



Delyth Jewell MS
Chair of the Senedd's Culture, Communications, Welsh Language, Sport, and International Relations Committee
Senedd Cymru
Bae Caerdydd
CF99 1NA

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Annwyl Chair,

I am writing to respond to the committee's recent report "State of play: Public service broadcasting in Wales". As ever, we were very grateful for the opportunity to give oral evidence to the committee in November 2023, and we appreciate the members' ongoing interest in ITV Cymru Wales and the important role that Public Service Broadcasting plays in Wales.

Public Service Broadcasters are at the heart of the creative economy - boosting the television production sector, creating jobs and nurturing talent all across Wales and the rest of the UK. Together with the ITV Studios company Boom, we are a significant employer here in Wales with some 400 staff operating from various locations across the country, telling Welsh stories for audiences in Wales and across the UK for all the leading broadcasters.

ITV makes a vital contribution to broadcasting and public life in Wales, including providing plurality to the BBC in news and current affairs in both English and in Welsh, and bringing a mass audience to it. We are making huge efforts to serve that audience on air, online and across social media with trusted content which continues to reach substantial proportions of the Welsh population on a daily and weekly basis.

But this contribution should not be taken for granted. We are operating in the most challenging economic environment since the financial crisis of 2008/09. The EBITA of our Media & Entertainment division - the part of ITV which holds our PSB licences, our other TV channels and ITVX - more than halved in 2023. As a result, we have announced a further £30m in cost reduction measures on top of the £150m we have already delivered in recent years.

This challenging context is directly relevant to the sustainability of commercial PSB. Linear advertising revenues - ultimately our key revenue source for funding our PSB obligations - were down 15% last year, driving the decline in EBITA. DTT spectrum has historically been one of the benefits that helps fund PSB obligations like regional production, but changing viewer behaviour and rapidly inflating DTT costs mean this benefit will almost certainly become a cost in the not-too-distant future.

In this context, we are pleased to see the Committee recognising the importance of the Media Bill and in particular Ofcom's role in the event of disputes with platforms. Ofcom's

implementation of the new regime for PSB will be key to its effectiveness, and we have been urging parliamentarians to ensure that a clear mandate is given by the UK Parliament to Ofcom for muscular implementation of the Bill, particularly regarding prominence and dispute resolution, and that Parliament holds Ofcom to account. Only if this is delivered can we be assured that PSBs will achieve the required level of prominence on global online platforms, and that they can strike commercial deals on fair terms with those platforms, at least not undermining the PSBs ability to deliver their remits.

As the Members know, there is a pressing need for legislative reform. Without the changes outlined in the Bill, the future of PSB is at serious risk. Today we compete in a global market which is intensely competitive for both viewing and revenue and where major online platforms increasingly determine what UK audiences see on their TVs. It's not an exaggeration to say that without the Media Bill PSB content will begin to disappear from view on global online platforms.

Another recommendation in the committee's report calls on Ofcom to require ITV to produce a greater proportion of its content in Wales. We recognise that Ofcom's data shows that ITV's spend in Wales in 2022 on network productions meeting Ofcom's demanding criteria for regional productions was low. However, this is a network quota which reflects only part of ITV's overall contribution in Wales (for instance, it takes no account of our nations and news and current affairs output) and so we would welcome the opportunity to inform members about our wider efforts in this area. We would also like to note that an annual snapshot doesn't always reflect the full story in terms of production investment, and that they can differ from year to year.

In terms of ITV's current network productions in Wales, its new crime drama *Out There* starring Martin Clunes is currently being filmed in Wales in association with Creative Wales. *Until I Kill You* is an upcoming drama from World Productions, part of ITV Studios, and is also in association with Creative Wales. And a new six part thriller that is currently being aired on ITV1 & ITVM, *Red Eye*, has been produced by award winning Cardiff based production company Bad Wolf. ITV also works hard to ensure that Wales is regularly represented across the entire schedule, including its Daytime, Entertainment, Reality and Factual programmes. We are also delighted that a Welsh language version of ITV's global, multi-award winning hit TV series *The Voice*, will be produced by Boom Cymru - part of ITV Studios- and will air on S4C in 2025.

We are also pleased to be in current discussions with Creative Wales about facilitating an industry and producer networking day here in Cardiff for some of ITV's key Commissioners to encourage greater collaboration between ITV and the vibrant screen sector in Wales. Continuing to commission from outside of London at scale is important to ITV as it provides the opportunity to inclusively reflect the society within which we all live - that's why we have substantially exceeded our Out of London quota in recent years.

As part of ITV's commitment to deepening its relationships with independent production companies in Wales and across the UK's Nations and regions, we unveiled a new development initiative in September 2023, *Amplify: The Regions*. We're very pleased that Welsh production company *Hello Deer* is one of 5 companies that have been chosen to be

matched with a genre commissioner at ITV, receive a brief and take part in a pitch, with each chosen company given £5,000 to develop potential ideas.

ITV's coverage of sport in Wales should also be highlighted and celebrated in the context of this discussion. Sport is a vital part of Welsh national identity and ITV is proud to play a valuable part in the cultural moments that bring people together. ITV's commitment to and coverage of the Six Nations rugby championship is a clear example of ITV's contribution to Welsh audiences. It's also worth noting that ITV's informal but longstanding arrangement with S4C has allowed them to broadcast live sporting events of global importance through the Welsh language - an unique and vital offering to viewers in Wales.

Together with the programming that ITV Cymru Wales makes and sells to S4C, ITV Cymru Wales also produces programmes outside of its licence commitments for the ITV Network and BBC Wales. In the last 4 years there have been 10 series and programmes from ITV Cymru Wales that have made it on to the ITV network. That doesn't include programmes for BBC Wales, BBC One and BBC Three. In total, over 41 hours of primetime TV made in Wales and seen around the UK has been produced by the ITV Cymru Wales team.

It's also important to highlight the vital contribution ITV makes in Wales in terms of its news provision for audiences in Wales. ITV is the only commercial broadcaster in Wales to provide high quality national news, as well as delivering a range of current affairs and factual content for viewers. Our spend on news and current affairs in Wales costs many millions of pounds each year, part of a huge commitment across ITV Nations & Regions news and over the past 3 years we have invested heavily in news gathering and digital production technology linking up all our operations across the UK.

In 2022, ITV extended its commitment to national and international news and audiences across the UK with the extension of the evening news programme to an hour, with even more focus on reporting from outside of London feeding into the programme, to reflect the whole of the UK. The programme airs directly after ITV's nations and regional news 30 minute programmes made by teams across 18 different ITV regions, including our 6pm ITV Wales news programme. Our dedicated Wales Correspondent Rhys Williams works closely with the team here in Wales to ensure accurate reporting of devolved policy issues.

We hope that the Committee recognises the important contribution ITV Cymru Wales makes to the cultural, economic and political life of Wales, and we very much hope that members can continue to amplify the urgent need to reform the regulatory media framework, ensuring that ITV can play its vital role in the Welsh media landscape for years to come.

Yn gywir,



Phil Henfrey
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