

1. Introduction

1.1 “Thriving and well-funded news media are an important part of any modern society. The better informed we are, the better we can play a full role in democratic processes. Nations, regional and local news media also play a valuable role in representing and reinforcing national and local identities. They help us to understand the communities in which we live, celebrate what is special about our nation or locality, and bring us together in common cause or common understanding.”¹

1.2 The above crystallises the considerable benefits to society of a healthy news media. However, the decline in the newspaper industry in Wales – with circulation of regional print titles declining, titles closing and the subsequent reduction in investment in investigative, political and campaigning journalism – is presenting profound challenges to the sector. The internet and the emergence of social media platforms have brought many benefits for the dissemination of information on a global scale. But whilst there has been a significant growth in usage of news websites (e.g Trinity Mirror’s Wales Online), commercial publishers face substantial challenges in trying to monetise these products. Meanwhile, community or citizen journalism, hyperlocal websites and Local TV stations are yet to gain any significant traction in terms of scale and sustainability.

1.3 In this context, the continued health of the public service broadcasting (PSB) news providers in Wales – commercial ITV and the publicly funded BBC – is critical, ensuring that news and analysis about Welsh issues are given appropriate prominence and weight in a plural broadcasting system. Ofcom research has consistently shown that News “remains the most important PSB genre for audiences”.²

1.4 Moreover, the recent phenomenon of “fake news” adds further weight to the importance of having trusted and universally available PSB news services that attract mass audiences. Operating under the regulatory framework of the Ofcom

¹ *News Where you Are: The Future Role of Nations and Regions TV News in the UK* by Robin Foster and Aileen Dennis 2015

² *Public Service Broadcasting In The Internet Age*, Ofcom 2015

Broadcasting Code, the requirement for balance, accuracy and impartiality has never been more important in helping to serve an informed society.

2. The contribution of ITV News Cymru Wales

2.1 In a weak indigenous news market in Wales, ITV Cymru Wales provides the only national broadcast media alternative to the BBC's news and current affairs. This is delivered free to the viewer and at no direct cost to the taxpayer. ITV Wales' contribution should be seen within the wider context of ITV News – the largest provider of commercial network, nations and regions news in the UK with a total investment of around £100 million a year.

2.2 In recent years, ITV has re-engineered its nations and regions TV news model. New technologies and methods of working have enabled improved coverage with fewer resources. Costs have been reduced, while on-screen output has improved, with more localisation, more multi-skilling, more cameras in the field and faster, more flexible responses to breaking stories. Journalists are equipped with video cameras and laptops, and can film, report and edit in the field before filing stories and reporting live across the 4G network to newsrooms.

2.3 Since 2014 ITV Cymru Wales has been based at our modern HD broadcast centre at Assembly Square in Cardiff Bay – a major multi million pound investment in broadcasting in Wales. We employ around 100 people across news, programmes and operations: journalists, specialist correspondents, editors, producers, presenters, directors, camera operators and other technical staff. Nearly two thirds, 65, are journalists/programme-makers. Growing audience share

2.4 The ITV Wales peak time schedule is one of the most popular in the UK and is growing in reach and impact – this despite the disruptive forces that have been affecting the PSBs over the past decade. This matters because ITV Wales schedules most of its Wales-focussed news and current affairs in prime time, securing the greatest possible audience for news and current affairs programming.

Growing audience share

2.5 We are now in the third year of our ten year Channel 3 licence for Wales³, delivering on the obligations set by Ofcom and so providing a degree of certainty around independent news provision. Budgets for ITV Wales PSB programming – and

³ *The Channel 3 licensees are ITV and STV; they each have obligations to provide regional TV news programming as part of their licences.*

the volume of our PSB production – have remained stable for the last seven years at 286 hours of news and programming each year.

2.6 It is clear that ITV's PSB contribution is valued by viewers in Wales. In 2016, share of viewing (SOV) for our flagship evening news programme, *Wales at Six*, rose to 22.6%, the seventh consecutive year of increase. As well as featuring a mix of news, sport and weather, the programme focuses on the national agenda in Wales, with specialist correspondents covering key devolved policy areas.

2.7. Our politics team, operating from our bureau office in Ty Hywel and Millbank Tower in Westminster, ensures comprehensive coverage of Assembly business and Parliamentary stories affecting Wales.

2.8 Coverage of the General Election (and last year's Welsh Assembly Election and the 2015 General Election) underlines the importance of a strong ITV News Wales dimension to political coverage – including contributions from key Welsh counts to ITV's overnights results programme. *Wales At Six* has demonstrated the contribution it makes to the democratic process by allocating significant time and resources to the campaigns, reporting on crucial issues facing voters, giving extensive coverage to politicians and candidates and engaging audiences in the debate.

2.9 In addition to general election coverage, major news stories covered in 2017 to date include: an exclusive on the Ford engine plant; detailed coverage of the winter crisis in Welsh health care; special reports looking at life in the South Wales Valleys; a series of reports linked to Mental Health Awareness Week. Our close connection with ITN enables collaboration on coverage of Welsh stories on ITV's network news programmes.

2.10 Our regular "In Focus" strand within *Wales At Six* dedicates considerable time to investigative reporting. Recent investigations include the rise in male suicides, gambling addiction, and the cell detention of mental health sufferers. The strand has increased our audience involvement, offering opportunities for viewers to shape coverage.

2.11 Our daily news output also includes early (in *Good Morning Britain*), lunchtime and weekend bulletins. Our Sunday morning show, *Newsweek Wales*, features a popular mix of news, features and informed guests. We have a North Wales team based in our Colwyn Bay bureau and reporters based in key locations around the

country. Our news satellite trucks (one in the south and one in the north) are able to send live pictures from whichever part of the country a big story breaks.

2.12 In 2016, a device called Live U was rolled out across ITV News. This is a small portable piece of technology (the size of bag of sugar) that allows reporters to broadcast live from any location where there is 3G,4G or wifi coverage. Live U has added enormously to our live capabilities due to its size and portability.

2.13 Our contribution to journalism in Wales extends beyond the scheduled news with our current affairs provision allowing the space to treat subjects in depth. *Wales This Week*, our leading current affairs brand, had been exposing the big and hidden issues affecting Wales for more than 30 years. An edition on assisted suicide won the scoop of the year award for correspondent Rob Osborne – also named journalist of the year – at the Wales Media Awards 2017. Our weekly politics show *Sharp End* provides lively and accessible coverage of Welsh politics from the Welsh Assembly and Westminster.

2.14 We also provide plurality in Welsh language current affairs through the programming we make for S4C. Award-winning brand *Y Byd Ar Bedwar* has been investigating national and international stories for more than 30 years; we are producing 21 editions for the channel in 2017. *Hacio*, our current affairs programme for young people, has been praised for giving a voice to the younger generation. A special *Hacio* debate and a three-part series *Y Ras i 10 Downing Street* are part of S4C's coverage of General Election 2017.

Digital news service

2.15 The ITV News Wales website provides an up-to-the-minute rolling digital news service across multiple platforms – from desktop to mobile. The website adds further plurality to national online news provision for Wales alongside BBC Wales' news website and Trinity Mirror's Wales Online. We have a "reputation versus reach" strategy in the sense that we are not primarily dependent on the number of clicks received – rather, on the values of trust, accuracy and impartiality that come from our status as a PSB in the digital space. Our distinctive offering reaches more people and brings new audiences to PSB news. Our digital news reaches a younger audience than television, whilst using platforms such as Facebook has dramatically expanded the reach of our news video content. There were more than 5m video views on our Facebook page in 2016; we also have more than 130,000 likes on Facebook.

2.16 There is further potential to develop the news website. This does not mean competing directly with local newspaper websites or hyperlocal sites, both of which offer different and more localised consumer propositions. But it does mean building on the core regional strengths of the existing news programme – high quality video, on-the-spot reporting, well known presenters and correspondents etc – to enhance the overall quality and range of services.

Investing in the future

2.17 ITV Cymru Wales is active in recruiting the next generation of broadcast journalists in Wales. We provide placement opportunities to students from various colleges and universities in Wales and we also offer apprenticeships in technical and administrative disciplines.

2.18 We are collaborating with Eastern High School in Cardiff under the “Business Class” initiative. This supports the aspirations and attainment of pupils and enables projects beneficial to ITV by giving insights into how we can further reach and interest the younger generation in public service broadcasting news and its consumption in the future.

Diversity

2.19 An important part of our role is to reflect the diversity of modern Wales. We monitor the diversity of our on-screen portrayal and feed findings to the news teams so that colleagues are aware of where we need to make improvements. We are currently working with Race Equality Cymru to provide media training for 40 volunteers from diverse communities across Wales. The aim of this is to increase the pool of community voices who are confident about expressing their views on television.

2.20 We’re active in the “Breaking Into News” initiative, aimed at giving aspiring journalists the opportunity to be mentored by some of our on-screen journalists and to produce news packages. A new cohort of young people will be invited to take part in our ongoing “Open Newsrooms” event for those wishing to pursue a career in television news.

3. Future challenges

3.1 Clearly, ITV News in Wales has an important role to play in sustaining range and depth of news coverage and ensuring that a diversity of voices continues to be

heard. We believe that our provision, alongside that of BBC Wales News, serves the Welsh public well in terms of competition, choice and plurality of perspective.

3.2 However, commercial realities must be acknowledged. For ITV, nations and regions news represents a significant cost, given the need to produce and transmit over 20 different programmes in parallel. As Foster and Dennis make clear in their report, “a purely commercially motivated broadcaster would be highly unlikely to commit substantial resources to regional news”.⁴

3.3 To secure the future of nations and regions news, and for the future of plurality of supply, ITV believes it will be important to maintain the favourable broadcasting framework which has helped to support it so far. Two things need to be addressed by the UK Government on the policy/regulatory front:

- First, action is needed to continue to secure those measures which help specifically compensate ITV for the costs of fulfilling PSB licence obligations, including nations and regions news. This includes continued access to sufficient radio spectrum to guarantee universal digital transmission of the main Channel 3 broadcast services, and future-proofing the appropriate prominence of the main PSB channels on electronic programme guides (EPGs) and other content access interfaces.
- Second, to ensure that the broadcasting framework continues to give ITV a fair chance to make a reasonable return on its unique investment in high levels of UK original content. This will secure the long term strength of Channel 3, based around a mass audience channel with high levels of investment in original free-to-air UK content. A key policy focus should be the economic balance between Public Service Broadcasters and platforms.

3.4 We hope our submission will be helpful to inform the Committee’s thinking. The contribution of ITV Wales News is at its best when it is a part of a vibrant, plural ecosystem of news sources. On its own, it cannot be expected to cover everything. We do not have the space to cover the minutiae of local council business. We cannot provide the degree of local relevance delivered by hyperlocal online sites. Also, by its nature, as Foster and Dennis point out, ITV nations and regions news has less impact in the area of campaigning. This is partly due to the

⁴ *News Where you Are: The Future Role of Nations and Regions TV News in the UK* by Robin Foster and Aileen Dennis 2015

regulatory framework within which we operate, which requires balance and impartiality.

3.5 But we can and do report on the big national and local issues of the day and help engender a wider sense of national identity via the mass audience channel and trusted brand that is ITV. Finding lasting solutions to the economic challenges facing the newspaper and online media sector here will be difficult. The PSB news services have traditionally been enriched by competition from other news media and as sources for ideas and new talent. As such, their decline has implications for ITV Cymru Wales – particularly when it comes to developing new talent and new voices. What remains clear is that the value of having a sustainable commercial news PSB in Wales is increasingly vital.