record of, the collection and commercial use of personal data - despite public concern.

Were charges to be higher, and bear a closer relationship to the commercial benefit of personal data to the organisation concerned, then it would be a much greater source of public income, particularly from companies that do not currently provide much income to the UK Exchequer.

Voucher scheme

The economist Dean Baker proposed, in 2003, a voucher scheme funded through a tax credit to support artistic or creative work under copyright.⁶⁴ The idea was subsequently extended by the US academic Robert McChesney into a 'Citizenship News Voucher' scheme.⁶⁵

The idea is that each adult receives a voucher once a year, which s/he can donate to any non-profit news or information service of his/her choice. The voucher could be split between a number of services or given to just one. There would be no obligation to donate it to any service.

The voucher scheme could be funded by a mixture of direct donations from digital intermediaries, combined with services-in-kind that are equivalent to funding. If individual tax credits were offset against tax owed by digital intermediaries, the scheme could be self-financing.

64 'The Artistic Freedom Voucher: An Internet Age Alternative to Copyrights', Dean Baker, Center for Economic and Policy Research (2003)

65 'Digital Disconnect', Robert McChesney, p.213 (The New Press, 2013)

The services that could receive donations would all be contained on an easily accessible list. The services would be chosen by an independent commissioning organisation similar to Channel 4 (it could even be Channel 4).

Any service would have to receive vouchers worth over a certain amount (for example £10,000) before it received any funding – to prevent fraud and to ensure grants reached a minimum threshold.

Any content or IP produced would be open source and creative commons licenced.

If the vouchers had a nominal value of £100, if only one in four adults in the UK used them that would still represent a £1.5 billion injection of funding.

‘The voucher system would produce intense competition because a medium cannot take its support for granted’ Robert McChesney writes. ‘It would reward initiative and punish sloth. It would be democratic because rich and poor would get the same voucher. And the government would have no control over who’d get the money, whether left, right, or center’.⁶⁶

These are just three ways in which to fill a contestable funding pot. Other methods of supporting news & information in the future have been proposed. The House of Lords Select Committee on Communications recommended, in its 2012 report on the future of investigative journalism, that the successor(s) to the Press Complaints Commission should consider using money gained from fines to support future independent investigations:

‘If fines are introduced for breaches of the Editors’ Code of Practice by newspapers and magazines under a new system of press self-regulation, we recommend that a proportion of all media fines (including fines for breaches of the Ofcom broadcasting code) should be allocated to a fund reserved for financing investigative journalism or for the training of investigative journalists’.⁶⁷

The three proposals above are less radical than this recommendation from the House of Lords. Others have proposed a sales tax on recording equipment or retransmission levies.

66 ‘Digital Disconnect’, Robert McChesney, p.213 (The New Press, 2013)

67 The Future of Investigative Journalism, House of Lord Select Committee on Communications, February 2012, Paragraph 219

A Closing Window of Opportunity

There is a closing window of opportunity for such an intervention in local news and civic technology. Transnational new media behemoths are quickly colonising the space.

‘While there are global platforms which do host hyperlocal content, there is a risk that advertising revenues which flow to them are leaving the UK’s content economy, reducing the sums available for investing in hyperlocal news and other socially valuable services.’ (Destination Local, NESTA)

Google has recently launched ‘Google My Business’, a free service that ensures that all the information associated with a particular business is on Google Search, Maps and Google+ so that it shows up on people’s smart phones (the majority of which are now powered by Google’s Android and have Google Search and Maps by default).

Google already provides the bulk of hyperlocal sites and blogs with their advertising platform through Google AdSense.

Facebook sees significant potential in working with local businesses to raise profile and sales. In addition to encouraging local businesses to set up Facebook pages (differentiating ‘Local business or Place’ from ‘Company, Organisation or Institution’), Facebook’s Graph Search enables users to search for local businesses both by location and by comments and recommendations from friends and community. Facebook began rolling Graph Search out in the UK at the end of 2013.

Facebook users can also check-in their location and, as consequence, be given information on businesses and services in their immediate area. Businesses can also target Facebook ads by location.

Other digital services serving local areas, such as Foursquare, WhatsApp (Facebook owned) and Placecast also compete with local news and information platforms and services for advertising revenue and attention.

There is a risk that, within the next five years, much of the local advertising revenue that might have supported UK local platforms, technologies and services, will be flowing out of the UK to US corporations.

CONCLUSION

Plurality in news and information is generally discussed in negative terms. In other words, policymakers tend to think about how to reduce or break up media monopolies or oligopolies.⁶⁸

Positive plurality, in the sense of encouraging new entrants and helping smaller players to grow, is far less often discussed.

This is unfortunate since not only is positive plurality a more straightforward policy intervention, it is also much better suited to our current environment.

We are going through a period of huge digital transition. During this period the opportunities for innovation and experimentation are considerable. There is significant grassroots innovation, but much of it is nascent and needs to be incentivized if it is to grow and become sustainable.

A contestable fund for local news, information and civic technology, similar to the Knight News Challenge, with hundreds of winners over a period of three to five years, could generate innovation, invention and inspiration as well as addressing a growing democratic dilemma.

The dynamics of transition will soon settle. Once they do the barriers to entry will be much higher. If access to, and platforms for, local news and information are provided by US digital corporations like Google and Facebook, that could significantly affect local communities and businesses, and the health of our future 'Fourth Estate'.

Now is the moment for such intervention. If such a moment is missed then it will not only have negative implications for local communities and businesses, but for British politics and democracy.

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The dynamics of transition will soon settle. Now is the moment for intervention.

68 See, for example, the House of Lords Communications Committee 2014 report on Media Plurality, HL Paper 120, February 2014



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