

ITN SUBMISSION TO OFCOM CONSULTATION ON MEDIA PLURALITY FRAMEWORK

ITN Background:

ITN supports the establishment of a framework to assess the news media landscape and ensure that media plurality is maintained and/or enhanced. We believe that a thriving and plural media sector provides the foundations for the success and quality of media in this country. Plurality is most important in the area of news provision as a range of voices and media outlets is essential for the health of the democratic process and wider social cohesion.

ITN is the UK's biggest independent producer of commercial broadcast news. It is an organisation with public service at its heart, ensuring plurality of high-quality and impartial TV news since its launch 60 years ago. The services we produce for our core customers – ITV News, Channel 4 News, Channel 5 News and ITV News London – reach over eight million people every day, providing essential competition to the BBC and serving a diverse cross-section of viewers, with nearly half the British population (43%) consuming our news each and every week.

Our high-quality journalism has won a string of accolades from national and international industry bodies. In the last year alone our programmes have triumphed at the Emmys, Baftas, Peabody, Grierson and Amnesty Awards, not to mention winning a landslide eight Royal Television Society awards in February 2015.

We believe we are unique worldwide as a company that provides fully-formed and distinct news programming for three separate Public Service Broadcasters.

ITN believes high quality, independent provision from multiple sources is essential to a pluralistic news environment in delivering choice and alternative viewpoints that form part of our democratic process, and should be protected at all costs when considering any future policy framework.

Specific response to Ofcom questions:

- ***Do you agree with our approach to media ownership? If not, how could media ownership be better captured?***

Our key submission is that we do not believe that ITN has been correctly categorised within the current Ofcom ownership framework and that its unique remit and position has not been recognised. This must be taken into account when trying to measure the impact of ITN as a “wholesaler” within the UK news media landscape. As such the “ownership” question which has so far been divided into retail and wholesale categories needs to be assessed on a case-by-case basis and particularly when looking at the framework for assessing the impact of news provided by ITN.

We believe ITN should be viewed as a hybrid originator/wholesaler since the majority of content that we supply on behalf of our main clients is original content that is conceived, shot, packaged and edited by ITN personnel, supplemented by third party material from a range of sources such as agencies (e.g. Reuters), ITV regional news teams, and increasingly, user-generated content.

ITN does not believe the wholesale element of the TV news value chain should be subject to a measurement framework. We are firmly of the belief that if ITN did not already exist there would be a need for an “ITN type company” to be created to ensure effective competition and plurality in TV news.

We strongly feel that it is unnecessary and unhelpful to have wholesalers or originators included in a measurement framework as anything produced or created for public consumption by such organisations would be published by a retailer and thus fall under the plurality review at that level.

We must ensure that the creation of a plurality measurement framework does not disrupt the UK's carefully balanced news media landscape and ecology. It is vital that enforcing a stringent framework does not result in breaking up organisations or models fundamental to news provision (and plurality) in the UK.

We note that in the Ofcom consultation document there is a definition that differentiates between wholesale providers and 3rd party providers, such as newswires like Reuters or Press Association. But, Ofcom's consultation document makes a false comparison between ITN and Sky News Radio as two examples of wholesalers. Sky News Radio (IRN) provides the same bulletins to a number of UK commercial radio stations. This is the same voice and the same news being replicated. ITN has a totally different structure, our news programmes are distinct for each client and are not replicated for other clients. If necessary a new category should be created for ITN.

ITN's news programmes are distinct by necessity because this distinction is contractually demanded by our clients. The broadcasters set the editorial spec and regularly assess our remit, setting strategy, tone and audience. Power ultimately rests with the client in prescribing the shape and editorial decisions of the programmes. Having said this, our experienced and skilled teams are trusted to make day-to-day editorial decisions about running order and stories as well as investigations while following impartiality guidelines.

We do not believe that plurality can be assessed without looking at how the editorial direction of each news service is determined. If a company operates numerous different editorially independent news services, as ITN does, then the degree of choice on offer is still significant. However, if one media company did control the majority of the market either through a single service or multiple services that were each *used to promote a single editorial perspective* set by its management or its owners, then this would be a concern from the perspective of the degree of plurality in the market.

The reasons for excluding ITN's role in the news supply chain from the measurement framework and maintaining the necessary components for plural provision of TV news are:

i) Scale is necessary for commercial PSBs to compete with the BBC and Sky in TV news

BBC News Group currently employs around 8,400 people, including around 5,000 journalists, based in London, around the UK and overseas¹. In 2014 it increased the World Service Budget alone from £245 million this year to around £250 million by 2016/17. It has a total budget of around £500m for news and current affairs, which reflects the importance of journalism in its Charter obligations. In comparison, ITV, Channel 4 and Channel 5 spent £83.0m in 2014 on national and international news from ITN (this also includes ITN's provision of ITV London News, and current affairs programmes Tonight and On Assignment but excludes the broadcasters' other spend on regional and breakfast news and other current affairs programming). As the commercial PSB budgets cannot possibly match the BBC or even Sky's resources, ITN plays a vital role as a third-party supplier that enables each broadcaster to contribute to a shared infrastructure and newsgathering resources in order to benefit from cost-effective production of distinctive and different services. Without this scale, PSB broadcasters would have to spend more on infrastructure and less on original newsgathering and production.

ii) News output on ITV, Channel 4 and Channel 5 is highly distinctive and plural despite a single supplier

ITN's broadcaster clients set and regularly assess the editorial specification of the distinctive service provided by ITN to each of them. ITN then produces news to this remit, which differs vastly from ITV News to Channel 4 News to Channel 5 News. With all editorial decisions made by the Editor and programme team in each newsroom rather than a central ITN point, the programmes for each client have different running orders and coverage of individual stories to meet the needs and expectations of the client and the particular audience of the client's channel. For instance, reviewing 22 weeknights during March 2015 shows that on 20 occasions there was a mix of different top stories on ITV News at Ten, Channel 4 News and Channel 5 News at 5pm. On six

¹ <http://www.bbc.co.uk/mediacentre/latestnews/2014/news-plans>

of these evenings each programme led on a completely different story. For example, on March 3, ITV News led on the proposed election Leader Debates, Channel 4 News led on its own immigration investigation and 5 News' top story was the discovery of body parts in the case of murdered teen Becky Watts. There is no cross-ITN position or viewpoint and no ITN 'flavour' for news. We believe strongly that there is more plurality across the services ITN provides for ITV, Channel 4 and Channel 5 than there is across the breadth of all the BBC News outlets and that it is not apparent to viewers that the different services are produced by the same supplier.

iii) The editorial independence of each TV news service is central to the culture of ITN

For each of ITN's TV news services, the editorial decisions are made by individual Programme Editors and News Editors with overall oversight from the Editor or the editor of the day. Whilst there is cross-company information-sharing (particularly on legal matters or health and safety on foreign deployments), the ITV, Channel 4 and Channel 5 newsrooms compete with each other and operate independent of any outside influence.

iv) A supplier such as ITN has responsibility but not power

ITN journalists and editors are focused on delivering the news, explaining world and national events, and holding people to account. However, operating in a highly regulated environment and in a culture of impartial journalism that dates back to 1955, our role is characterised by day-to-day editorial judgements rather than agenda-driven journalism present in all other forms of news media. In the longer-term, any change of direction or editorial focus would be the decision of the broadcaster client not ITN.

v) There is no such thing as a developed competitive market in wholesale for the field of TV news

Broadcasters have a number of alternative options for news provision. They either produce it themselves (as done comprehensively by BBC and Sky, and regionally and at breakfast by ITV), turn to consortia (as with local TV) or they outsource to a TV news specialist for a fixed-term contract that can be renewed or put out to tender (as with ITV, Channel 4 and Channel 5 for national news). This range of options - rather than the existence of a competitive "wholesale" news provision market - provides plurality and competition across the TV news landscape.

vi) PSBs and other broadcasters turn to multiple production companies for current affairs content

ITN, BBC and Sky are the main competitors in the field of national news provision, but the range of producers and originators of current affairs programming is far wider. Production of current affairs spans large in-house production operations at the broadcasters themselves to small independent production companies as well as ITN.

Plurality in TV news is only maintained if there is effective competition and alternatives to the BBC. This is currently the case and is only made possible through the commercial PSBs' investment in national news from ITN, Sky's investment in its rolling Sky News service and through ITV's investment in regional and breakfast news.

- ***Do you agree with our proposed measurement framework for media plurality? What, if anything, should be added to the measurement framework?***

ITN contends that wholesaler or originators should not be included in a measurement framework as anything produced or created for public consumption by such organisations would be published by a retailer and thus fall under the plurality review at that level.

In the proposed measurement framework table (Ofcom measurement framework for media plurality document p16) "availability" is to be assessed at retail and wholesale level to provide "an indication of

the potential for diversity of viewpoints”. Given that we strongly believe there is more distinctiveness and plurality of voice within ITN’s output than, for example, the BBC, we do not agree with this assumption.

We agree that the BBC should be included in any new plurality measurement consultation as the UK’s biggest news provider by size and consumption. However, this inclusion should not be with the purpose to break up parts of the BBC or capping/limiting any of its very legitimate news services that are appreciated by consumers, distinct from commercial competition and sometimes provide services that simply wouldn’t be offered by commercial companies (such as BBC Parliament).

ITN recognises that the BBC fulfils a special and privileged role in the UK’s media landscape and social fabric. While that core role should be protected from being a victim of its own size and success, steps that the BBC may take that go beyond its role and remit should also be monitored as part of a plurality review.

In the past, such ambitions by the BBC have been curtailed by the BBC Trust or the Competition Commission, but this is a role that a periodical measurement framework could also cover. Whilst a plurality review should not result in hindering the BBC in pursuing and excelling in journalistic enterprise, such a review should monitor the impact that the BBC has on the wider news ecology and whether its dominance is used to the detriment of pluralism.

- ***Do you agree with our approach to online content? If not, how could it be improved?***

Any revised measurement framework should include online media. The definition of online should span standalone services such as the Huffington Post right through to extensions of media brands such as Mail Online, BBC Online or indeed the online platforms of ITV News, Channel 4 News and 5 News. However, it must take into account that in a truly plural landscape a service on one platform is not likely to be an adequate or appropriate substitute for another platform. A plethora of opinion-driven and unregulated blogs would not, for example, be a replacement for an impartial, regulated and mass-audience news programme or service. Therefore, any assessment of media plurality should encompass the entire landscape, whilst also measuring plurality in more siloed terms – online, radio, TV, press and publishing – to ensure that there are a range of voices, platforms and services to meet the needs and expectations of a diverse population.

Due to the impact of convergence and dramatic increase in the number of devices and platforms that news content can be accessed on, it makes sense to also assess the role of powerful search engines, aggregators or platforms that can have a disruptive positive or negative affect on making content accessible. As search engines accumulate greater ‘editorial’ power as gateways to content, they can effectively decide which news sources or viewpoints will be most widely read or watched.

- ***Do you agree with our approach to measuring cross-media consumption? Are there other metrics which might better capture cross-media consumption?***

As with many media companies, while our focus is television we distribute our content across multiple platforms to maximise our reach. The way in which we do this and the strategy that informs this is set by our clients. As such, ITV News has its own app and a very strong online website presence while Channel 4 News attracts huge viewing figures online through distribution and sharing on social media.

- ***Do you agree with our approach to measuring impact? If not, how could impact be better captured?***

ITN agrees with Ofcom that the stated importance of a news source is the most useful proxy for impact. It helps people make up their minds/form their own views. Perceived impartiality, reliability and quality, are vital to provide context. We would like to stress that for the overwhelming majority of news consumers their perceived understanding of the impact of a programme – and particularly its impartiality, reliability and quality will be at a retailer level. Therefore this is the key part of the media supply chain that needs to be assessed to measure and ensure plurality. If consumers are asked who they turn to for news and opinion their affinity is with the retail brand not the wholesaler or the originator i.e. Channel 4 News (rather than ITN), The Sun (rather than News UK), LBC (rather than

Global Radio). It would be very difficult using the proposed impact framework to assess impact according to Ofcom's constructed "wholesaler" definition.

- ***Do you agree with the use of contextual factors as part of the framework?***

Context is vital. As made clear previously we feel that ITN's position is unique and its contribution to media plurality should be assessed in the specific context of its position in the UK media landscape as a provider of distinctive news at retailer level.

- ***Do you agree with our approach to measuring plurality in the UK nations? If not, how could plurality in the nations be better measured?***

Audiences must be at the heart of any plurality review – whether in measuring consumption and popularity of news sources and services or whether in assessing which communities and demographics are particularly well-served. Factors could include assessing what news media is consumed by a diversity of geographic, socio-economic and ethnic audiences. Whilst it's well-publicised that some Government initiatives such as Local TV are being implemented to serve local audiences, it would be interesting to see what gaps there may be in reaching and informing a diverse UK population and whether there may be an opportunity for industry or Government to fulfil a particular need.

SUMMARY

ITN welcomes the Government's ambition to assess and measure media plurality to ensure that the British public enjoy a rich and vibrant mix of choice in news media. We are keen to engage in helping form such a framework as we recognise that it will be difficult to decide what to measure and how.

The key points we wish to make are:

- The status quo works well in the field of TV news and indeed must be maintained in its current form to ensure plurality and the wide availability of popular, high-quality and diverse TV news programming
- The only current possible threats to plurality in this sector would be:
 - o the removal of revenue streams and incentives for PSB broadcasters, giving them less opportunity to fund news. A regulatory regime that protects PSB content (such as EPG prominence) and supports the content they provide enables PSBs to invest in TV news and other PSB content;
 - o whether the BBC was left unchecked to diversify into new markets that are well-served by services and innovation from the commercial sector
- There is a danger of unintended consequences arising from a one-size-fits-all plurality framework that may not take into account sector-specific situations and established practice that is necessary to uphold plurality
- ITN's role is essential for commercial PSBs to have the scale to compete with the BBC and Sky – without it there would be a catastrophic decrease in plurality and the quality of TV news.
- ITN is unique in the market as a provider of news to multiple PSBs and there is no like-for-like comparison with other outlets such as Sky News Radio in a "wholesaler" category.
- Any plurality review should focus on the retailer level and take into account search engines and aggregators