

ITV plc—written evidence (FOJ0072)

House of Lords Select Committee on Communications and Digital: The future of journalism inquiry

1. Introduction

2. ITV welcomes the Select Committee's decision to hold an inquiry into the future of journalism. There could not be a better illustration of the critical role that quality journalism plays in our society than in days like these where the need for quality, trusted information and scrutiny is at its most important.
3. In these quite extraordinary times the UK's TV news providers, with the PSBs in the lead, are making a colossal contribution to ensuring that the UK is well informed about what is happening. The increase in viewing for all TV news providers has been very significant in recent weeks, reflecting real and understandable hunger for accurate and trusted reporting as well as probing inquiry of government where that is appropriate.
4. For instance, in the weeks since the lockdown, ITV News as a whole has had an average weekly reach of 22.8m viewers – 38% of the TV population of the UK – up 14% on the first 11 weeks of the year. We've seen huge audience growth across our news and current affairs programming in recent weeks from Good Morning Britain in the morning to Tonight and the News at Ten in the evening. This increase has come from across the population – in the weeks since the lockdown ITV News has had an average weekly reach of 2.8m 16-34 year olds, a 20% increase on the first 11 weeks of this year.
5. There has also been a very substantial increase in viewing to nations and regions news too. Indeed, some of the feedback we have had on those news programmes has suggested that understanding what is happening close to home has been a particular public priority, given the clarity and regularity of daily government briefings about the national position which are generally well covered.
6. Ultimately, the PSB model of free and universal access to news and entertainment for everyone delivered on a wide variety of platforms but anchored by the free, universal, reliable and secure DTT platform has proved its worth in a crisis.
7. Of course, the current crisis has also particularly highlighted the challenging economics of journalism, especially in the print sector. Major online platforms, which have benefitted hugely from the advertising revenue which previously supported newspapers, have not in any way filled the gap. Indeed, the opposite, their business models tend to extract as much value from news content as possible whilst returning little of that extracted value to the organisations that created the news content in the first place. In addition to this, some of the largest online players have also provided platforms for fake news and disinformation. Plainly, this is not a desirable set of circumstances.
8. However, as we set out in this submission, TV news, primarily (though not exclusively) from the public service broadcasters, is at present in better health – indeed, ITV's TV News audiences in the 6-7pm news hour have grown since 2015, even before the incredible spikes in viewing we have witnessed in recent weeks. Moreover, TV news providers are innovating with video news

services online to reach new audiences, particularly the young.

9. It is important to be very clear, however, about the underlying economics of TV news in the UK. There are not a multitude of players in, and no obvious economic model for, TV news. Mass reach TV news in the UK is in large part either a product of the PSB system which guarantees its provision and helps to underwrite its funding or is the product of merger undertakings given by Comcast as part of the price of succeeding in the bid to take over Sky. However, those merger undertakings expire later this decade and the PSB Licences expire in 2024.
10. In truth, more and more rests on the PSB news services at a time when, as the Committee noted in its last report, the future of PSB is up for debate. It is vitally important that we move now to reinforce and support the PSB system in a rapidly globalising online world dominated by US online platforms. Those US platforms are ultimately pursuing the same profit maximising strategies in TV as led to the demise of newspapers.
11. All governments across the world face the choice between intervening to ensure the continued health of a national TV and news ecology or standing by and watching the demise of plurality and of accurate and impartial news services. A world in which the UK gets its news from Facebook and Russia Today with ever diminishing provision from PSBs and other commercial players is not one that is in the interests of an informed citizenry and hence of a stable society and effective democracy. But rapid decisive action is required as the Committee made clear in its recent report on the future of PSB.

Accurate, impartial and trusted: The role of PSB TV news in the UK

12. There is a remarkable consensus in the data and research around the continued importance of TV news in the UK, mostly evidenced in Ofcom research¹. The key facts include the following:
 - TV remains the most important platform for news in the UK with the highest reach across the whole population.
 - For most demographics (both age and social class) TV is the most important news platform. This is still true even for a majority of 16-34s.
 - On all quality attributes measured by Ofcom, TV scored very highly amongst the major platforms – ahead of newspapers, radio, internet and social media on all relevant measures including quality, accuracy, trustworthiness, impartiality etc.
13. These high ratings are in part due to the obligations on TV news to be impartial and accurate as well as the more stringent rules that apply during elections and referenda. Clearly those rules are overseen by a well-resourced and effective regulator in the form of Ofcom. However, what is also important is the level of investment in training and support as well as the culture of TV news in which the values of accuracy and impartiality are deeply ingrained.
14. We recognise that these characteristics are not unique to PSB news. Sky News is an important part of the UK news ecology, albeit that its reach is far lower than that of either the BBC or ITV news.

¹ See in particular News Consumption in the UK: 2019, 24 July 2019

15. Of course, the internet is now very widely used, particularly as a complement to TV, with 66% of people (on Ofcom numbers) reporting that it is a platform they use for news. Within that, it's clear that social media is a key source of news, albeit often as an intermediary rather than an underlying provider.
16. There are, however, rightly increasingly serious concerns about the nature of news online from issues around fake news and misinformation but also the trend towards softer news and clickbait designed to attract traffic and hence advertising revenue as well as cheap so-called "churnalism" with the simple repetition of PR material.
17. At the same time, it is important to recognise that at the other end of the market, there has been real growth in high quality subscription based hard news and journalism products for those willing to pay (often quite significant amounts). Those that can afford to remain well informed have a variety of options and delivery methods open to them.
18. Between those two extremes, PSB TV news, offered for free and universally across the UK, has a key role in providing accurate and impartial news from a variety of different perspectives for all audiences in the UK.

The role of ITV News

19. ITV News offers critical competition to the BBC in news and is the only other mass reach TV news service in the UK apart from the BBC. More broadly, across all media, ITV has the second highest reach of any news provider, again second only to the BBC. In a typical week ITV reaches around 19m people with our news services, compared to 4.5m for Sky News for example. ITV's news services are carried on Freeview on capacity that reaches 98.5% of the UK (as well as being available nationwide on Freesat). Clearly our reach and audience has been much higher in recent weeks as the Covid-19 crisis has intensified.
20. There are two dimensions to our news – national and international and nations and regions.

ITV National and International news

21. ITV offers a national and international news service with a variety of programmes across the day, delivering over 450 hours of news each year. Our national and international news service operates at scale in the UK and across international bureaux with around 125 journalists alone and an annual budget of around £50m. We attract strong journalistic and on-screen talent and offer a distinctive accessible and warm tone. However, we have a strong commitment to covering the most important stories, however difficult, with a team of familiar faces and credible specialist correspondents. ITV News is made for ITV by ITN and ITV's contract is by far the biggest that ITN has and helps to meet a substantial portion of its fixed costs. Accordingly, as a result of the scale of our news contract with ITN, ITV plays a key role in underwriting ITN as a wholesale provider of a variety of news services, including for Channel 4 and Channel 5.

Nations and Regions news

22. ITV also offers a nations and regions news service which, in each English region, delivers over 170 hours of news each year with over 200 hours in each of the three other nations (as well as non-news and current affairs programming in the nations). We offer 18 regional and sub-regional services covering the whole UK and the Channel Islands, except for those covered by STV in Scotland.

23. We maintain significant journalistic resources across the nations and regions of the UK with nearly 500 journalists employed. Clearly these journalists are key in ensuring that we can cover the whole country, including on national news too. There are plenty of examples of where our regional network has enabled us to report on stories well ahead of nationally based rivals.
24. We are also at the forefront of innovation in our gathering of the news making extensive use of digital and wireless technology for reporting and editing in the field and all our journalists are now multiskilled. We operate one of the largest fleet of drones in the UK (after the North Sea oil rigs). We also use LiveU's paperback sized 4G enabled devices that allow a reporter to quickly go live with video without a satellite truck. But we also have the scale to support a fleet of satellite trucks to enable us to go live at scale whenever we need to. Much of this investment in technology and multiskilling has enabled us to shift to more agile working based even more out of the office during the current Covid-19 crisis.
25. Our aim in nations and regional news is to reflect the nation or region to itself, to champion the people and issues of the particular area but also to hold decision makers in those areas to account. In that context, we had over 6,500 appearances by MPs alone on our nations and regions news services last year.
26. Each nations and regions news service has a local viewer diversity panel drawn from communities across the region. The groups meet on a regular basis and give their local Head of News and senior journalists feedback and ideas on our programmes. The input is part of the way in which we ensure that we stay close to our audience and all the diverse communities we serve.
27. The hunger for local news and information at this time of national crisis has been exceptional and is reflected in recent viewing figures. For instance, the audience for ITV regional news on the evening of Saturday 21 March (an average of 6.5m viewers) was the biggest audience for a Saturday ITV news bulletin since the 2004 Indian Ocean Tsunami.

ITV TV News has a distinctive offer and is growing its audience

28. It is often assumed that TV news is in decline given the dominant narrative around the general growth of content consumption online. In fact, the ITV news hour at 6pm (regional news at 6pm and national and international news at 6.30pm) has grown its viewing in absolute numbers (as well as in share) since 2015. In particular, viewing of the 6pm nations and regions programme has increased by 9% since 2015 compared to a 13% fall for the comparable BBC programme running at 6.30pm in the same period. In nations and regions news, ITV together with STV reaches more people with regional news than all local newspapers combined (both print and online). ITV's news still reaches half of the UK's 16-24s with its national and international TV news services alone.
29. But more than this, unlike most other TV news providers (including the BBC, C4, Sky News), ITV has a higher reach amongst C2DE social groups than amongst ABC1s. Furthermore, in broad terms, the further you go from London, the more popular ITV's news services are. Whereas in London ITV has appreciably lower reach for its news services than BBC One, in Northern Ireland, the north east and north west, we match or come close to matching the reach of BBC One news.
30. ITV news is not just consumed at scale across the UK but it is also highly trusted, amplifying its value and influence. Ofcom's most recent news consumption survey in 2019 found that not only was TV news amongst the most trusted news

media (ahead of newspapers, radio, internet and social media) but within TV news, that survey found that ITV was the most trusted UK provider.

Innovating to reach all audiences: PSB News online

31. We recognise that audiences, particularly younger ones, are accessing news content online as well as on TV. ITV offers a variety of online news products for different audiences but in all of them we maintain the same news agenda and commitment to accurate and impartial reporting even though there is no regulatory obligation to do so online.
32. In particular, we provide a full national, international and regional news offer online via ITV.com and receive 8m unique visitors per month with around 350m views each year. ITV's national news bulletins are also available on the ITV Hub (both live and for playback). In addition, we distribute our news content widely on other platforms and have 4.5m followers on Facebook (293m mins viewed), 3.7m followers on Twitter (170m minutes viewed) as well as hundreds of thousands of followers on both YouTube and Instagram with many millions of minutes viewed via those platforms too.
33. But beyond this, we have innovated with a variety of other online news products which have included podcasts such as "Calling Peston" a weekly politics podcast as well as developing a variety of online formats filmed in our digital studio as well as Paul Brand's podcast "Acting Prime Minister". These have included a show called Young, British and Muslim fronted by Rageh Omaar, specifically catering to an under-represented audience.
34. In the past few months we have also launched the Rundown a new youth focussed news service aimed at teenage audiences. The service was created after extensive research with teenagers and is tailored to suit their style of news consumption, whilst maintaining the same high standards of ITV News. The bulletins are made for mobile formats (particularly Instagram and Snap Chat) and go out at 3.45pm each day to coincide with the end of the school day.
35. *The Rundown* has been a big success in terms of consumption – in March 2020 alone we had nearly 11m views on a variety of different online platforms. In thinking about the service, we made a point of recruiting new, diverse on-screen talent to front up the new service. All three successful presenters are young, diverse journalists each of whom has come from our regional news operation which is a very important entry point for aspiring journalists from across the UK as we set out in more detail below.
36. We are working on a number of other online initiatives in addition to the Rundown. These include enabling people to catch up on key nations and regions news and current affairs in ways that work for them online, researching a new online news offer for an older teen and early 20s audience as well as introducing a new live stream feature onto ITV Hub which will enable us to go live on an open-ended basis to follow important news events where we perhaps cannot justify going live on the main ITV PSB channel.
37. However, we do recognise that there may be more that could be done in online news, in addition to maintaining the highest quality TV news services. That said, it is challenging for ITV to do significantly more than we do already under the current PSB settlement. Accordingly we look forward to exploring with Ofcom and government in the context of the PSB Review the different potential models for enhancing online video news provision, particularly in the nations and regions of the UK in future.

Serving the whole UK with news – diversity, access and training.

38. As one of the largest UK news providers, looking to reach all audiences, ITV is acutely conscious of our role in developing the next generation of on and off-screen news talent. There is a particular responsibility on ITV, as a PSB, not just to recruit in the usual, obvious or easy places. We need to work harder and also make sure that those who train with us can do that sustainably from what we pay them. Journalism is still a very competitive career to get into and it's critical to us that entry is on merit not on ability to sustain a period of training or apprenticeship with little or no pay.
39. It's critically important that ITV recruits and trains a diverse talent pool and to do that we have a number of key initiatives in place to deliver that. So, for instance, in regional news alone:
- We run a systematic school outreach programme with a focus on diverse/disadvantaged areas to introduce people to the idea of a career in TV.
 - We have Invested in a number of paid 6-9 month training contracts for journalists and technicians from a BAME background. This has led to a number of conversions onto the Trainee Journalist scheme or further contracts/permanent roles in recent years.
 - Since 2011 we've run an annual Breaking into News competition for aspiring journalists a high number of whom have been from diverse backgrounds. 10 ITV regional newsrooms offer a 6 week programme of mentoring for the individual including hosting them in the newsroom and helping them make their story. 31% of all participants have come from a BAME background, and participants have also had a female skew (both groups are underrepresented in journalism). This is a pipeline for new talent – -- in the last two years, 14 out of 20 finalists have gone on to work in mainstream newsrooms (or to study for a journalism qualification). Some have then become mentors themselves. Outreach to find people for the scheme has been via publications reaching non-traditional audiences – The Voice, Disability publications/organisations, Pride Magazine.
 - Trainee Journalist Scheme: We are one of the last news organisations to offer a formal trainee journalism scheme at scale in the UK. We ensure that the shortlist for the assessment centres is fully representative of the communities we broadcast to, particularly targeting less traditional communication media to publicise the scheme. Every year we appoint 10 trainees and offer them a 9 month training programme on a competitive salary. A high percentage of these recruits go on to secure permanent jobs.
40. We invest very heavily in training and development in all our newsrooms – network, regions and nations. In house training and multi-skilling is important. In all our digital news centres in the regions and nations our journalists are now able to report, shoot and edit remotely and deliver stories for programmes via 4G connections. In addition to craft skills, our journalists also receive legal, compliance and cultural training (for instance to alert them to unconscious bias).

The health of the broader PSB system is key to the future of accurate and trusted news

41. Manifestly, the sustainability in the UK of serious journalism at scale offered by

a reasonable number of players depends on that provision being economically viable.

42. The profound difficulties facing the newspaper sector and the role that online platforms, distributors and aggregators have played in that dynamic should be instructive. Those platforms, distributors and aggregators have chosen to maximise their own commercial value from advertisers over any public value offered by a healthy newspaper sector, in the process making rates of return for themselves far in excess of their cost of capital (as the recent CMA Report on the online advertising market shows).
43. Patience is clearly starting to run out with the online platforms in this context in some jurisdictions. For instance, the recent instruction by the Australian government to the Australian Competition and Consumer Commission to ensure, via a binding code with effective sanctions, that news media companies get properly paid for their content is striking. However, even this is very late in the day.
44. Clearly some of the same global platforms are moving rapidly at scale into distributing, organising, and offering TV content in the home via the web. As a result, they will increasingly determine what content is available and discovered by UK audiences, and the commercial terms on which TV companies and TV news providers are able to offer their content and services. Accordingly, TV news (particularly from the commercial PSBs) faces similar economic threats to those faced for some time by newspapers. Indeed, free to air commercial PSBs are even more reliant on advertising revenue than even the newspapers were. Critically, however, there is still time to act decisively to secure that commercial PSB TV news contribution for the long term.
45. When ITV agreed to the renewal of its PSB licences in 2014, it signed up to a colossal financial commitment to provide news services for the 10 years of the licence. Based on ITV's total annual spend on news, that news investment commitment was effectively around £1.2bn over 10 years. In a highly uncertain commercial world, that scale of guaranteed commitment to accurate and impartial news has significant societal value.
46. ITV is committed to remaining a PSB, serving the whole UK with content that is made in, for and about the people of the UK. We are innovating in our offer to viewers and growing our audience both on TV and online. Current events demonstrate the critical importance of accurate and impartial newsgathering and reporting from the PSBs for the health and security of the UK as well as ensuring informed citizens, capable of making key decisions on the basis of reliable information.
47. Part of the key contribution of ITV to PSB is as a mass audience channel in which news and current affairs are interspersed between other programming such as drama and entertainment which plays an important role in maximising the viewing for news, particularly amongst people who might not be inclined to watch news programming specifically.
48. But the decisions which Ofcom and government take about the future of PSB and its continued centrality in the life of the UK over the coming year will be critical to the continued health of the TV news ecology. This is true both in relation to the continued affordability of TV news for commercial PSBs but also about the scale of the audiences for news services as part of broader TV and online offers.

49. In this context, we continue to support the recommendations of the Committee in its report last year on the future of PSB which were a substantive and thoughtful set of proposals many of which should now be acted upon. The committee was right to identify that PSB content is being offered in new ways online via a range of new and well established TV platforms and distributors and that the existing regulatory regime governing prominence and platform inclusion is no longer fit for purpose.
50. We agree, and believe the government should rapidly bring forward proposals for a new regulatory settlement between PSB TV channels and platforms/distributors. The purpose of this new regulatory settlement would be to ensure that audiences can find PSB content easily however it is delivered on the main TV distribution platforms and that PSBs are fairly rewarded for the investment they make in the successful and popular content that they make available via those platforms. There are three components to this:
- **A new right of prominence** for the on-demand and online services which deliver PSB content on the main TV distribution and aggregation platforms (e.g. Sky, Virgin, Google, Amazon, Samsung etc). This would help to ensure that on- demand and streamed content from the PSBs has the same visibility and easy accessibility as our linear channels have had historically.
 - **A right of inclusion** for those PSB on-demand and online services on those TV distribution and aggregation platforms to ensure that those platforms are not able to avoid the new prominence obligation by not including PSB content on a platform at all.
 - **Facilitating a fair return on content investment for the PSB.** There should be a new regulatory settlement to ensure that the TV distribution and aggregation platforms that benefit from the inclusion of PSB content pay fairly for the access to that content to ensure that it can continue to be produced.
51. ITV believes that these elements will be vital to ensuring the continued health of PSB and ultimately therefore PSB journalism in future. Current events and the role of the news media in the current crisis highlight better than any regulatory submission the vital importance of acting quickly, decisively and at scale to ensure that the UK continues to have a healthy and vibrant news ecology.

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