

A man with glasses, wearing a blue and white checkered shirt and a grey jacket, is speaking into a microphone. He has a name tag that says "Hardeep". In the background, there are other people seated at a table, including a woman drinking from a cup and a man in a blue shirt. The setting appears to be a conference or meeting room with large windows in the background.

PINF

# Regenerating Local News in the UK

The Report of the Local News Commission



The Public Interest News Foundation is the UK's first charity to support public interest news – ethical and impartial journalism that informs and empowers the public about the things that matter to all of us.



The JRSST Charitable Trust has supported this work in recognition of the importance of the issue. The facts presented and the views expressed in this report are, however, those of the authors and not necessarily those of the Trust.

## Foreword



Nearly five million people in the UK today live in 'news deserts', with no dedicated source of local news, and millions more live in 'news drylands' with only minimal provision. News deserts tend to be in areas of higher deprivation, and people in these areas tend to be more reliant on social media for news and information. This is a classic example of market failure, which is having a devastating impact on society.

**Sir Phil Redmond CBE,**  
Local News  
Commissioner

In the summer of 2024, communities across the UK were disrupted by violent protests following the tragic deaths of three girls in Southport. Driven by disinformation and ugly online rhetoric, the protests swiftly disintegrated into riots, which did nothing to honour the victims or comfort the bereaved, but caused some, including Elon Musk, the owner of X (formerly Twitter) to talk of the onset of 'civil war'.

In the wake of the riots, the Power to Change thinktank called on the UK Government to ensure that local communities are 'strong and empowered, able to drive growth in their local area and are resilient to challenges and shocks.'<sup>1</sup> This is the right ambition, but it will be impossible to achieve without urgent action to regenerate local news.

Many on social media platforms do not seem interested in strong and empowered local communities or driving growth in local areas. Rather than making communities more resilient, they appear to be eroding the ties that bind us

together. Our society is increasingly dominated by big tech platforms which allow false and irresponsible information and treat the UK's communities as little more than a source of attention and revenue.

Things could – and should – be very different.

Local communities are nourished through the free flow of information. They need spaces for people to exchange ideas about what really matters to them – not what matters to foreign owners on the other side of the world. They need their own vibrant news providers to reflect local concerns and priorities, sift the important from the trivial and rank true over false.

Some of these functions were once provided by traditional local newspapers, but the plethora of publications that once covered every town and village in the UK have been winnowed away over the last two decades, not just because of competition from big tech, but also because the local news industry's response has put consolidation before innovation, preserving some valued titles but not doing enough to provide viable, high-quality local journalism in many other places.

Things are different in countries like Norway, where people are happy to pay for local news; the Netherlands, where the government supports a 'stimulation fund' for local journalism, and Canada, with tax credits for local news providers. Most countries are suffering from the disruptive effects of social media, but the UK has an unusually weak relationship between news providers and local communities. As a nation, we have the lowest trust in journalism, and the least willingness to pay for it, of any OECD country.

We can't fix the problems for local communities unless we regenerate local news. But we can't fix local news unless we reset the relationship between local news providers and the

*...the plethora of publications that once covered every town and village in the UK have been winnowed away over the last two decades.*

communities they serve. This isn't about turning the clock back to an imagined golden age of local papers. This is about building a better future.

*... people in news deserts have to fight hard to be heard.*

Research shows that people in news deserts have to fight hard to be heard. They have to wade through an overspill of gossip and rumour to find out what's really going on around them. People in 'news oases', by contrast, have it good. Their local news providers can help them hold the authorities to account, hold constructive debates and make sure that everyone's voice is heard. They drive growth by creating jobs, investing locally and promoting local businesses. And they create pride in place by celebrating the community's achievements, airing its challenges, and hosting its collective memory.

Two communities might be the same in other respects, but if one is a news oasis and the other is a news desert, it is easy to predict which will do better in the long run.

The Local News Commission believes that every area in the UK should be served by local news providers who put the interests of the community before their own political or commercial agenda. If the Government is serious about empowering local communities, it must get serious about regenerating local news. This report shows how.

*Sir Phil Redmond CBE is a writer and TV producer best known for creating a number of ground-breaking drama series, including Grange Hill and Hollyoaks.*



The Community Newsroom in Glasgow's Southside, home to Greater Govanhill and The Ferret.

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# Executive Summary

1. The Local News Commission consists of leading figures from the public, private and voluntary sectors. The Commissioners have different areas of experience and expertise, but they are united in wanting local communities to thrive. Together, they have reviewed the state of local news in the UK and drawn on their diverse perspectives to develop a shared vision for the future.
2. This report was written on behalf of the Local News Commission by the Public Interest News Foundation (PINF) to stimulate action among local news providers, policymakers, big tech platforms, philanthropists, local authorities, public service broadcasters and others with a stake in the future of local news and local communities. PINF stands ready to work with these stakeholders to turn the Commission's vision into reality.
3. The Commission has found that the UK is facing a series of interlinked crises. Each would pose a major challenge on its own, but collectively, they create an existential risk to local communities and society as a whole.
  - a. Commitment to democracy is fragile, particularly among younger people, and trust in institutions is low. Economic opportunities are severely limited in many parts of the UK. Disinformation is rife, contributing to community tensions and even violence. New technology has provided extraordinary opportunities and challenges for society.

*Hundreds of local newspapers have closed, and thousands of local journalists have lost their jobs.*

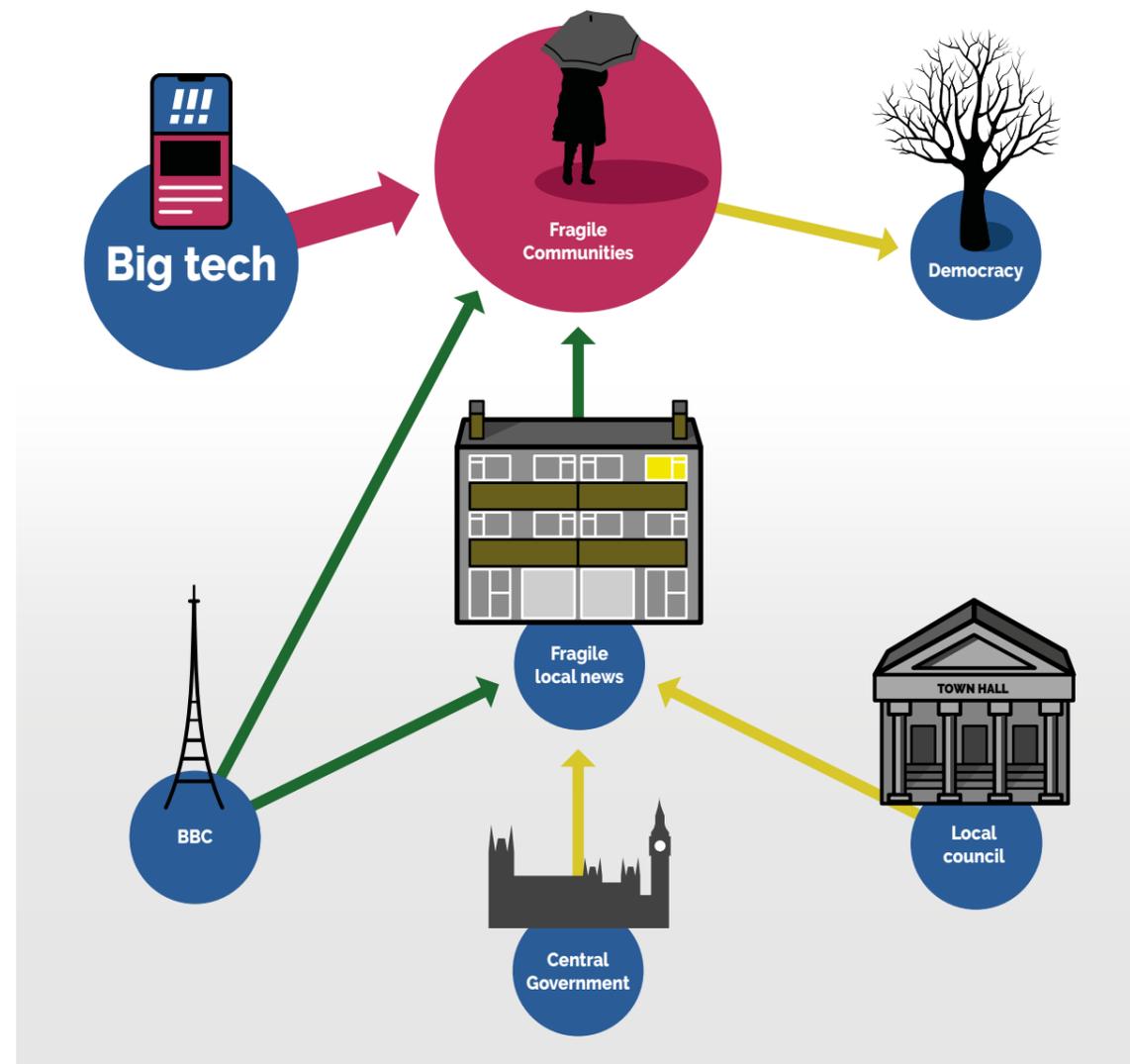
- b. Hundreds of local newspapers have closed, and thousands of local journalists have lost their jobs, leaving local communities without a voice or a forum for dialogue. More than four million people live in news deserts, which tend to be in deprived areas. Most people get their news via social media and are unwilling to pay for professional journalism.
  - c. At the same time, communities and journalists are coming together to create new forms of local news. Some local papers are continuing to hold the powerful to account through traditional forms of local journalism, whilst start-ups and social enterprises are developing innovative and co-creational models of local news. There is an emerging ecosystem of informative and empowering local news, but it is extremely fragile.
4. The Local News Commission believes that healthy local news ecosystems – and therefore thriving communities – should be developed around local news providers that are accountable, sustainable, in the public interest, innovative, representative and engaging ('ASPIRE'). The Commission wants to see everyone in the UK benefit from local news that embodies the ASPIRE principles.
5. This means forging a new relationship between local news providers and their communities, so that local news creates real social value and people are willing to support their local news providers in financial or non-financial terms.

6. The Local News Commission is calling on stakeholders to regenerate local news ecosystems across the UK by supporting:
- A Stimulation Fund of at least £15m a year over ten years, underwritten by the UK Government from the Dormant Assets Scheme, to encourage and support local news initiatives which meet the ASPIRE principles.
  - Tax incentives for donors, advertisers and subscribers to support local news that meets the ASPIRE principles.
  - A new workforce strategy to ensure that local journalists are drawn from all backgrounds and have the full range of skills they need, from AI to community engagement, to bring the ASPIRE principles to life.
  - A new settlement between big tech firms and local news, using the Digital Markets, Competition and Consumers Act 2024 to ensure that digital data and revenues are shared equitably between big tech and news providers.
  - A new settlement between local government and local news, building on the public notice system to find new and effective ways to inform and empower local communities.
  - A new settlement between the BBC and local news providers, building on the Local Democracy Reporting Service to ensure that every local community benefits from engaging and high-quality journalism.

7. This report has four parts. The first part reviews the state of local news in 2025. The second part imagines the future of local news ten years from now, in 2035. The third part shows what needs to change in order to rebuild local news. And the fourth part calls on key stakeholders to take meaningful action.
8. PINF and the Local News Commission offer this report as a challenge and an invitation to stakeholders to work together to regenerate local news and strengthen the UK's local communities and society as a whole.



Erica Roffe and Julie Course, two of Bedford Independent's Co-Founders.



## 2025: Democracy in danger

At present, local communities receive some local news from the BBC and local news outlets, but they are bombarded by information on big tech platforms, contributing to the risk of misinformation and polarisation.

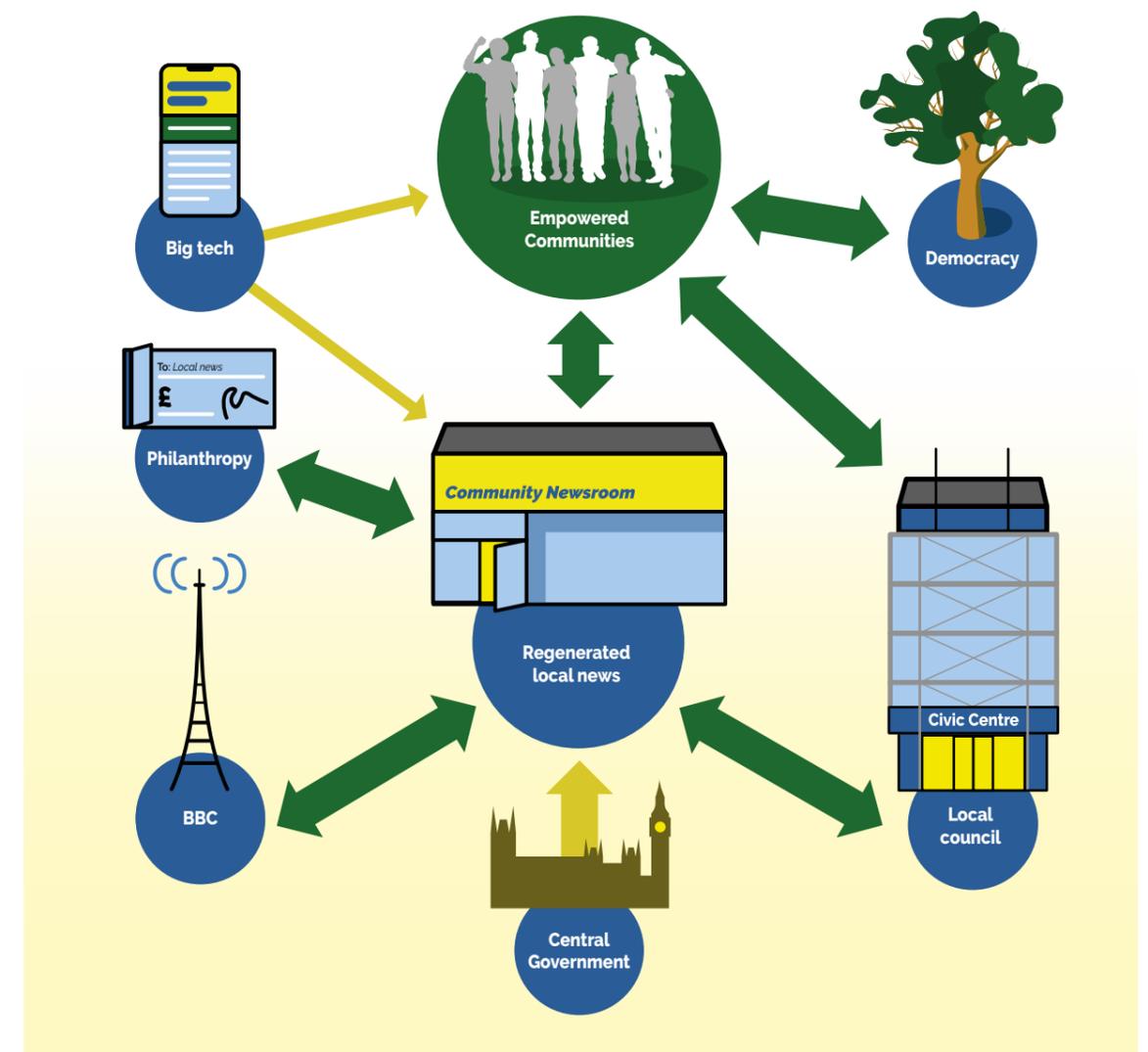
Central government and local councils send out press releases, which are sometimes published verbatim by local news outlets that lack the capacity to hold the authorities to account.

As a result, people do not have access to reliable information or opportunities to participate in meaningful dialogue with each other, and democracy is under enormous pressure.

### Key

-  Unhealthy
-  Weak
-  Healthy

*Thicker arrows mean higher engagement.*



## 2035: Democracy regenerated

By 2035, new forms of local news will be at the heart of thriving local information ecosystems. The direct influence of big tech on local communities will be reduced, and big tech firms will be sharing revenues with local news outlets.

Communities will pay for local news that represents them, and philanthropists and the BBC will be supporting local news in parts of the UK where other business models are not possible.

There will be a robust but productive relationship between local news, central government and local councils, and democracy will be flourishing.

### Key

-  Unhealthy
-  Weak
-  Healthy

*Thicker arrows mean higher engagement.*

## Reviewing

Reimagining

Rebuilding

Recommendations

# Part One

## Reviewing Local News



A participant at PINF's Indie News Forum in 2022 reading the Caerphilly Observer.

Strong local communities depend on a local news ecosystem that allows everyone to have a voice and hear each other, engage meaningfully with people in power and address shared challenges.<sup>2</sup> The crisis in local news is having a negative impact on local communities and democracy, in the UK and around the world, and this crisis in turn is driven by some of these underlying challenges.

### Social infrastructure is fraying

Social infrastructure is weak across the UK, with a loss of shared spaces and institutions from libraries and sports clubs to pubs and cafes. More than 760 youth clubs have closed since 2012; a quarter of libraries have closed since 2005; and 4,000 public buildings and spaces are sold off every year.<sup>3</sup> Trust between neighbours is low, with only 41% believing that people in their neighbourhood can be trusted.<sup>4</sup>

### Local news is under pressure

In 2019, the Cairncross Review found that the number of 'full-time frontline journalists in the UK has dropped from an estimated 23,000 in 2007 to 17,000, and the numbers are still falling.<sup>5</sup> In 2024, *Press Gazette* tracked the changes in staff numbers across the companies that would later be consolidated into Reach, National World and Newsquest and found that their 9,000 local journalists in 2007 had declined to around 3,000 by 2022.<sup>6</sup> As the journalists have disappeared, so have the local newspapers: a total of more than 320 titles closed between 2009 and 2019.<sup>7</sup> As a result, 4.7 million UK residents now live in a 'news desert' – a local authority district that has no dedicated local news outlet, in print, online, radio or television.<sup>8</sup>

### People are dependent on social media for news

Six in ten adults rely on social media or another form of online intermediary to get their news.<sup>9</sup> Among these, Facebook is the most popular source, at 58%. The most common way of accessing news stories on social media is by seeing trending stories.<sup>10</sup> Whilst social media can provide

new opportunities for people to share information and ideas, there are limits to how useful this can be:

*'Meta (Facebook and WhatsApp) can provide exemplary tools for people to complain about the new road system or inform each other there is a bike thief in the street. But only local media can facilitate a meeting with an MP or the head of the local health board and community members, and then go on to propose a change or a better compromise or a new initiative.'*<sup>11</sup>

### Social media can spread information harms

Social media has been associated with the spread of misinformation and hate speech, playing into the polarisation of UK communities. In 2024, almost half of UK adults said they had encountered misinformation or deep fakes.<sup>12</sup> Of those, seven in ten said that they saw the misinformation online. 73% of people are worried about the amount of extremist and hateful content on social media.<sup>13</sup>

### Artificial Intelligence creates new information threats

Artificial Intelligence (AI) has been found to perpetuate false information, with particular concerns raised over election misinformation.<sup>14</sup> There are also concerns that AI may undermine shared understanding by over-personalising search outputs, as many AI services serve unique news content to each user.<sup>15</sup> The Centre for Countering Digital Hate (CCDH) found that in 41% of cases, AI created election disinformation when fed prompts relating to the 2024 US election.<sup>16</sup> CCDH found X's AI, Grok, particularly adept at creating convincing fake images.<sup>17</sup>

### The news industry does not represent the people of the UK

Journalism in the UK lacks diversity compared to the overall workforce. In 2024, 91% of journalists came from white ethnic groups, only 42% were women and 67% were from households where a parent worked in a professional

*In 2024, 91% of journalists came from white ethnic groups.*

job.<sup>18</sup> Diversity shrinks further at more senior levels.<sup>19</sup> Unlawful unpaid internships and the disappearance of non-graduate entry points too often lock out working class talent.

Homogenous newsrooms may reinforce harmful stereotypes, underreport on significant issues, make incorrect assumptions, or lack critical nuance.<sup>20</sup> For audiences who already lack trust, failing to see themselves or their beliefs reflected in news will almost certainly compound mistrust.<sup>21</sup>

### Most people do not trust the news

Trust in news is getting lower and lower among a significant number of people. Fewer than four in ten people in the UK say they trust the news most of the time.<sup>22</sup> Four in ten are sceptical of conventional news production processes. Only one-third of the population believe that journalists follow codes of practice and 44% believe that the more a news story is edited, the less likely it is to be true.<sup>23</sup>

### People are avoiding the news

Perhaps unsurprisingly, given the lack of representation and trust, people are avoiding the news. Only 38% of people in the UK say that they are extremely or very interested in news; globally, around four in ten people actively try to avoid the news. Almost half of people in the UK sometimes or often actively avoid the news.<sup>24</sup>

### People in the UK are unwilling to pay for news

People in the UK are less willing to pay for news than any of their international counterparts. Only 8% pay for online news in the UK, compared to 40% in Norway and an average of 17% in 20 countries surveyed.<sup>25</sup> The UK public was least likely to pay for news, with 69% not willing to pay anything.<sup>26</sup> The public has made the transition from reading physical newspapers to getting local news online, but has lost the habit of paying for this.<sup>27</sup>

Reviewing

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## Part Two

# Reimagining Local News



Grace Blakeley and Isaac Kneebone-Hopkins taking part in an event at the *Bristol Cable* in 2024. Photo: Alex Riley.

### Introduction

As we have seen, the digital media economy is heavily geared towards big tech firms, which have some virtues in terms of connecting people in new ways, but also many vices in terms of facilitating the spread of misinformation, disinformation and hate speech. Meanwhile, a lack of trust in journalism is contributing to news avoidance and a very low willingness among the UK public to pay for news.

This is creating a negative spiral, whereby weaker local news creates weaker local communities which are more dependent on social media, further weakening local news, and so on. In sections three and four, we will show how to reverse this doom loop of disengagement. First, however, we set out a positive vision of the future.

The Local News Commission believes that every local community in the UK should be served by local news that is:

- **Accountable:** demonstrably meeting the needs of local communities
- **Sustainable:** with a diverse range of revenue streams
- **In the public interest:** with informative and empowering journalism
- **Innovative:** always striving for better ways to serve the community
- **Representative:** with people from all backgrounds setting the news agenda
- **Engaging:** with content that is not just important but also compelling

In this section, we explain the ASPIRE principles and give examples of local news providers in the UK and internationally that meet these principles.

**Accountable**

*The Local News Commission wants to see every local area in the UK served by local news providers who put the interests of local communities before their own political or commercial interests. This means finding out what local people need and want from local news and being accountable for meeting these needs.*

The Commission reflected on the many ways in which local news creates value for local communities, identified a long list of positive outcomes and tested these with stakeholders through an online survey. This generated the following list of the most important benefits of local news:

- Providing accurate information
- Holding power to account
- Allowing people to be heard and have their contributions acted on
- Facilitating community relations
- Providing a civic space for dialogue

If we assume that these are some of the core functions of local news, how can we ensure that local news providers are meeting these needs? Independent regulation can check whether local news is accurate, but regulators cannot say whether a provider is allowing people to be heard or facilitating community relations. For that, local news providers need to develop a richer form of accountability through direct engagement with the community.

This can take many forms. *The Bristol Cable*, for example, is directly accountable to local people, who own the organisation on a co-operative basis and set its agenda at annual general meetings.<sup>28</sup> In Detroit, *Outlier Media* was

formed in response to a lack of relevant information for the local community. The founders of *Outlier* asked local residents what they wanted to know, and how they wanted to hear about it. They found out that people were desperate for information about housing, ideally delivered by text message, and so *TXT Outlier* was born, allowing people to get critical information on demand or to speak directly with an *Outlier* reporter by sending a text message from their mobile phone.<sup>29</sup>

**Sustainable**

*The Local News Commission wants to see sustainable local news in every local community of the UK. This means ensuring that local news providers have the means of covering their real costs without being dependent on one source of funding.*

For local news providers to be sustainable, they need to be confident that they can meet the information needs of the local community for the foreseeable future. This confidence is essential so that local news providers can employ, train and commission journalists and others on stable, long-term contracts. Only if they are in secure and fairly rewarded employment can journalists afford to speak truth to power and publish the inconvenient facts that are an important part of local news.

*PINF has found some promising signs among providers who have blended a range of revenue streams.*

Over the last five years (2021-25), the PINF Index of Independent News Publishing has shown how difficult it is for local news providers to become truly sustainable, but has found some promising signs among providers who have blended a range of revenue streams, including advertising, subscriptions, donations, grants, events and consultancy.<sup>30</sup> Outlets like the *Caerphilly Observer* and *Shetland News* are successfully developing membership schemes as a route to sustainability.<sup>31</sup> Based in Manchester, Mill Media launched on Substack with a subscription-based business model and has now expanded to Liverpool, Sheffield, Birmingham, Glasgow and London, with more than 8,000 paying members.<sup>32</sup>

**In the public interest**

*The Local News Commission wants to see accurate and ethical journalism in every local community across the UK, so that local people are informed and empowered about the issues that matter.*

The Public Interest News Foundation defines public interest news as journalism which is 'produced and disseminated to the public according to high standards of ethical conduct and best practice in journalism' and which:

- 'Informs members of the public about matters of relevance to their role and responsibilities as citizens;
- Enables members of local communities to become aware of and understand matters of common concern to them as members of their community and which promotes their involvement and cooperation in such matters and community cohesion accordingly;
- Enables members of the public to participate in an informed manner in relevant democratic processes and, as a result, supports the legitimacy of the democratic process as a whole;
- Benefits the public by promoting charitable educational outcomes, such as improving public understanding of health and medical matters or the conservation of the environment; and
- Specifically excludes material which is simply entertaining in nature, politically motivated, biased or inaccurate, or which fails to observe a person's right to privacy.<sup>33</sup>

There are many examples of great public interest journalism in local news, both corporate and independent. For example, the *Manchester Evening News*, working with Shelter, change.org and local MPs, investigated

and reported on the death of two-year-old Awaab Ishak, who died due to prolonged exposure to mould in social housing. Their campaign led to the introduction of Awaab's Law, which will come into effect in October 2025.<sup>34</sup> Meanwhile, in Newry, PINF is funding local journalist Columba O'Hare to create an AI-powered platform to revitalise local public interest news by enhancing media and citizen access to local government information.<sup>35</sup>

**Innovative**

*The Local News Commission believes that an innovation culture should be baked into local news. We encourage local news providers to review the impact of their work and experiment with new approaches to drive accountability, sustainability and engagement.*

*... innovation means relentlessly looking for the best ways to meet the information needs of local people.*

Innovation does not mean being 'cool' or using shiny new pieces of tech just for the sake of it. It means relentlessly looking for the best ways to meet the information needs of local people. Sometimes, this involves stepping aside from new technology or even reverting to older forms of technology if these serve the purpose better.

In 2022, *Greater Govanhill* and *The Ferret* opened the UK's first community newsroom.<sup>36</sup> In one sense, the community newsroom is simply a space where local residents can talk to journalists about their concerns and take part in editorial meetings. But in the digital age, when most people's media diets are dictated by algorithms, this forum for dialogue and human connection is radically innovative.

Another example of innovation comes from Toronto, where *The Green Line* has restructured its reporting into an 'action journey' that consists of an explainer, a feature, an in-person event and a series of solutions.<sup>37</sup> One action journey in 2024 focussed on loneliness, resulting in co-designed solutions and tangible actions for the community.

**Representative**

*The Local News Commission wants to see more representative local news, with leaders, workers and contributors from the widest possible range of backgrounds, enabling local news providers to speak to, for and with all the communities they serve.*

Sir Lenny Henry and Marcus Ryder have pointed out that White, able-bodied heterosexual men living in the South-East of England make up only 3.1 per cent of the UK population, and yet this deeply unrepresentative group has a disproportionate influence over the UK media.<sup>38</sup>

In order to ensure that local news truly represents local communities and provides the benefits that matter – allowing people to be heard and facilitating community dialogue – it needs to represent the full diversity of British society, across a range of characteristics including ethnicity, gender, dis/ability, class, sexual orientation, regionality and more.

This will help local news to tell amazing stories, connect with the widest possible audiences and generate the highest possible revenues. It will also ensure that local news represents people when they need it most: to speak truth to power. The local community spent many years raising safety concerns about the cladding of Grenfell tower in North Kensington. They were ignored, not only because the local papers in the area had closed or scaled back their operations, but also because London-wide media like the *Evening Standard* did not effectively speak for them in the run-up to the tragic fire that claimed 72 lives.

Some of the most transformative approaches to local news go beyond representation to co-creation – a form of news media in which members of the public are active participants in newsgathering and reporting, not just passive sources or consumers of stories.<sup>39</sup> In the United States, the Documenters programme has trained over 2,200 citizens to

cover more than 5,000 public meetings in eleven cities.<sup>40</sup> In the UK, the Bylines Network publishes citizen journalism in a range of regional outlets from Scotland to Sussex.<sup>41</sup>

**Engaging**

*The Local News Commission wants to see local news providers using all the tools at their disposal to tell gripping stories about what is going on. Local news will not survive if people feel grudgingly obliged to support it. It will only survive if it is something that everyone wants to support, because they cannot live without it.*

When we talk about meeting people's needs, it might sound like we mean forcing them to consume worthy but unappetising content. However, journalism is a form of storytelling, and a piece of local news should be just as engaging as a great book, film or TV show. Some people distinguish between journalism that is in the public interest (worthy but boring – the journalistic equivalent of spinach) and journalism that interests the public (sensational but worthless – more like a cheeseburger). In fact, great journalism should be both in the public interest *and* interesting to the public. How else can it achieve the most positive outcomes?

Over the last ten years, we have seen an explosion in new forms of non-fiction storytelling, from podcasts to short-form videos, streaming documentaries and bite-sized 'explainer' posts on social media. We have also seen the rise of a new type of 'news influencer', using social media platforms to reach large audiences with lively and accessible reporting and analysis. Local news has so much to learn from these new forms of storytelling and should be encouraged to do so. In one example, *Southwark News* launched a project, funded by PINF, to create more engaging local election coverage by filming residents reacting to candidate debates in the style of hit television show *Gogglebox*.<sup>42</sup> This kind of approach can be both informative and entertaining – a crucial combination if local news is to thrive.

*... journalism should be both in the public interest and interesting to the public.*

Reviewing  
Reimagining  
**Rebuilding**  
Recommendations

## Part Three

# Rebuilding Local News



Rachel Stella Jenkins taking part in the Local News Plan meeting in Folkestone in 2022.

### Introduction

We are a long way from a future in which local news is accountable, sustainable, in the public interest, innovative, representative and engaging. In order to turn this vision into reality, two things need to change. Firstly, we need to reset the **social** relationship between local news and local communities. Secondly, we need to reset the **economic** model of local news.

Some might see the local news crisis as a primarily economic problem, caused by the impact of big tech on the news media. In this analysis, an economic question has an economic answer: reduce the power of big tech and inject funding into local news. This has an elegant simplicity about it, and it is indeed part of the solution, but it fails to address the social dimension of the issue. Local news providers with more money won't necessarily add value to society or build the community's trust.

Conversely, some might see the local news crisis as a primarily social problem, caused by the failure of news providers to represent their communities. In this view, the solution is to build more diverse, community-centred and co-creational models of local news. Again, this solution is appealing, but it fails to address the economic dimension of the issue.

We need to address *both* the social and the economic dimensions of the crisis in order to transform local news and strengthen local communities. If we can enhance the social value of local news, then we can build a sector that is more accountable, with more representative and engaging public interest journalism. If we can fix the economic model of local news, we can build a sector that is more sustainable and innovative. We must fix *both* the social and the economic dimensions if we are to generate local news ecosystems that achieve the full ASPIRE vision.

### The social value of local news

Local newspapers evolved in the age of railways and canals, when most people lived their lives in a narrow orbit of work and family. Local journalists helped create a sense of place in Britain's industrialising towns and cities. They connected people at a time when no other forms of media were available, and they functioned alongside other social institutions – from churches and chapels to trade unions and political associations – to create community and accountability.

... we live in an age of information abundance, the problem is not where to find information, but whether to trust it.

The information environment of the UK has changed radically over the last two hundred years, and the rate of change is accelerating. In the last twenty years, social media has exploded onto the scene. In the last two years, Artificial Intelligence (AI) has made massive inroads into people's lives. We live in an age of information abundance, where the problem is not *where to find* information, but *whether to trust* the information we find. How can local news providers add value in this rapidly changing information environment?

The first part of tackling this puzzle is to **research** what people want and need from local news.

In 2022-23, the Public Interest News Foundation (PINF) worked with six local communities across the UK – in Bangor, Bristol, Folkestone, Glasgow, Manchester and Newry – to understand their thoughts and feelings about local news.<sup>43</sup>

When asked what they like about the current provision of local news, some people praised journalists at legacy outlets who are still visible in the community, and independent publications that are 'embedded' in the area (Folkestone), and 'relatable and useful' (Manchester). Participants said that they valued the 'nosey neighbour' aspect of local news – 'knowing what's going on

immediately around you' (Glasgow); 'it's like an official form of local gossip' (Newry).

When asked whether there are things that they did not like about the current provision of local news, participants spoke about the demise of truly local news:

- 'We used to know the local reporter, but they've gone now.' (Bangor)
- 'The local press used to be read by everyone.' (Folkestone)
- "'Local" news is not local enough.' (Glasgow)
- 'There is a veneer of "local" news.' (Manchester)

Participants also expressed concerns about news providers chasing audiences with 'negative attitudes' (Bangor); 'clickbait' content (Bristol); 'propaganda' (Folkestone); 'clickbait and sensationalist' reporting (Glasgow); and 'divisive' coverage (Newry).

When asked if anything is missing from local news, participants repeatedly spoke about the disconnect between young people and local news:

- 'Young people are not accessing local news anymore.' (Bangor)
- 'Local news is not speaking to millennials.' (Folkestone)
- 'There's a lack of engagement and interest from young people.' (Newry)

Some communities were worried about the broader lack of diversity in local news:

- 'Local journalists are privileged voices.' (Bristol)
- 'We are missing diversity in terms of area, topic, people and stories.' (Folkestone)

There were also concerns about the shift from print to digital, which is taking local news out of the reach of people who are not online, and creating a hostile environment for some of those who are:

- 'Not everyone has access and if it's just digital, you get people's negative opinions, which deters people from contributing because I'll get so much stick in the comments.' (Bangor)
- 'What's not working? The lack of connectivity.' (Folkestone)
- 'People don't have access to the technology – there's a poverty barrier.' (Newry)

Another effect of the shift to digital is the perceived rise in 'echo chambers' (Bristol), and the loss of a shared forum for the whole community:

- 'We need people from every generation talking to each other and that needs to be available in different media.' (Bangor)
- 'What's missing? One hub for local news.' (Glasgow)
- 'We're missing an opportunity for the community to come together.' (Newry)

These findings echo those of other organisations, such as Media Cymru, which set out to understand the news needs of marginalised communities and found a hunger for new approaches to 'the input side of journalism, rather than new formats or outputs.'<sup>44</sup> In other words, people aren't looking for technological solutions in order to re-engage with local journalism; they're looking for forms of journalism that 'centre around human connection and accountability.'

There are several techniques that local news providers can use to research the information needs of their own communities. The media development NGO Internews has developed a methodology for conducting an 'Information Ecosystem Assessment' (IEA) of a local area.<sup>45</sup> In the United States, the Listening Post Collective – a spin-off of Internews – couples IEAs with small grants for local news and information providers to experiment with new approaches.<sup>46</sup> Also in the US, Democracy Fund provides a simple toolkit that anyone can use to assess their local news ecosystem.<sup>47</sup>

*... community listening itself engenders trust, by showing that local news providers care what people think.*

According to the Trusting News project, community listening itself engenders trust, by showing that local news providers care what people think.<sup>48</sup> So, even a hard-nosed local publisher, who does not believe they have anything to learn from the community, should consider a listening exercise in order to build loyalty. And who knows? It might just give them an idea for a new product or service that meets the community's needs more powerfully than anything they have done before.

The second part of the social value puzzle is **developing** local news that meets people's information needs. Once local news providers have mapped their local information ecosystem and heard what the community want from them, they may well need to change what they do and how they do it – and keep experimenting until they find an approach that works.

For this, local news providers need the skills and aptitudes to transform local news and the resources to test the best possible ways to engage audiences, from print and digital publications to in-person events and whatever new technological opportunities are around the corner.

Other reports on local news have recommended support for local news providers to make the transition to digital.<sup>49</sup> This is right, but the challenge is not about converting printed newspapers into online operations. Local news providers should be supported to address *all* the changes – political, economic and social, as well as technological – that have been unleashed by the digital revolution. This is not necessarily about going digital; it is about finding a niche in a public sphere that has both digital and non-digital elements, in order to connect with audiences where they are now, and where they are going to be in the future.

In particular, local news providers need to rethink how they connect with younger audiences, who are extremely unlikely to pick up a printed newspaper or listen to a radio bulletin. They also need to understand why some audience groups are avoiding the news altogether and find ways to tell stories that engage and inspire people who otherwise find the news depressing, irrelevant or incomprehensible. They need to invite participation from people who do not expect to be passive consumers of journalism but want to be actively involved in co-creating local news. They need to cultivate a news habit among audiences who have grown up without one.

... we will only find the way forward if we are able to learn from failure.

In short, local news providers need the capacity to test many different ways of meeting their communities' needs and preferences. They need the time and space to experiment. Market research is important in finding out what people *say* they want, but experimentation is equally important in finding out what people *actually* want. Successful transformation means trying out risky ideas. Most innovations will not work, but we will only find the way forward if we are able to learn from failure.

There is huge pressure on the local news sector to transform itself, and very little capacity to do so. The Journalism Value Project has found that most public interest news providers in Europe are committed to community listening – but very few have the expertise or resources to do this well.<sup>50</sup> Which brings us to the other dimension of the local news transformation: how to make it pay?



Raga Gibreel taking part in the Local News Plan meeting in Folkestone in 2022.

**The economic value of local news**

The social transformation of local news will come to nothing unless it is underpinned by a viable economic model. An economic model does not necessarily mean a commercial model. It could include a non-profit or volunteer-led model. It simply means a way of ensuring that the costs of providing local news are likely to be met for the foreseeable future. In the case of a volunteer-led model, the staffing costs – on the face of it – are zero. However, there may be hidden costs here, in that this model relies on people with other sources of income to indirectly subsidise the operation. And almost all local news operations will have fixed costs such as IT and insurance. So, in practice, all local news needs some source of revenue.

There are four fundamental types of revenue for local news, which can be adapted and blended in many different ways, depending on the economic context and the preferences of the provider.

Some revenue streams are **transactional**, in that the customer receives a tangible benefit in return for their payment. They 'buy from' the news provider, in other words. In the case of subscriptions and newsstand sales, the customer **directly** benefits, by paying for content that would otherwise be locked behind a paywall or in a paid-for print publication. In the case of advertising or brand partnerships, the customer **indirectly** pays for the news content by buying access to the audience.

Other models are more **mission-led**, in that the 'customer' pays so that others will benefit from content that would otherwise not exist. They 'buy into' the news provider, in other words. Individual donors and members typically pay a monthly fee so that they can benefit **directly** and share this benefit with others who cannot afford to pay. In the case of philanthropic and subsidised models of local news, the funder engages with the content **indirectly**, by underwriting the benefits to the community, even where they are not a member of this community.

Indirect relationship	Advertising/Partnerships	Philanthropy/ Subsidy
Direct relationship	Sales/Subscriptions	Donations/ Membership
	Transactional	Mission-led

**Table 1:** Revenue models for local news

There is nothing inherently right or wrong with any of these models. They all have the potential to support local news that meets the ASPIRE principles. In practice, a model that relies heavily on advertising might put pressure on a provider to put the interests of commercial partners above the needs of the community as a whole, whilst a membership-based model might skew towards the values of those who are able and willing to pay. However, these risks can be mitigated through clear protocols and communications, and by diversifying overall revenue. Some research has suggested that the most resilient public interest news organisations are those with between two and four revenue streams, presumably because the strengths and weaknesses of each stream can balance each other out.<sup>51</sup> Only one revenue stream creates dependency and a single point of failure, whilst more than four revenue streams are unmanageable.

Just as with the social dimension, news providers need the capacity to **research** and **develop** an economic model with the blend of revenue streams that is right for them and their community. A model that works in Bristol might not be viable in Aberystwyth, and a model that works in rural Ayrshire is unlikely to succeed in Belfast. So, once again, local news providers need access to research and development (R&D) funding, in order to enhance their social value and unlock the potential for sustainable revenue.

Reviewing  
Reimagining  
Rebuilding  
**Recommendations**

## Part Four Recommendations



Sameer Padania and other participants at the Local News Plan meeting in Bristol 2022

### Introduction

What have we learned so far?

- Thriving local communities depend on dynamic local news ecosystems.
- Dynamic local news ecosystems depend on local news providers that are accountable, sustainable, in the public interest, innovative, representative and engaging (ASPIRE).
- To meet the ASPIRE principles, local news providers need a relationship with their communities which generates both social and economic value.
- To research and develop models of local news that maximise social and economic value, local news providers need access to R&D funding.
- To sustain these models of local news, local news providers need:
  - diverse sources of ongoing revenue
  - a diverse workforce with the right skills and aptitudes and
  - a constructive relationship with key stakeholders including big tech firms, local government and the BBC.

So, we are left with a series of questions:

- How can we create a source of R&D funding for local news?
- How can we unlock diverse sources of ongoing revenue for local news?

- How can we build a diverse local news workforce with the right skills and aptitudes?
- How can we reach a new settlement between local news and big tech, local government and the BBC?

We hope to answer these questions through the following recommendations.

### Recommendation 1

#### Local News Stimulation Fund

*The Local News Commission is calling on the UK Government to create a Local News Stimulation Fund of at least £15m a year over ten years, paid for from the Dormant Assets Scheme, to support the research and development of local news models that meet the ASPIRE principles.*

All recent inquiries into local journalism in the UK have called for some form of public funding for local news, whether provided directly by the Government or indirectly to local news providers via the BBC licence fee.<sup>52</sup> The UK has already made some steps in this direction. In 2019, the Government awarded Nesta, the innovation charity, £2m to pilot a 'Future News Fund', which supported 19 initiatives.<sup>53</sup> The Fund was interrupted by the Covid lockdown and has not been renewed. The Government also provides modest funding to community radio stations via the 'Community Radio Fund', a £400,000 fund administered by Ofcom.<sup>54</sup>

So, subsidies for news in the UK are not unprecedented. However, they are controversial, because the news media exist to hold politicians to account and there is a risk of compromising their independence if they are state funded. At the same time, several countries with public subsidies for news media rank above the UK on

the Reporters Without Borders Press Freedom Index, showing that media subsidies and media freedom are not incompatible.<sup>55</sup>

The Local News Commission is calling for a Local News Stimulation Fund of at least £15m per year over ten years, to be available to local news providers (both incumbent organisations and start-ups) to research and develop models of local news that meet the ASPIRE principles.<sup>56</sup>

#### How should the Local News Stimulation Fund be run?

The Fund should be administered by an independent body or bodies with the relevant skills and legitimacy, ideally a charitable foundation with grantmaking expertise. It should not be administered by a government department. If it is administered by an agency with a government-appointed Board (such as the National Lottery Community Fund or Arts Council England), then this body should be provided with the full £150m of funding upfront, to mitigate against any risk of political interference by a future government withholding funds.

The Fund should combine a shared vision for the UK as a whole with the flexibility to address the specific needs of the nations and regions. The Fund might be administered separately in each nation and/or region, or it might be administered at a UK level. Either way, it should combine overarching priorities that apply everywhere with sensitivity to the needs of different communities – for example, by developing participatory grantmaking (PGM) mechanisms that could involve local people in the process of awarding grants to local news providers.

#### How should the Local News Stimulation Fund be paid for?

The Government should create the Fund by drawing on the Dormant Assets Scheme, which releases unclaimed financial assets for social and environmental initiatives across the UK.<sup>57</sup> As of January 2025, the Scheme had released £1bn. According to Better Society Capital, social

*Every £1 from the Dormant Assets Scheme unlocks £3 from other investors.*

investment has catalysed private and philanthropic investment, with every £1 from the dormant asset scheme spend unlocking £3 from other investors.<sup>58</sup>

Community wealth funds are a new cause for the 2024-2028 phase of the Dormant Assets Scheme in England, aimed at improving the long-term prospects of left-behind neighbourhoods.<sup>59</sup> The National Lottery Community Fund has already announced that it will match the £87.5m Community Wealth Fund.<sup>60</sup> The Government is due to release a Dormant Assets Strategy with its priorities for future asset releases.<sup>61</sup>

The Local News Commission is calling on the Government to include regenerating local news as one of the statutory objectives of the Scheme, and to place £150m of unclaimed assets into a new Local News Stimulation Fund.

#### How should funding be awarded?

The overarching goal of the Fund should be to ensure that every local authority district in the UK benefits from local news that is accountable, sustainable, in the public interest, innovative, representative and engaging (ASPIRE).

The Fund will need to develop appropriate metrics to monitor whether and how this goal is being met over the next ten years. It should begin with a baseline assessment of the state of local news provision in each local authority district in the UK and then report on progress at regular intervals.

The Fund should invite proposals from local news providers and others who have credible plans to enhance the supply of and demand for local news that meets the ASPIRE vision. These providers may be in areas that are currently well served with local news or in news deserts or drylands. Either way, their plans should have the potential to generate insights and models that will help develop vibrant local news in all types of location.

Proposals should also be invited from collectives of news providers and other organisations wishing to develop shared infrastructure that could benefit the sector as a whole.

*Local news is facing an existential challenge.*

The Fund should have a high tolerance for risk. Local news is facing an existential challenge, and if the solution was easy, then the Local News Stimulation Fund would not be necessary. The Fund should expect most of the initiatives it supports to fail but should be ready to share the benefits of successful initiatives.

#### Recommendation 2

##### A tax-efficient status for local news

*The Local News Commission is calling on the UK Government to incentivise donors, advertisers and subscribers to support local news by creating a new legal status for local news providers that meet the ASPIRE principles.*

The long-term sustainability of local news depends on the existence of a range of revenue streams, including advertising and partnerships, membership and donations, philanthropy and subscriptions. These revenue streams are in the hands of people who are choosing carefully where to put their money, whether that is advertisers deciding between a local news outlet and a social media platform, or donors deciding between a local charity and a local news provider. In every case, local news providers will have the best chance of attracting revenue if they hold a tax-efficient legal status.

In the UK, the discussion about tax incentives has often focused on charitable status as a way of incentivising journalism philanthropy.<sup>62</sup> This is not a popular option among local news providers, who are concerned that

*... a bespoke legal status for providers would incentivise donations, subscriptions, advertising and other revenue.*

it would expose them to unsympathetic regulation by the Charity Commission. A better alternative would be to create a bespoke legal status for providers of local news, which would incentivise not only donations but also subscriptions, advertising and other forms of revenue.

As a comparison, several types of business are eligible for tax-efficient investment through government-backed venture capital schemes, such as the Seed Enterprise Investment Scheme (SEIS).<sup>63</sup> To be eligible for SEIS status, businesses don't need to be constituted in a particular way; they simply need to meet the published criteria. In the same way, local news providers – both for-profits and non-profits – could be eligible for tax-efficient revenue funding if they were designated accordingly. This would mean that donors, advertisers and subscribers could write off payments to local news in the same way that they write off charitable donations, but without requiring local news providers to jump through inappropriate regulatory hoops.

Ofcom could be given responsibility for overseeing this scheme, ideally by working in partnership with industry bodies to ensure that designated news providers meet the ASPIRE principles.

Local news providers with diverse and resilient revenue streams can invest in the quality of their journalism, thereby building their audiences, attracting further advertising and subscriptions, and so on, in a virtuous cycle. These revenue streams would be free from political influence and could generate a new local news habit among audiences. Tax incentives would impose a short-term cost on the Treasury in the form of lost tax revenues, but this would be offset by increased revenues in the longer term as the local news economy strengthens.

### Recommendation 3

#### A local news workforce strategy

*The Local News Commission is calling on the Government and stakeholders in the local news industry and education to ensure that local journalists are drawn from all backgrounds and have the full range of skills they need, from AI to community engagement, to bring the ASPIRE principles to life.*

Society needs a diverse journalism workforce from a wide range of backgrounds, so that local news providers can understand and reflect the concerns of their communities.

Traditional journalism training won't help a local news provider run community listening exercises or develop alternative business models. In any case, the growing cost of higher education for students, coupled with economic inequality, means that journalism is an increasingly elite profession.

The future of local news depends heavily on the right people with the right resources and aptitudes to create a sustainable supply of informative, empowering and engaging local journalism.

By reforming the journalism curriculum, expanding access to journalism to people from a far wider range of backgrounds, and providing ongoing support for local news professionals to develop their skills, we can massively increase the chances that local news will meet the needs of local people.

**Recommendation 4****A new settlement with big tech**

*The Local News Commission is calling for a new settlement between big tech firms and local news providers, using the Digital Markets, Competition and Consumers Act 2024 to ensure that digital data and revenues are shared equitably, and asking the Government to increase the regulatory pressure on big tech firms that refuse to accept this responsibility.*

Most people now access news via platforms such as Facebook, TikTok or YouTube. In the long term, this trend may increase or decrease, depending on a range of social and technological factors, but it is unlikely to change significantly in the short to medium term. Therefore, it is imperative that local news providers are able to coexist productively with these big tech platforms.

The UK Government has recently introduced major new pieces of big tech regulation. The Digital Markets, Competition and Consumers Act (DMCCA) empowers the Competition and Markets Authority (CMA) to regulate the economic relationships between big tech firms and other businesses that depend on their services.<sup>64</sup> This will have the effect of creating new terms of trade between big tech firms and news providers, comparable to (but different from) the news media bargaining codes that have been introduced in Australia and Canada.

For the first time, all news providers – including very small outlets – will be able to negotiate with big tech firms over a fair share of data and revenue, and big tech firms will have to enter into these negotiations in good faith. The DMCCA does not guarantee that the big tech firms will pay news providers for their content, but it does

guarantee that big tech firms will be penalised if they don't treat news providers on fair, reasonable and non-discriminatory terms.

Meanwhile, the Online Safety Act (OSA) empowers Ofcom to regulate how big tech firms handle content that is shared on their platforms, to mitigate the harm caused by illegal content and to ensure that platforms uphold their own stated terms and conditions.<sup>65</sup> Platforms will be penalised for allowing users to disseminate illegal content and for allowing non-compliant content to stay up or taking down compliant content.

Together, the DMCCA and OSA have the potential to restructure the relationship between local news providers and big tech firms, but they also have the potential for perverse consequences, if big tech firms decide that they would prefer to do without news content altogether because of the regulatory complexities it poses.

*... the government should be prepared to introduce a 'must carry' provision.*

To mitigate against this risk, the Government should be prepared to introduce a 'must carry' provision, whereby the platforms through which people access news should be obliged to continue carrying news, including local news, and to prioritise this content at times of social unrest or during a natural disaster.<sup>66</sup>

The Government should also be prepared to introduce legislation to require big tech firms to pay news providers for their content, particularly where this is used to train or ground Large Language Models (LLMs), if the negotiations under the DMCCA do not achieve a satisfactory outcome.

**Recommendation 5****A new settlement with local government**

*The Local News Commission is calling for a new settlement between local government and local news, building on the public notice system to find new and effective ways to inform and empower local communities.*

Local councils, organisations and individuals are legally required to place notices of important issues in local print newspapers. These cover a wide range of subjects, including planning applications, road repairs, licensing changes and so on.

By law, public notices must be placed in newspapers that are printed at least once a fortnight, regardless of the quality of these papers, where they are owned or whether they include a meaningful proportion of genuinely local news. The upshot of this is that £40-70m flows annually into the revenues of companies which retain print editions of their legacy local newspaper titles.<sup>67</sup> Although this revenue is sometimes celebrated as a means of keeping local news alive, there is no guarantee that it is actually invested in local journalism. Given the very low circulation of some of these titles, there is also no guarantee that many people actually see the notices.

So, the system at present seems to direct large amounts of public funding towards companies that do not invest the funds in local journalism and do not ensure that these important notices are actually seen locally.

Reform of the public notice regime could redirect tens of millions of pounds annually to independent local news providers. A new framework, with an updated definition of local news, might also include an undertaking from such providers to invest any public notice revenue in local

*Reform of the public notice regime could redirect tens of millions of pounds.*

journalism, and to ensure that notices are widely seen across the community through print and digital channels.

This could go hand-in-hand with other reforms to the relationship between local authorities and local news providers. For example, local authorities could allocate a proportion of their communications budget directly to local news providers to inform the public about important issues, so long as this relationship was managed to avoid any conflict of interests.

Local government is obliged to consider value for money when buying advertising or placing public notices. The value for money duty might be used to justify working only with corporate local news providers that attract more traffic. However, these outlets may not offer a positive environment for public information (for example, because they contain irrelevant or AI-generated content). So, local government should also include social metrics, such as accountability and engagement, when buying advertising from the news media.

To support this transformation, the Local News Stimulation Fund (see above) should consider investing in new capabilities for local news providers to monitor and evaluate social metrics as well as traditional commercial metrics such as reach, churn, conversion, etc., so that they can demonstrate value for money both to local government and to commercial advertisers and partners. The Fund should also consider supporting new AdTech capabilities for independent local news providers to work effectively with media buying agencies at a national level, so that smaller outlets can benefit from national advertising revenues.

**Recommendation 6****A new settlement with the BBC**

*The Local News Commission is calling for a new settlement between the BBC and local news, building on the Local Democracy Reporting Service to ensure that every local community benefits from engaging and high-quality news.*

For many years, the BBC has provided local news as part of its remit to inform, educate and entertain. This has long given rise to complaints from news providers that the BBC's local news – in particular, online – constitutes unfair competition. Regardless of the merit of these complaints, it is worth reviewing the BBC's role in a news ecosystem that is increasingly fractured and diverse, and in a society where trust in independent news outlets is far higher than in traditional news outlets.

In 2016, the BBC created the Local Democracy Reporting Service, through which it allocates £8m per year for news providers to employ Local Democracy Reporters (LDRs).<sup>68</sup> The LDR service is not part of the BBC's responsibilities under its Charter but was agreed in a side deal between the BBC and the News Media Association (NMA). Most of the funding flows to NMA members National World, Newsquest and Reach, although other local news providers are able to republish LDR content.

*The LDR service is a sticking plaster, not a cure.*

The LDR service is a sticking plaster for the problems affecting local news, not a cure. It helps to create employment for local journalists and leads to the publication of news stories about local democracy, but it does nothing to ensure the long-term health of local news ecosystems. In fact, by directing public funds towards three corporate news providers, it has arguably inhibited plurality in local news.

It would be preferable to set out the BBC's relationship with the local news sector clearly and transparently in the next BBC Charter, which is due to be agreed by 2027. This should commit the BBC to sharing resources, including financial resources, with local news providers, where these providers complement the BBC by providing high-quality local journalism. This should only apply in local authority districts where such local news providers exist. Where they do not exist, the BBC should play a more active role as a local news provider. In both cases, the BBC would provide a guarantee that everyone in the UK benefits from high-quality local journalism.

The BBC could then aggregate local news from across the UK, sifting the vast array of stories to find those which are of national significance or reveal common themes. It could then deploy its specialist reporters to dig more deeply into these stories. In this scenario, the BBC would be able to scale back and refocus its local news resources without losing its overall responsibility for local news.

Any partnerships between the BBC and local news providers – whether these providers are corporate or independent – should be independently monitored by Ofcom, as part of its wider duties to regulate the BBC, to ensure that they contribute to a local news economy that is accountable, sustainable, in the public interest, innovative, representative and engaging, using the same metrics as those developed by the Local News Stimulation Fund (see above).

# Conclusion

Taken together, the Local News Commission's recommendations have the potential to regenerate local news for future generations. Each measure in isolation would have some benefits, but the benefits will grow exponentially if they are brought together into a holistic strategy.

The Local News Stimulation Fund will create the space for local news providers to experiment with new models, whilst tax-efficient revenue streams from subscribers, donors and advertisers will help local news become sustainable in the long term. Workforce development will ensure that local news connects with the communities it serves, whilst new settlements with big tech, local government and the BBC will ensure a positive environment for local news and local communities.

These recommendations are directed at decision-makers in central and local government, the media industries and philanthropy. We hope that these stakeholders and others will accept the Local News Commission's challenge and come together to review, reimagine and rebuild local news in every community of the UK.

## Appendix A Investing in Local News

What would it cost to ensure that every local community in the UK benefits from a dynamic local news ecosystem; how might this cost be met; and what is the investment required to unlock the potential growth in this market? These questions underpin some of our recommendations, so here we provide detailed answers.

### What is the cost of local news?

In order to calculate the cost of providing local news that meets the ASPIRE principles, we have made a number of assumptions.

- We have taken a Local Authority District (LAD) as our definition of a local community. The UK is currently organised into 382 LADs. Their population varies from 2,100 on the Isles of Scilly to more than 1.1m in the City of Birmingham, and the average population of a LAD is about 179,000 (the size of a town like Bolton or Southend).
- We have assumed that the minimum viable local news coverage for an average LAD requires a local news provider with fifteen full-time equivalent employees (FTEs), including a mixture of journalists and others working on community listening and revenue generation. This is a far smaller team than the typical local newspaper of the past, but we assume that many of the functions that newspapers once served – weather forecasts, traffic reports, recipes and so on – have been replaced by other online services, and that some aspects of local journalism – council and court reporting, for example – will become semi-automated, allowing local news providers to focus on the more human aspects of reporting and community engagement.

- We have assumed that each FTE costs an average of £38,299, including salary, benefits, employer's pension and National Insurance contributions, and a share of overheads. This is the size of the contract awarded by the BBC to local news providers to cover the cost of hiring a Local Democracy Reporter.

**So, in today's prices, the average local news provider would require a budget of at least £574,485 per year, which would cost £219.5m for the UK as a whole.**

In practice, there may be economies of scale if a single organisation provides local news across multiple LADs. However, these efficiencies must be balanced against the social value of local news. The further removed from the community it serves, the less likely that a local news provider will be truly accountable to or representative of that community.

### What is the potential market for local news?

In order to estimate the size of the potential market for local news, we have made further assumptions, based on evidence of what people might be willing to pay.

- We have assumed that 17% of the UK population have the potential to pay for local news as subscribers or donors. The Reuters Institute for the Study of Journalism has found that audiences in the UK are the least likely to pay for online news at present.<sup>69</sup> In Norway, for example, 40% of people pay for online news, versus only 8% in the UK. The average across 20 economically comparable countries is 17%. This figure relates to the percentage of people paying for any kind of online news, but we have assumed that people who are willing to pay for news in general may be willing to pay for local news in particular, as long as it provides enough social value.

- We have assumed that 17% of the UK resident adult population is equivalent to roughly 9.3m people. The latest available estimate of the total UK resident population is 68.3m.<sup>70</sup> Of this, roughly 13.4m are aged 0-19.<sup>71</sup> So, the total resident adult population is roughly 54.9m, of which 17% is 9.3m
- We have assumed an average payment of £2 per month, or £24 per year. Of those who told the Reuters Institute that they were willing to pay for online news in the UK, the largest group were prepared to pay £2-5 per month. This echoes research by PINF from 2021, which asked a representative sample of the UK public what they would be willing to pay for a quality, independent local news service. Of those who were willing to pay, the average figure was £1.30 per month, whilst some were willing to pay more.<sup>72</sup>

**In today's prices, 17% of the UK adult resident population (9.3m people) paying £2 per month (£24 per year) for local news would generate total annual revenues of £223.2m.**

So, total annual costs of £219.5m could be sustained by total annual revenues of £223.2m from membership and subscriptions alone (i.e., before factoring in potential income from advertising, partnerships, grants and any revenue funding from big tech, local government or the BBC).

#### What investment is required?

In order to calculate the investment necessary to unlock the growth potential of local news, we have made some further assumptions:

- We assume the current annual revenue of local news that meets the ASPIRE principles to be £17.7m. The most recent PINF Index of News Publishing found the average revenue of an independent news provider to be £62,000.<sup>73</sup> The PINF Local News

Map currently shows 286 independent local news outlets in the UK.<sup>74</sup> This gives us a total of £17.7m. Of course, not all independent local news providers currently meet the ASPIRE principles, and there may be corporate local news providers that do meet these principles. Nonetheless, in the absence of more data, this is a reasonable benchmark.

- We assume that even with significant investment and coordination, it will take at least ten years to transform local news. This is the minimum time required to research and develop new social and economic models, to diversify and reskill the workforce, and to strike new relationships with major stakeholders such as big tech, local government and the BBC.
- We assume average annual inflation across the next ten years of 2%. In its latest forecast, the Bank of England predicts higher inflation in the short term, before dropping to the 2% target.<sup>75</sup> On this basis, the total annual cost of local news of £219.5m will rise to £267.5m by 2035.
- We assume that the local news market is capable of growing by an average of 30% every year over the next ten years. This is a stretching target, but realistic given the current underperformance of the UK market against international benchmarks. There is enormous room for growth here, and if in practice the early years of this cycle show slower growth, the momentum is likely to build across the period, with faster growth in the middle years.
- We assume a total Return on Investment (ROI) of 5:1. According to one marketing analysis, an ROI of 5:1 'is considered a strong return on investment', whereas an ROI of 10:1 'would be considered exceptional', and an ROI of 2:1 would be 'insufficient for many industries.'<sup>76</sup> A

national investment in local news would attract considerable attention, and local news providers across the UK would be able to raise the profile of the sector more effectively together than they would alone, so it is reasonable to assume a strong return on investment.

**Pulling these assumptions together, we can calculate that an investment of £150m over ten years, with annual growth targets of 30% and an overall ROI of 5:1, would generate annual revenues of £284.8m by 2035 – more than enough to cover the estimated annual costs of £267.5m.**

Date	Growth – inflation only	Growth – with investment
2025	£17,732,000	£17,732,000
2026	£18,086,640	£23,406,240
2027	£18,448,373	£30,896,237
2028	£18,817,340	£40,783,033
2029	£19,193,687	£53,833,603
2030	£19,577,561	£71,060,356
2031	£19,969,112	£93,799,670
2032	£20,368,494	£123,815,564
2033	£20,775,864	£163,436,545
2034	£21,191,381	£215,736,239
<b>2035</b>	<b>£21,615,209</b>	<b>£284,771,836</b>
Total	£215,775,662	£1,119,271,322
Underlying revenues	£215,775,662	£215,775,662
<b>New revenues</b>		<b>£903,495,660</b>
Return on investment		502%

**Table 2: Return on Investment in local news, 2025-35**

## About the Local News Commission

The Local News Commission was convened by The Public Interest News Foundation (PINF), the UK's first charity with a remit to support public interest journalism. The Commission is made up of thirteen leading thinkers and doers with a blend of deep expertise in the public, private and voluntary sectors.

The Commissioners held a series of meetings between July 2024 and January 2025. They reviewed the state of local news in the UK, took evidence from local journalists and developed a vision for the future. This report was written on their behalf by PINF to stimulate debate and action.

The Local News Commissioners are:

**Debra Allcock Tyler**, Chief Executive of the Directory of Social Change and internationally published author.

**Frances O'Grady**, a Labour peer since 2013 and former general secretary of the TUC.

**Henri Murison**, Chief Executive of the Northern Powerhouse Partnership, the business-led organisation which convenes the North together.

**Jon Alexander**, Co-founder of the New Citizen Project and author of *CITIZENS: Why the Key to Fixing Everything is All of Us*.

**Katie Kelly**, chair of New Local, an independent think tank and network of public sector bodies transforming public services and unlocking community power.

**Michael Sheen**, a multi-award-winning Welsh actor and RADA graduate, known for his work across film, TV and stage as well as his charity work.

**Michelle Cooper**, CEO of Point North and Vice-Chair of UK Community Foundations, the membership body of UK-based community foundations.

**Neil McInroy**, Chair of Economic Development Association Scotland and Global Lead for Community Wealth Building at the Democracy Collaborative.

**Sir Phil Redmond CBE**, a writer and TV producer best known for creating a number of ground-breaking drama series, including *Grange Hill* and *Hollyoaks*.

**Polly Neate CBE**, CEO of Shelter, the charity that defends the right to a safe home.

**Serlina Boyd**, founder of the UK's first Black children's magazines, *Cocoa Girl* and *Cocoa Boy*.

**Sophia Smith-Galer**, an author, journalist and content creator credited with pioneering journalism on TikTok in the UK.

**Yvette Williams**, co-founder of the Justice 4 Grenfell campaign and founding member of Operation Black Vote.

PINF would like to thank all of those who made this project possible, including our Local News Commissioners, JRSST-CT for their generous funding, those who provided rooms and resources for meetings and the local journalists who gave up their time and energy to give evidence to the Commission.

The PINF team is made up of Beckie Shuker, Jaldeep Katwala, Joe Mitchell, Jonathan Heawood, Wendy Collinson and Zoe Greenfield; we'd also like to thank Hani Barghouthi for his invaluable contribution to the Local News Commission.

For more information, please visit [www.publicinterestnews.org.uk](http://www.publicinterestnews.org.uk)

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A message from a participant at the PINF Indie News Forum, 2022.

