

ITV plc—written evidence (FON0019)

House of Lords Communications and Digital Select Committee inquiry: The future of news: impartiality, trust and technology

Summary

ITV welcomes the opportunity to participate in the House of Lords Communications and Digital Committee, Future of News inquiry. The inquiry is well timed, as 2024 is a crucial year for democracy, with over 50 countries, including the UK and US, going to the polls in national elections. Yet, it is also a time of distrust: of government, institutions and of fractured public discourse.

Technological innovations and digital intermediation have brought great opportunities in news – in particular never has news been more accessible and varied. But at the same time the challenges are also profound. So, for example, never has it been harder to fund high quality professional news coverage. Furthermore, online advertising incentivises and funds misinformation and allows it to travel globally at speed. Online platforms increasingly control what news their users have access to - or, in the case of Facebook's approach in Canada, whether they see news at all. Social media, and more recently advances in AI, are giving malign actors (including foreign states) the opportunity to infiltrate our media space and shape debate.

A key defence against distrust and disinformation is high quality, accurate, impartial, trustworthy news, helping to inform citizens and underpin democratic debate. ITV remains absolutely committed to providing the highest quality accurate and impartial news to UK audiences, free at the point of use and we continue to innovate in how to present news in a way that resonates with all audiences. Yet, the financial and commercial pressures facing the media industry in general - and national public service broadcasters operating in a global market in particular - are considerable.

2024 is a crucial year in another respect: the Media Bill will reform the public service broadcasting system and could provide some assistance in supporting its crucial contribution to the provision of high quality, trustworthy, impartial TV news. Support for the Media Bill is one obvious way in which policymakers can help support the future of TV news provision in the UK.

But crucially, the ultimate impact of the Media Bill will depend on the strength and determination of Ofcom's implementation of the new powers (particularly PSB prominence, inclusion and dispute resolution) it will be given by Parliament under the Bill. It is not much of an exaggeration to say that the future health of PSB (and TV news in particular) in the UK will depend on decisions which Ofcom will make under this new legislative framework in the coming years.

Beyond the PSB system, Government and Ofcom are also likely to need to consider what reforms are needed online to ensure that UK citizens can access high quality and trusted news more broadly, and are protected from misinformation.

In this submission we set out how ITV delivers for UK audiences and how the following issues are crucial to the sustainability of quality news provision for future generations:

- Impartiality and accuracy
- Trust
- Changing business models

ITV News delivers for UK audiences

International, national and regional news is at the heart of ITV 's offer to audiences:

- **Broadcast:** In addition to Breakfast news, ITV broadcasts three national news bulletins and 18 regional news programmes throughout the day on its main channel ITV1 channel which is available on all TV platforms. Our broadcast news reaches 15.4m UK households each month.
- **Streaming:** ITV News is streamed live on ITVX and available via catch-up. In 2023, we launched a dedicated and prominent news 'rail' within ITVX which is continually updated with breaking stories and news from across the UK nations and regions. Via ITVX it is now possible to access the full ITV nations and regions news services from any part of the UK.¹ We also produce news content exclusively for ITVX, such as live PMQs and regional content- creating a virtual live news channel which can be spun up and down as the news agenda dictates. All regional programmes are available on ITVX after linear transmission.
- **Social Media:** ITV news content is distributed via all major social media channels. ITV is one of the biggest broadcasters on TikTok, with 2.7m followers (a similar number to BBC News which has 2.9m followers). Our bespoke youth-skewing social media news feed *The Rundown*, has delivered half a billion views across Instagram, Facebook, TikTok and Snapchat. We have recently launched a dedicated ITV Politics channel on TikTok.
- **Podcasting:** ITV News podcasts provide a mix of essential 'need to know' explainers and deep-dives into specific topics such as the award-winning *Partygate: the inside story* and our coverage of the US election. In February 2024, ITV News launched a new podcast, *Talking Politics* to help guide audiences through the election year in the UK.² ITV podcasts have already been downloaded 26m times since the start of 2023.
- **Website:** www.itv.com/news hosts comprehensive regional output covering on the day events as well as national and international stories, plus additional insight and analysis from our expert journalists. The site acts as a hub for all the other content which is hosted in articles and other areas of itv.com and ITVX. In 2023, the Press Gazette's ranking of news

¹ The only exception is in the areas of Scotland which are covered by STV under their PSB licences.

² <https://www.itv.com/news/2024-01-08/talking-politics-the-itv-news-podcast-analysing-the-weeks-biggest-issues>

websites reported that visits to ITV were up 20% year-on-year, reaching an audience of 15.5m.³

ITN News across the UK Nations and Regions

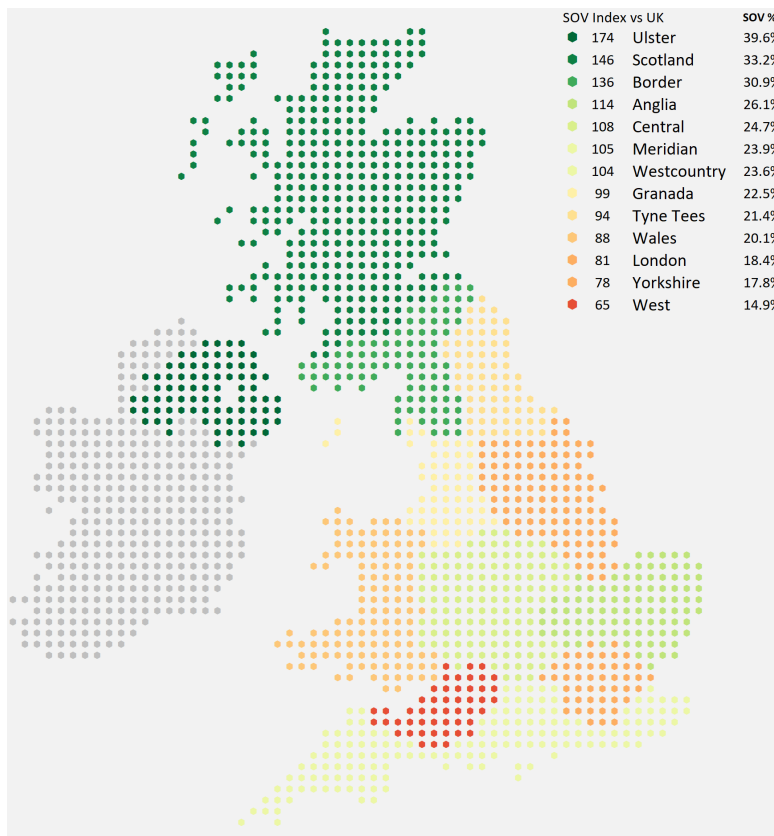
ITV's news provision in and for the nations and regions is crucial to ITV's news offer. ITV Regional News has 11 production centres and 20 news bureaux out of London with 757 FTE employees working across ITV's nations and regions.

In 2014, ITV increased its regional news service and now provides 18 regional and sub-regional services covering the whole UK and Channel Islands (with STV covering news provision in Scotland). This means there are 18 flagship 6pm news programmes for the UK Nations and Regions. In 2019, ITV Nations and Regions News produced almost 3,500 hours of broadcast news content of which approx. 3,000 hours (90%) were unique.

Crucially, ITV news is viewed and valued by audiences across the UK. The chart below maps ITV's weekday teatime national news share of viewing (SOV) in each ITV region, compared to the national average for the slot. What this shows, for instance, is that audiences in many parts of the UK nations and regions (Northern Ireland, Scotland, midlands, Anglia etc) are tuning into ITV News in proportionally greater numbers than in London. For instance, ITV's share in Ulster (39.6%) is 74% above the national average (22.8%) - an 'SOV index' of 174. Share of viewing in Ulster is over twice that of London (18.4%).

³ https://pressgazette.co.uk/media-audience-and-business-data/media_metrics/most-popular-websites-news-uk-monthly-2/

ITV Regional News, 6pm weekday - Share of Viewing 2023⁴



Furthermore, news on ITV1 appears to reach some important audiences better than the BBC. In 2022, Ofcom warned the BBC that lower socio-economic groups were “*persistently underserved*” by the BBC.⁵ News on BBC One, for instance, skews more towards higher socio-economic demographics (52% ABC1) compared to news on ITV1 (40% ABC1). As such, ITV News provides a crucial alternative voice to the offering from BBC News. ITV’s commitment to stories that talk to the experiences of different audiences was recently highlighted in an article by the *New Statesman*:

“ITV’s news output deprioritises the latest Westminster bust-up or global development for a story reflecting societal problems in the UK. Returning to the same themes – such as social housing and hidden homelessness – the top of ITV News’ bulletins focus on Britons’ day-to-day lives in a way none of the other major news broadcasters do.”⁶

ITV strives to meet audiences’ changing needs

As the rapid evolution of our online news offer demonstrates, ITV does not stand still, continually looking for ways to evolve our news offer. But our innovation is not just online. Terrestrial TV audiences for news are significant, particularly at key moments in national life, and it’s important they continue to be well-served. In 2022 we extended our evening news programme from 30 minutes to an hour, with even more focus on reporting from outside London to reflect the whole of

⁴ Source: BARB, consolidated 7-day broadcast viewing: ITV1 Weekday SOV% 6pm-6:30pm

⁵ [Ofcom Annual Report on the BBC 2021-22](#)

⁶ [The quiet radicalism of ITV](#), Anoosh Chakelian, *The New Statesman* 3 February 2024

the UK. We are currently exploring the use of automated subtitles on regional news bulletins: harnessing new technology (AI-powered, automated speech-to-text generation) to deliver benefits for audiences over and above our regulatory requirements.

Impartiality and Accuracy

Impartiality and accuracy are central to ITV's promise to audiences. Like all broadcasters, we are subject to the Ofcom Broadcasting Code which sets out the standards expected of all broadcasters, including that "*news, in whatever form, is reported with due accuracy and presented with due impartiality*".⁷

ITV takes its responsibility in this area very seriously. Every news story raises unique challenges that must be resolved by journalists and editors before they go to air and we have sophisticated processes in place to ensure that we meet our obligations. For example:

- On joining ITV, all journalists complete training on law and broadcast regulation, including on impartiality and accuracy. This training is refreshed regularly.
- ITV News and ITV News Nations and Regions have inhouse compliance manuals which cover impartiality and accuracy.
- We have dedicated legal support in the newsroom and covering programme transmission (on broadcast and digital).
- Where necessary, sensitive and/or difficult stories are escalated to senior editorial colleagues and lawyers and we would always hold a story until we are confident that all compliance checks are complete.
- We operate a robust complaints system. All complaints are assessed and investigated including, where necessary, by the Managing Editor. Learnings from complaints and their investigation are discussed with the team and form part of on-going training for journalists.

Indeed, ITV strives to ensure that all its news output, whether regulated by Ofcom Broadcasting Code rules or otherwise (for instance online), adheres to the strictest editorial principles that govern our broadcast output.

Rules on accuracy and impartiality were enshrined in the Communications Act 2003 and have remained largely unchanged over the two decades that have passed since. Ofcom's Broadcasting Code requires impartiality and accuracy to be assessed by reference to the context in which it is presented: due impartiality/accuracy. As a result, Ofcom's rules were designed to allow different broadcasters to take different editorial approaches based on audience expectation. However, in general, news broadcasters of all persuasions have viewed the requirement for due impartiality to require them to represent in some way all the key views and angles on a given issue to ensure that the public is well informed whatever their own particular views. The result has been a range

⁷ [Ofcom Broadcasting Code, Section 5](#)

of news services with differing styles, emphasis and approaches to events, but all of which endeavoured to clearly meet accuracy and impartiality requirements.

Of course, we recognise that the news ecosystem has evolved considerably over that period including with the advent of, largely unregulated, social media and increasing demand for 'opinion news' online as well as more serious examples of disinformation online whether for commercial or political gain.

We believe this makes it even more important that the Ofcom rules around accuracy and impartiality for broadcast services are maintained. This helps delineate a set of trusted news services with a real responsibility to their audiences and, ultimately, to supporting informed democratic fact-based debate. In an era where YouTube is watched on big screen TVs in the living room, there is an increased blurring of the lines between services that are regulated and those that are not. For ITV, the brand and reputation of our news service, under Ofcom regulation, has never been more important.

But publishers ultimately have a choice - whether to launch a news service as an online or a regulated broadcast offer. Accordingly, anyone who does not wish to be bound by the Ofcom rules on accuracy and impartiality is free to launch news or other services online as some have done. We recognise that there are those who would prefer the dialectic of often radically different views of news on the internet to extend to broadcast TV news services too, without any regulatory intervention. But it is clearly for Parliament to decide how it wishes broadcast news to be regulated if the decision is made to depart from the status quo of requiring due accuracy and impartiality in this or other ways.

Unless and until that regime were to change, the grant of an Ofcom broadcasting licence for a news service is, in effect, an imprimatur of adherence to a set of standards (including around accuracy and impartiality) ultimately enforced by Ofcom. We believe the trust data for TV news that we describe below is an illustration of the importance of this for audiences. It is vital that Ofcom, as an independent regulator, is very clear what the rules are and is then active in enforcing those rules consistently on TV news services in a timely and coherent manner to maintain both public trust and, crucially, a level playing field. Clearly it is then up to Parliament to hold Ofcom to account for the exercise of its responsibilities in this or any other area.

Trust in TV News

Ofcom's most recent news consumption survey identified 18 single news 'sources' that were used by 10% or more of UK adults including TV, radio, newspapers and social media. Of these, broadcast TV remains the most used platform for news, reaching 70% of UK adults (75% if BVOD is included). BBC One and the ITV main channel are the two most-cited news sources, identified by 49% and 34% of survey respondents respectively. Ofcom observed that, notwithstanding the constant evolution of news provision "*public service broadcasters remain a dominant force in news delivery*".⁸

Reuters notes in its [2023 Digital News Survey](#) that public broadcasters, such as the BBC ITV and Channel 4, that are required to meet strict impartiality

⁸ [News Consumption in the UK: 2023, Ofcom](#)

standards “*remain the most trusted news brands*”. ITV News was identified by 58% of survey respondents as a trustworthy source of news, with the BBC and Channel 4 having similar scores for trust.

Arguably the high levels of use and trust in PSB news services (as well as that provided by Sky) is becoming more important in the context of some of the trends that are emerging in unregulated “news” provided online:

- Digital platforms facilitate the delivery of news in easy-to-consume formats. But it is widely reported that algorithmic curation can, often for commercial reasons, promote hyperbolic and extreme content at the expense of quality journalism. Some commentators have also observed the propensity of algorithms to create ‘echo chambers’ where individuals are only able to see content from a narrow viewpoint. This can sometimes lead to “news” which is tailored more for a club of the like-minded, rather than a source of information that explains difference, delivers perspective and ultimately enhances civic engagement.
- Online advertising tools enable content makers to amplify their messages including to target and tailor content to specific interests. This is great if you want to promote niche or regional issues to relevant audiences, and avoid paying for delivery to audiences for whom it is less relevant. But targeting also means individuals are not exposed to content that is ‘not for them’ and are therefore less able to contextualise their own experience or gain perspective.
- Developments in generative artificial intelligence (GenAI) are already revolutionising content curation. This can drive efficiencies and also facilitate the creation of more relevant and accessible news. However, GenAI also makes it easy for bad actors to create convincing fake news content which has the potential to seriously disrupt public discourse.

The best defence audiences have to all these types of threats is access to high quality, accurate, impartial news free at the point of use. It is therefore imperative that quality news from the PSBs in particular remains sustainable.

Sustainability of TV News (Broadcast and Online)

Providing high quality, trustworthy news for free to UK citizens is expensive

Journalism relies on people. People with vision, integrity, proactivity, judgement and creativity, supported by the latest technology. It is therefore hard to commoditise or automate news without serious and fundamental risk to quality and reliability. ITV spends well over £100m each year on our national, international, nations and regions news services. This is provision that virtually none of our non-PSB competitors provide and only the publicly-funded BBC offers a competing nations and regions news service. The only notable exception to the lack of any news provisions outside of the PSB sector is Sky, but their merger-related obligation to continue to provide Sky News expires in 2028 (a date that no longer feels a long way away).

In addition, recent years have seen significant additional costs related to news coverage over and above normal day-to-day costs, all of which have exacerbated the challenges facing quality news providers:

- Coverage of conflicts in Ukraine and the Middle East require teams to be deployed in remote and dangerous locations at great expense
- As the nation mourned the death of HM Queen Elizabeth II, ITV became advert free for large parts of a number of weeks. Our coverage of the funeral itself was the largest ever outside broadcast, with all channels simulcasting advert free live coverage for the first time in history.
- The evolution to remote working and digital delivery, which predated but was super-charged by the Covid-19 pandemic, required a significant outlay of capital expenditure and structural organisation that put even greater pressures on our teams and our budgets.
- In order to serve all audiences with a news offer that works for them, we have to distribute our services via an ever-increasing number of platforms from traditional broadcast platforms (such as DTT/Freeview, Satellite, cable) to a rapidly proliferating range of online platforms too (Amazon, Samsung, etc) as online consumption accelerates. This proliferation of distribution increases the cost of achieving universality substantially.

Effectively, ITV has to make well over £100m elsewhere in our broadcast business simply to pay for our news services. Those news services make very little money and generally do not carry much advertising (because we have a strictly limited number of minutes of advertising on TV).

On the point of advertising minutage, we worked hard last year to make the case to Ofcom for modest liberalisation of those advertising minutage rules (to align with the rules that apply to all other non-PSB channels) which would at least have enabled us to put some advertising into our news services to help pay for them but, frustratingly, Ofcom declined to change the rules at that time. No such restrictive minutage rules exist outside the PSB broadcast context to restrain the commercialisation of new online and on social media – indeed, the rules don't even apply to Sky News.

Moreover, there is no subscription option available to us as our news services (rightly) have to be freely available to view. Accordingly, the continued sustainability of news relies on the commercial success of the wider ITV broadcasting business, primarily on our main PSB channel ITV1 and ITVX.

It is almost trite to observe that competition in the UK TV market is intense with ITV's competitor set for both viewing and advertising now including global streaming players such as Amazon and Netflix, video sharing platforms such as YouTube and social media platforms like Instagram and TikTok. None of these players offer (or invest in) professional news services of their own giving them a major cost advantage over ITV. Indeed, Meta's recent decision to withdraw support for news on its platform has been described by the head of Newsquest as "*cynical*" and by the NMA as "*disappointing*".⁹

⁹ <https://pressgazette.co.uk/platforms/meta-to-end-facebook-news-tab-stop-funding->

Funding models for free TV news content face real challenge

As more and more TV is consumed online, so global online platforms will seek to mediate and shape choice as well as impacting the economics of anyone who distributes via their platforms. For instance, Amazon's standard global terms require that content providers effectively gift them 30% of their advertising revenue in return for being allowed on their platforms. Should charges be levied by platforms on commercial PSBs like ITV, news services like ITV News would become unsupportable.

Effectively, this is the economic backdrop to the need for the Media Bill that we are pleased is making its way rapidly through parliament, to be presented shortly in the House of Lords. The provisions on prominence, platform inclusion and dispute resolution have the potential to help commercial PSB to continue to flourish in the longer term. What will be absolutely fundamental when the new regime is put in place, however, is that both the Secretary of State and, above all, Ofcom exercise the discretions they will be given in ways that ensure that PSBs are able to continue to afford to deliver their PSB remits and make a commercial return, including in relation to news.

News is also under threat online

The challenges that ITV faces in TV news clearly have parallels in other media. Reach is critical to the success of news publishing, not only to drive advertising revenue but also brand awareness, audience engagement, relationship management and cross promotional opportunities. Therefore, as more audiences are choosing to consume news via online intermediaries (social media, video sharing platforms, connected TVs) publishers have no choice but to engage with platforms on their terms.

This is especially important if news providers are to maintain younger audiences. Reuters reported that in 2023, 52% of audiences ages 35+ accessed news directly via the publisher website or app, broadly the same as in 2015. By contrast, in 2023 24% of audiences aged 18-24s went direct to publisher websites/apps down from 53% in 2015.

Online platforms shape the economics and delivery of news

News publishers are therefore having to adapt to digital distribution, establishing new offerings and setting up unique enterprises to support platform delivery. This has required substantial investment in digital-adjacent skills: search engine optimisation (SEO), platform-specific content creation, social media engagement and digital curation.

Yet for these businesses, and ultimately audiences, access to news is vulnerable to the changes in platforms' commercial priorities. In particular, social media operates an 'attention economy' meaning that platforms will prioritise dwell-time on their own platform at the expense of giving audiences a richer news diet or an opportunity for publishers to engage with their audience. This means, platforms make it difficult or in some cases impossible to link out to publishers'

own sites meaning that news providers cannot link to other news stories or, in ITV's case, cross-promote content from ITVX that would deliver a revenue stream for our wider business. Instead, audiences are pushed toward similar and, therefore, competing content, including from providers that are not under the same regulatory restraints as ITV.

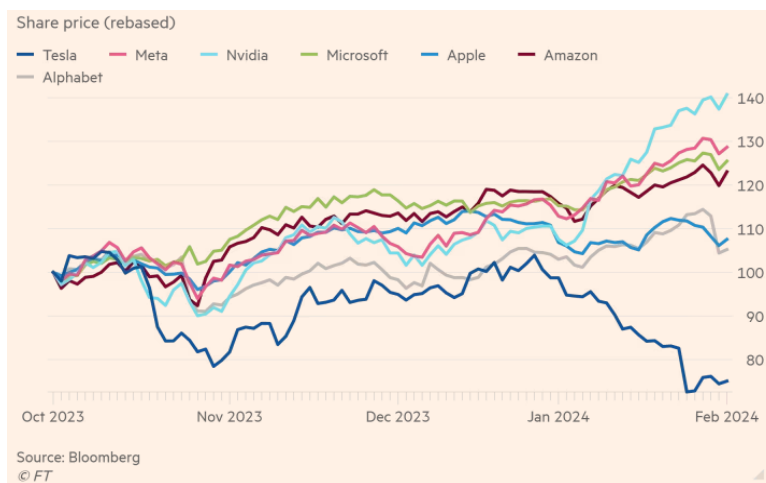
Moreover, platform support for news can be capricious. Small changes to the layout of landing pages or the algorithms that drive curation and discovery can have unanticipated and profound changes to a publisher's ability to access audiences.

In 2020 Facebook announced the launch of Facebook News, with publishers encouraged to participate through paid partnerships and investment in local journalism.¹⁰ But in less than 3 years, Facebook News was shuttered,¹¹ including Meta ending its Community News Project which had paid for more than 100 reporters in under-served areas across the UK. Explaining its decision, Meta said:

*"people don't come to Facebook for news and political content - they come to connect with people and discover new opportunities, passions and interests"*¹²

Yet Ofcom data shows that in 2023 Facebook was the third most used source of news for UK adults.¹³ The change appears to have had no apparent impact on Meta's fortunes which continues to outperform the market.

Meta's share price out-performs comparable tech companies¹⁴



News risks becoming a niche activity for the better off

Given the challenges presented by platform business models, many news providers have chosen to pursue a subscription model: The *New York Times* now

¹⁰ <https://about.fb.com/news/2020/11/launching-facebook-news-in-the-uk/>

¹¹ <https://about.fb.com/news/2023/09/an-update-on-facebook-news-in-europe/>

¹² <https://about.fb.com/news/2023/09/an-update-on-facebook-news-in-europe/>

¹³ [News Consumption in the UK: 2023, Ofcom](https://www.ofcom.gov.uk/consult/condocs/news/newsconsumptionintheuk2023/newsconsumptionintheuk2023.pdf)

¹⁴ <https://www.ft.com/content/335184c7-4fa4-47b1-9778-d8331eca31c1>

has over 10 million subscribers,¹⁵ attracted not only by its high-quality journalistic output, but its significant investment in non-news content: games, recipes, sports and 'magazine' content.

But this remains a niche option as, in reality, most mainstream audiences can't or won't pay for news. Reuters estimates that only 9% of UK audiences pay for news online, one of the lowest rates in "richer countries".¹⁶ Indeed, US operators have the benefit of economies of scale such that 10m customers might be considered almost niche.

Clearly for free-to-view PSBs in the UK, subscription is not an option. But nor will it necessarily be an option for regional news provision either which is particularly under threat. Recent report by industry analysts Mediatique showed that ITV's Nations and Regions new services could not have been delivered by the market alone.¹⁷ Indeed, Reach, which publishes the *Mirror*, *Manchester Evening News*, *Birmingham Mail* and *Liverpool Echo*, recently told staff that it expects the newspaper business could be loss-making in five years' time.¹⁸

Platform/publisher code of conduct

In 2022, Ofcom and the CMA advised the government that the financial relationship between big digital platforms and news publishers could be made fairer, addressing distortion in the availability of news and ensuring the sustainability of news business models. The Digital Markets Competition and Consumer (DMCC) Bill is the vehicle for achieving these goals, through which Ofcom and the CMA envisaged an enforceable code of conduct with requirements to secure fair competition for the use of content:

- Addressing concerns about the transparency of algorithms;
- Giving publishers appropriate control over presentation and branding of their content;
- Driving improved data sharing practices; and
- Redressing the imbalance in bargaining power by providing a framework for the determination of fair financial terms for publishers' content.¹⁹

These rules could have a considerable impact on the sustainability of news business models, giving publishers the confidence to invest in digital distribution and ensuring that high quality journalism could be supported for future generations. For this reason, ITV welcomes the DMCC Bill and commends the Government, Commons and Lords for the attention and scrutiny they have given to its passage and for what will become a crucial and forward-looking regulatory regime. But the threat to news business models risks outpacing the speed of implementation. For this reason, ITV calls on this committee to recommend that

¹⁵ <https://www.nytimes.com/2023/11/08/business/media/new-york-times-q3-earnings.html>

¹⁶ Reuters 2023 Digital News Survey, p.11

¹⁷ [ITV in the Nations and Regions, Mediatique 2021](#)

¹⁸ <https://www.theguardian.com/business/2024/jan/23/mirror-publisher-print-titles-reach-digital>

¹⁹ [Advice to DCMS on the application of a publisher/platform code of conduct](#), Ofcom and CMA, Nov 2021

a code of conduct for platforms and news providers be prioritised in the implementation of the DMCC regime as soon as it goes into effect.

February 2024