

1  
2  
3 **COMPETITION AND MARKETS AUTHORITY**  
4 **21ST CENTURY FOX / SKY MERGER INQUIRY**  
5  
6

7 **Notes of a hearing with ITN**  
8 **held at Victoria House, Southampton Row, WC1B 4AD**  
9 **on 30 October 2017**  
10

11  
12 *PRESENT:*  
13

14 **FOR THE COMPETITION AND MARKETS AUTHORITY**

15 Anne Lambert - Chair  
16 John Krumins - Panel Member  
17 Tim Tutton - Panel Member  
18 Sarah Chambers - Panel Member  
19

20  
21 **FOR THE STAFF**

22 Joel Bamford - Project Director  
23 David Du Parc Braham - Assistant Project Director  
24 Terry Ridout - Economics Advisor  
25 Tim Capel - Legal Director  
26 Timothy Ker - Legal Adviser  
27 Rafia Saif - Project Officer  
28

29  
30 **FOR ITN**

31 John Hardie - CEO  
32 Sarah Vaughan-Brown - Director of Corporate Communications  
33 Laura Roberts - Head of Press and Public Affairs  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43

44 Digital Transcription by WordWave International Ltd trading as DTI  
45 8<sup>th</sup> Floor 165 Fleet Street London EC4A 2DY  
46 Tel No: 0207 404 1400 4043 Fax No: 0207 404 1424  
47 Email: [ukclient@dtiglobal.eu](mailto:ukclient@dtiglobal.eu)  
48  
49

1 THE CHAIR: Well, firstly thank you very much for coming in. Let us start by the  
2 introductions. You have before you a mix of the Inquiry Group and staff. All  
3 four members of the Inquiry Group.  
4 I am Anne Lambert, the Chair of the Group.  
5 Q. (Mr Krumins) John Krumins, one of the Panel members.  
6 Q. (Mr Tutton) Tim Tutton.  
7 Q. (Ms Chambers) Sarah Chambers.  
8 THE CHAIR: And then we have the staff team led by Joel.  
9 Q. (Mr Bamford) I am Joel Bamford, the Project Director. As Anne said, I lead the  
10 staff team.  
11 Q. (Mr Du Parc Braham) I am David Du Parc Braham. I am the Assistant Director.  
12 Q. (Mr Ridout) I am Terry Ridout. I am an economist.  
13 Q. (Mr Capel) I am Tim Capel. I am a legal director.  
14 THE CHAIR: Before we start, perhaps I will just say a few words to set this hearing in  
15 context. As I am sure you know, the transaction which is for 100 per cent of the  
16 shares of Sky has been referred to us to look at two public-interest  
17 considerations. Firstly, media plurality, and, secondly, broadcasting standards.  
18 We have published an administrative timetable, and we have also published an  
19 issue statement, which I am sure your lawyers have read, or your colleagues  
20 have read too.  
21 The aim of this hearing is to explore issues related to those two public-interest  
22 considerations, in particular whether the transaction will result in a reduction of  
23 media plurality, and whether the merged entity would have - and I quote the  
24 law - "a genuine commitment to broadcasting standards".  
25

1 A few formalities I also have to go through. We have previously sent you  
2 information on our procedures at hearings and about our treatment of evidence.  
3 We are taking a transcript of this hearing, and we would intend to publish a  
4 version of the transcript on our website, but we obviously give you an  
5 opportunity to review for accuracy beforehand. If you would like to either add  
6 or amend the evidence you give today, we would ask you do this not by  
7 amending the transcript, but by putting it in a separate letter.

8 I have to remind you, as I remind everyone, that it is a criminal offence, under  
9 Section 117 of the Enterprise Act 2002, to provide false or misleading  
10 information to the CMA at any time, including at this hearing.

11 Before we begin, do you have any questions and do you want to say anything?

12 A. (Mr Hardie) No, I have no opening statement. I am happy just to take your  
13 questions.

14 Q. Fine. We will ask Joel to start.

15 Q. (Mr Bamford) We have a number of topics we would like to cover. Firstly, one  
16 of the key points that has been put throughout this inquiry, and more generally  
17 in the media, is obviously a changing media landscape, driven by a rise and  
18 proliferation of online news. I wondered if you could talk through ITN's role in  
19 the media as it relates to the online space, and how you see yourselves  
20 positioning in that space.

21 A. (Mr Hardie) ITN, actually, in its history, was one of the early adopters of  
22 providing news online, as far back as 20 years ago, and in its time has tried to  
23 establish whether online news, in some sense, is like an independent business  
24 for ITN, taking news directly to consumers. And we have concluded that it really  
25 is not.

1 Our principle interest in online news is in supplying the news product services  
2 to our clients, in this case ITV, Channel 4 and Channel 5. So we have set about  
3 the task of becoming expert in providing the extension, if you like, of those news  
4 services online. So in that regard, this is simply an extension, as you  
5 characterise it, of wholesale provision of news to those clients.

6 Q. (Mr Bamford) Do you see that provision for your clients as providing something  
7 different to what you would provide them for them to use in the standard  
8 broadcast channel?

9 A. (Mr Hardie) It is different, but tailored for the specific environment of online.  
10 Particularly for targeted at mobile devices and through social media.

11 So if I just take the very current example is we have been particularly successful  
12 on Channel 4 News in the last few years, and deliberately so. Our client,  
13 Channel 4, decided a few years ago that in order to fully meet their remit, and  
14 to deliver news audiences among younger consumers, that it was very  
15 important to do that digitally.

16 Now, we were running a Channel 4 News website at the time, as we did now,  
17 and it was well regarded, but not very well viewed. Back then, before the advent  
18 of social media and mobile, the kind of websites that were created as adjuncts  
19 to ITV News, Channel 4 News, Channel 5 News were dwarfed by the larger  
20 websites, like BBC or MailOnline or The Guardian or whatever. And so simply  
21 by providing versions of the television news on to a website really was not  
22 having much of an impact.

23 So in order to really take Channel 4 News to a wider and a younger audience,  
24 we completely rebuilt a team and our capability to largely work through social  
25 media. And numbers are something like - since we started doing that, the

1 aggregate video views on Facebook for Channel 4 News is something like  
2 2 billion in the last two years.<sup>1</sup> The last time I looked, more views of Facebook  
3 than the BBC, ten times the level of view of something like Vice News. So  
4 typically, on a day where the Channel 4 News television programme may have  
5 an average audience, a simple number, say around 700,000, we may get as  
6 many as 5 million more that same day through Facebook.

7 The product itself is still essentially a Channel 4 News product. This is what we  
8 call "high-fibre content", but packaged in a different way, so it works better for  
9 that Facebook audience. So to be clear, what we do not do is say the  
10 consumers of Facebook and social media are looking for a different product.  
11 We do not curate general-interest news and package it up. This is not - excuse  
12 me for being light hearted - about skateboarding cats. This is high-fibre  
13 material.

14 Our biggest audiences have been the likes of material that we have shot in  
15 Syria and Aleppo and in some of the toughest zones in the world; high-fibre  
16 very serious content created originally for television. But then it is repackaged  
17 for shorter - say, a two-minute video. It is cut in a different way.

18 There are different things that work better in that environment. And actually,  
19 Channel 4 News pioneered the use of subtitling on Facebook, which is now so  
20 common, you almost take it for granted. But the simple insight there was a lot  
21 of people are accessing this on their mobile devices, and they are not plugging  
22 in often, as they are on public transport. They are just simply looking at  
23 something. And therefore you grab them instantly if you actually subtitle the  
24 segment.

---

<sup>1</sup> Correction provided by ITN following review of the draft transcript.

1 And also the way it was edited might be, rather than - this is a general  
2 example - in an 11-minute piece of Channel 4 News, let us say, from Aleppo,  
3 we might start with an establishing shot of a war-torn land filmed by a drone,  
4 and you can slowly get into it. Whereas with that, in the world of online, you  
5 want to establish - get to the heart of the story, and the human interest, so we  
6 will more likely start with, say, a closeup of a victim or about the carnage over  
7 there.

8 So more of those things have been learned to really find an audience and how  
9 to post things to support and make this content viral. But, essentially, the  
10 content is content we would create for Channel 4 News, but just repurposed in  
11 a way to get a larger audience.

12 Q. (Mr Bamford) So in repurposing and re-cutting to fit the audience and the way  
13 they are interacting with it, is there a change in the editorial layout? So if you  
14 take the broadcast news, you will have a running order, for example. Would it  
15 be the same type of push on social media or the same set-up that you have  
16 within the website as you would have for evening news?

17 A. (Mr Hardie) It is largely the same. It is largely the same, but the online team  
18 will take a look at it every day about what the raw material is coming in from  
19 various places, what stories are being pursued. They will put more emphasis  
20 on those things which they will believe are likely to get a broader audience. But  
21 as I say, it is as much to do with international news as anything, than say the  
22 entertainment world. So there might be a slightly different emphasis on those  
23 things, but not in an entirely different agenda. So it is not as if - because the  
24 online team is embedded within the Channel 4 newsroom, as is ITV News, as  
25 is the small team who work on Channel 5, so they are very much integrated to

1 the editorial prospects of the day. It is not a separate team in a separate place  
2 just pursuing a digital world. So, by and large, not only the content, but the  
3 order of priority is pretty much the same for the main programme.

4 Q. (Mr Bamford) How does that work in something like social media, where the  
5 story will be engaged with, potentially, as a single story, rather than as a suite  
6 of products?

7 A. (Mr Hardie) Sorry, can you just clarify?

8 Q. (Mr Bamford) So for example you have the running order on TV, you have a  
9 webpage setting out the stories in a particular way. Whereas often, we have  
10 heard so far, social media will be an individual story that is picked up by  
11 somebody or shared by somebody and seen on an individual basis, rather than  
12 across a suite of stories. How would Channel 4 News try to promote or make  
13 one story more impactful than another?

14 A. (Mr Hardie) Well, among the metrics we have been looking at are those people  
15 who like our page. We started off by saying we have to find a way that Channel  
16 4 News, in that case, and others effortlessly appear on your device, as if by  
17 magic, because it is recommended by friends and so forth. But what we are  
18 trying to do all the time is to get people to like it so that all the stories are  
19 appearing on your newsfeed. So we very much measure that.

20 Once you like it, of course, the chances are you are seeing it in the course of  
21 the day maybe ten posts from Channel 4 News appearing. Of course you can  
22 link and see more items, if you click, but what we expect is that, in the course  
23 of the day, somebody is just checking in in the newsfeed on a regular enough  
24 basis that they may see three or four of five stories from Channel 4 News on  
25 that single day.

1 Q. (Mr Bamford) Have you found that there are particular stories which are picked  
2 up online through social media but do not necessarily have the same viewership  
3 through the website, or even through the TV?

4 A. (Mr Hardie) Well, let me take some examples. I mean, we sometimes - what  
5 we have, I think, discovered new is that in order to really appeal to the younger  
6 social-media audience, you behave in a way as if you are speaking to a  
7 worldwide audience. So while the television programme is obviously, by  
8 definition, very much focused on a UK audience, we behave in a way that is  
9 likely to attract an international audience.

10 And so sometimes what we find is that an item which has appeared on, again,  
11 in this case, Channel 4 News, but it could be examples on ITV News - let us  
12 say - we are doing a piece tonight about the Rohingya  
13 tragedy - Jonathan Miller, our correspondent over there has been following  
14 it - what we will find when we do international pieces like that, the diaspora  
15 around the world of people that will then see it, all over the world. If we do a  
16 story about Sri Lanka or a story about drug cartels in Mexico, or whatever, is  
17 you get much more of that diaspora effect, and that has been an interesting  
18 thing.

19 But other than that - and then sometimes you see, for reasons that  
20 sometimes - what appears to us as a story that was straightforward on  
21 television gets a massive audience. So a good example would be  
22 Alex Thompson - one Sunday, our correspondent Alex Thompson was  
23 anchoring and he interviewed a senior executive of - was it Google of  
24 Microsoft? - who had written a book after the death of his son about happiness.  
25 It seemed a straightforward little human-interest piece. Forty million people

1 saw that on Facebook. It was just it took on a life of its own, a straightforward  
2 piece.

3 So, yeah, sometimes there is some asymmetry between what appears to us to  
4 be the biggest news stories of the day and the audience out there. But I think  
5 there is more commonality than there is difference in it.

6 Q. (Mr Bamford) Can you talk, primarily using Channel 4 examples, particularly  
7 around the highlighting of the younger audience targeting. How do you see it  
8 differently for ITV, for Channel 5?

9 A. (Mr Hardie) It is pretty much the same. I think in ITV News, the move from  
10 website to - it was a slightly different story a few years ago. We moved from  
11 just having a website to a much more emphasis on rolling news and breaking  
12 news, and that was very successful for ITV News online about four or five years  
13 ago.

14 More recently, we are moving ahead - we are also doing a lot more Facebook  
15 and social media posting there too. And actually, in the last year, we have  
16 brought in the former editor-in-chief of Huffington Post to head up - it is  
17 Stephen Hull - ITV News. So we are continuing to evolve.

18 It is not single-mindedly targeted at a younger audience, but we know  
19 particularly that we are more likely to get a larger audience among younger  
20 people online. But you can be too black-and-white about these things. I mean,  
21 many people of my age and older are very active on social media too.

22 But what is the same is that the editorial direction is the same. The strategy,  
23 the editorial strategy for what we do for our online services, is the very same as  
24 it is for the TV services. ITV might be slightly more interested in curating other  
25 information, other news stories around, than, say, Channel 4 News, but the

1 emphasis is very much on heartland ITV News journalism.

2 Q. (Mr Krumins) You have moved between specific channel examples and used  
3 the word "we". Could you perhaps, just for our benefit, explain what is common,  
4 what is executed commonly, across all the contracts you have? Then what is  
5 bespoke or dedicated, where you have individual clients? It is unclear in my  
6 mind if these three news channels are operating independently, oblivious of  
7 each other, with their own news gathering, or if there is a common news  
8 gathering platform, and they just have dedicated editorial.

9 A. (Mr Hardie) It is the former of those. So while - when I say "we", in my position,  
10 I sit across everything ITN does, so I am using the "we" not in the royal "we" in  
11 that terms, but in terms of ITN.

12 In terms of what I am describing is very much bespoke and dedicated to each  
13 channel. So there are common services in ITN, and so as you saw the way we  
14 work out some of the finances, the shared services add up to about [X] in costs  
15 across ITN. And that includes technical operations, human resources, legal  
16 support and so forth. And so one of the things that ITN does is make sure that,  
17 if you like, a lot of the infrastructure of making news and supporting news has  
18 a common base. But the editorial decisions and the newsgathering is all  
19 independent. Let me be a bit more specific.

20 There is some picture sharing that we do, and actually there is some picture  
21 sharing that ITN does with Sky and ITV. We will pool pictures. We will often  
22 send one camera, if it is a standard thing, like the Prime Minister speaking at a  
23 certain event; we will send one camera and use those pictures. But most of  
24 what we do, including what we do digitally, are dedicated staff doing it for those  
25 individual services.

1 So it works, as we have contracts with each of those clients. Each of those  
2 contracts has a detailed editorial specification, and the job of the editor is to  
3 fulfil that editorial specifically each day independently.

4 The clients know that they benefit from the shared services of ITN and so there  
5 is - there is co-operation in those things, but it stops at the point of enterprising  
6 journalism. So I have sometimes used - maybe for an economist,  
7 incorrectly - the ice-cream shop analogy on the beach. You put an ice-cream  
8 shop or booth on a beach, and the next place you put it is right next to ... The  
9 competition that we create internally allows these services, I think, to compete  
10 even better with the likes of the BBC. Sometimes I think the competition among  
11 my own services is far greater than the competition they feel towards the BBC,  
12 although the BBC really is meant to be the greater competition.

13 So, to your point, I will say a wee bit about the digital services. Channel 4 has  
14 its own digital team entirely dedicated to Channel 4, as does ITV, and  
15 Channel 5, much smaller. And so it is not that there is a common base of digital  
16 experts feeding these different services. They are entirely dedicated and  
17 bespoke to each.

18 The vast majority of the journalism and news gathering we do is dedicated to  
19 each of these services, and the commonality is only about what we call more  
20 generic picture sharing from time to time.

21 Q. (Mr Tutton) In terms of foreign news desks, or whatever, is there any sharing  
22 at that level?

23 A. (Mr Hardie) So we have a bureau in Washington, which both ITV and Channel  
24 4 News can use the facilities there, but that site, each service has completely  
25 independent foreign editors, foreign correspondents, and they have their own

1 contacts; so they each have their own fixers and people working around the  
2 world that they use to access those stories.

3 So what is common is we work very much closely together in areas of safety,  
4 so that we have, you know, experts in safety high-risk environment planning.  
5 We work across all our services, so that our people in any part of the world, if  
6 they are going into, today it may be Kenya reporting on the elections there, it  
7 could be in Burma, it could be anywhere at all, is there is a maximum sharing  
8 of anything that could impact on safety. But the journalism is all completely  
9 separate.

10 Q. (Mr Tutton) So if for instance you were to win a completely new contract to  
11 provide a wholesale news service to someone, even though it might take people  
12 from - you would be setting up a new operation.

13 A. (Mr Hardie) Absolutely. They really are really quite separate. I know it is  
14 curious. If you come to our building, we have three newsrooms and three news  
15 studios. And as I say, there is co-operation on those things that can be co-  
16 operated on, but the journalism is entirely separate. So any of our contracts  
17 details the personnel, from editor down, are entirely dedicated.

18 So, I mean, I think in the distant history of ITN, there was maybe a time where  
19 a correspondent might be able to work between, but that does not happen at  
20 all now. Not at all.

21 THE CHAIR: So, for example, in Kenya, you would have three correspondents out  
22 there.

23 A. (Mr Hardie) Well, actually each news service will just decide whether or not  
24 and how it is going to cover it. I mean, so in the last few days we have had  
25 Lindsey Hilum from Channel 4 News has been over there and we have got

1 Jonathan Miller over doing Rohingya, but we have not had an ITV news crew.  
2 We have got a couple of ITV news crews in Barcelona covering the aftermath  
3 there.

4 They make their own decisions about just how many resources they put into  
5 these individual stories around the world. And sometimes they are there at  
6 different times. So as we were pursuing the story about the final assault on  
7 Raqqa, our newsrooms were going at entirely different times under different  
8 auspices to cover that story.

9 Q. (Mr Krumins) Just to build on that point then. A number of submissions to us  
10 have focused on scale, and the scale of references that various entities achieve  
11 under the Ofcom analysis. The point is made that ITN has a 10 per cent share  
12 of reference and that it is much, much bigger than Sky News. Is that the correct  
13 interpretation that we should have, that you are much, much bigger than Sky  
14 News? Because presumably any one of your individual contracts would be  
15 smaller than Sky News.

16 A. (Mr Hardie) I think that the way we look at it, in terms of scale, is clearly we do  
17 not actually - we do not see ourselves, as we have said, so much in competition  
18 with Sky News, because we have much larger audiences. The services we  
19 provide have larger audiences because they are bulletins on major platforms.  
20 So the individual audience of Sky News may peak at, I do not know, 70,000  
21 viewers in the course of the day at any one time? Its reach across the day in  
22 aggregate will build. Whereas the smallest of our services on Channel 5 News,  
23 the 5.00 pm news will, say, have 0.5 million people watching, and the 6.30 pm  
24 news with ITV, which is the largest commercial news programme, maybe  
25 3.5 million viewers watching that. Therefore the services that we provide clearly

1 have larger audiences than Sky News.

2 The scale that we have is in the shared - because of the shared resources and  
3 the time we have been doing this, we are able, as it were, to support each of  
4 those three services far more cost-effectively than they could support  
5 themselves, precisely because we do have the ability to aggregate those things  
6 that can be aggregated.

7 I do not think that should be read as saying that ITN therefore has, in some  
8 sense, power. And that is because each of the services has a completely  
9 separate editorial mandate that is determined by the client, answerable to that  
10 client at any time. So there is no kind of common ITN voice or ideology which  
11 goes across these services.

12 Our business is a business as a television production company which  
13 specialises in journalism and has a history in television news, but is entirely  
14 about supplying - it is client servicing and supplying the service that those  
15 clients need for themselves.

16 So while I recognise that taken together the ITN services that we provide add  
17 up to that number that you say, to be honest there is only a positive impact of  
18 the fact that by providing all three of those services, we are able to apply those  
19 efficiencies to the likes of ITV, because they are dwarfed by the BBC. We do  
20 see a major competition for our clients are the BBC bulletins on BBC1 and  
21 BBC2 for Newsnight. And that is a vastly greater resourced journalistic  
22 organisation.

23 Again, this is a number we do not want to get into the public domain, but if our  
24 total costs of operating those three services is about[~~£~~], it is [~~£~~]revenue, if we  
25 include our management fee, it is less than the BBC spends on online alone.

1 We are vastly outgunned by the size of that.

2 So that is where the role of the scale comes into play, in so far as that allows  
3 us to supply services far more cost effectively to each of those operations,  
4 which have to bring high-quality news as part of their licence obligations.

5 Q. (Mr Krumins) If we just take that theme one step further forward. I understand  
6 in the traditional way that ITN was set up, and the traditional concept of  
7 channels, you were a structured appointment news service on terrestrial  
8 channels. Sky, the 24-hour rolling news, the audience profile is very different.  
9 So in that competition, clearly you are facing different ways.

10 However, online is where most of the action is now. Are you saying you are not  
11 in competition with them in the online market as well, particularly in terms of  
12 attracting that younger demographic, which is drifting away from print and TV  
13 news?

14 A. (Mr Hardie) First of all, just before I answer your question directly, is just to say  
15 in passing, do not underestimate the impact of bulletin. By far the most watched  
16 television news programmes in this country - by far - are the bulletins on BBC,  
17 ITV, Channel 4 and Channel 5. Arguably, far and away the greater impact in  
18 terms of awareness of what is going on than 24-hour news, either BBC or Sky  
19 News in that regard.

20 But yes, of course, the online and digital has changed things dramatically. What  
21 we do not see is that there is a limited pie of viewing online, and viewers either  
22 choose between Sky News online or Channel 4 News online, or whatever.  
23 Obviously there is a vast amount of material out there, and particularly when  
24 you consider social media, it is not even just about the Sky News or BBC; it is  
25 everything that is appearing on social media.

1 So we do not see it as a kind of like a trench warfare of market share that we  
2 advance in social media at the detriment of Sky News or BBC News or  
3 whatever. We are simply out there trying to get as many people as possible  
4 seeing our journalism as it appears on online media.

5 So to your point about competition. No, I do not think we do think that Sky  
6 News is competition; that people are choosing to watch Sky News online rather  
7 than watch - and of course I am talking really here about social media,  
8 YouTube, Facebook, as opposed to destination websites. That may be  
9 somewhat different. So I do not think that the pie is that limited, and in fact it is  
10 growing so quickly that what we see is far greater potential, and we see a limit  
11 to the ability to expand our news online.

12 Q. (Mr Krumins) One step further on from that, does it matter to you then who  
13 owns and controls Sky News? Does that impact your strategy or influence the  
14 way that you go to the market if that were owned by any newspaper group?

15 A. (Mr Hardie) Again, we do not see Sky News as being competition. I think with  
16 regards the ownership - and I think as we have said - we see no reason to differ  
17 from the opinion of Ofcom in regard to that. So as ITN, we do not see a reason  
18 for it on self-interest to be concerned about the proposed changeover of control  
19 or ownership of Sky News.

20 Actually, what we would say is, we think what is important is that Sky News  
21 continues. We respect Sky News as an organisation and their output. We think  
22 that they supply very important pluralism, compared to the BBC 24 News. They  
23 are both excellent news organisations. Sky News is a little different. If Sky  
24 News was not here, I think we would miss it. I think we would be poorer for it.  
25 So I think that the most important thing is can we be confident that Sky News

1 will continue to be a well-funded operation long into the future?

2 And I am sure we will come to it, but given that we also work with them, quite  
3 rightly in a very tightly regulated environment, I think we would be confident that  
4 Sky News will continue to be a high-quality - or we should satisfy ourselves that  
5 Sky News will continue to be a well-funded and high-quality news organisation  
6 and feel confident that it will continue to be duly impartial, fair and accurate as  
7 they are today.

8 Q. (Mr Krumins) The concern that we were asked to address is that under the  
9 100 per cent control of 21st Century Fox, they would not have that kind of  
10 commitment to broadcasting standards, and/or there would be a loss of plurality  
11 in the system.

12 A. (Mr Hardie) On the first question of broadcasting standards, I also think that if  
13 we have the time we can come up with the analysis again that Ofcom provided,  
14 that we do not disagree with that at all, that we do not see - we do not agree  
15 that there is an obvious issue in terms of the broadcasting standards that would  
16 be negatively affected by the ownership of 21st Century Fox, and if we thought  
17 so, we would say so.

18 In terms of pluralism, again, I think what is important is that Sky News continues  
19 to be well funded, as opposed to - I mean, I suppose as an environment where  
20 we would not want to be the case is that, for any reason, BSkyB withdrew its  
21 commitment to Sky News. And there is nothing they have ever said that has  
22 hinted at all that there is any circumstance in which they would like to, would  
23 even consider doing that; seems to me that Sky News is regarded by BSkyB as  
24 an important brand leader for the Sky brand, and so there are good business  
25 reasons why Sky News continues to exist.

1 So we have not reached the conclusion to be concerned about this, from either  
2 pluralism or from a broadcasting standards point of view.

3 Q. (Mr Bamford) To come back to the editorial across the three contracts that you  
4 have, is there any connection between the three editorial teams, apart from  
5 yourself?

6 A. (Mr Hardie) There is co-operation. So maybe if I describe the process.

7 Every morning at 10.00 am, I chair a cross-company editorial meeting, where  
8 we have representatives from ITV, Channel 4, Channel 5, ITV News London,  
9 ITN Productions, safety, legal support, operations. That is a very short meeting  
10 in which the prospects of the day are reviewed and the context is, what do we  
11 need to do to make sure it is happening and so that the operational needs are  
12 met?

13 And so questions may come up about how are we covering - the use of satellite  
14 trucks or connectivity, or anything like that from an operational point of view.  
15 Have there been any issues the day before? So I am there to make sure that  
16 people are supported in the newsrooms and things are happening properly.  
17 Are there any legal or compliance issues that are arising? Is there anything  
18 that is going on in significant court cases, or anything else that we need to  
19 consider? And that the lawyer in the room can say, "We need to watch out for  
20 these things". That is a ten-minute meeting.

21 Q. (Mr Tutton) Just on that point. Say you have a story running which was in a  
22 sort of slightly risky area of the world, and you decided, for safety reasons, one  
23 team will be fine. For whatever reason you keep them, but you do not want to  
24 risk each providing. How would that work then? If the Channel 4 team already  
25 had an expertise in this area, they knew the scene, they were the best capable

1 of taking care of themselves, would they provide a service to the other two?

2 A. (Mr Hardie) No. No. If we deploy a team and if any of the services uses their  
3 resources to deploy a team to somewhere that others do not, they will not report  
4 for them. I mean, we do have an extent of picture sharing which goes on in co-  
5 operation, and there are certain rules that apply in practice. So there is certain  
6 pictures that we designate as utterly exclusive, so you must not use those until  
7 the originating news service has done them. There is others we will say, "You  
8 can use them, but afterwards. Then you are free to use them, then others you  
9 can use them straightaway". We have all kinds of - but it would never be the  
10 case where we would say, "We have deployed a team ..." I would never say,  
11 "This place is too risky. We will only deploy one team". Each news service will  
12 make its decision.

13 Well in advance of deployment, we will plan what is called "red risk assessment"  
14 about all the aspects of going into a particular area. The standards that we  
15 apply to determining safety are absolutely common across all businesses, and  
16 they are common across in the newsroom. And actually they are also common  
17 for any freelancer out there who wants to support us. So we would not ask or  
18 encourage or even condone freelancers around the world to take more risks  
19 than we would have our own people take, although it is not the case that we  
20 will say, "We will send one team to cover all ITN's needs".

21 Q. (Mr Tutton) A very small point. Say you had a Channel 4 team in one part of  
22 the world, it will be quite conceivable that ITV might take stuff from Reuters or  
23 some other news-agency source who also had a presence there, rather than ...

24 A. (Mr Hardie) Well, we do use agencies. We use APTN across the organisation,  
25 and in some places we use Reuters. So we will always use good pictures.

1 Because the nature of those deals is "all you can eat", so you are not paying  
2 on an individual basis. So therefore anytime that our agencies have pictures,  
3 the good pictures from any part of the world, we are quite likely to use them.

4 And as I say, if one of our teams has some pictures, once they have used them  
5 themselves exclusively, it may be that they then appear on one of our other  
6 services.

7 Q. (Mr Tutton) The only reason I bring it up partly is because one of the things  
8 one is usually interested in any of this, whether you call it competition or plurality  
9 or whatever, is what are the fixed costs in the operation and to what extent ...?

10 In a sense, what you are saying, although there is some sharing, in the areas  
11 you have specified, in terms of what we would refer to as wholesale news  
12 delivery, by and large, is standalone operations between ...

13 A. (Mr Hardie) They are. From time-to-time, we have expressed a slight concern  
14 about being characterised as "wholesale". And I think I understand why it is  
15 said, but wholesale to my mind is an organisation that buys in bulk from original  
16 producers and sells in smaller packages to retailers. That is not what we do.

17 We are television producer and most of what we produce for our news services  
18 is original journalism, original picture gathering, supplemented, of course, from  
19 some picture gathering from the likes of Reuters. And, of course, as we have  
20 said in our submission, we increasingly use user-generated content. But we  
21 are slightly uncomfortable with the characterisation that we are a wholesaler.  
22 But we understand that it is a kind of shorthand for these purposes.

23 Q. (Mr Bamford) Is that 10.00 am meeting the only time that you will have a kind  
24 of cross-corporation editorial?

25 A. (Mr Hardie) No. So, in terms of the actual day-to-day newsgathering, that is

1 when it happens. The editors of each service are my direct reports, so I weekly  
2 have a meeting with all my direct reports across ITN, just in terms of business  
3 management. But that tends to be dealing with things like the management of  
4 ITN as a total concern, rather than debating any journalistic question.

5 We also have quarterly - and I think we have said, we will have a review, a legal  
6 and compliance review, where we are going over what has happened from a  
7 point of view of legal and regulatory matters, to share best practices and  
8 understanding across the company.

9 So there is, from time-to-time - the newsroom is - in the morning, without me  
10 being there, the newsrooms do meet to talk about deployment of satellite trucks.

11 We have six satellite trucks at ITN, and we share those resources. So  
12 sometimes there is a bit of a discussion about where are we deploying them  
13 to? By and large, we find that it is sufficient to meet the needs of the day.  
14 Sometimes there is a discussion that one newsroom thinks that - I will take an  
15 example - some court case - this is hypothetical - that at Norwich Crown Court  
16 might be important. Are we sending a truck? No, we do not want to send a  
17 truck. And so there is a little bit of negotiation and discussion. So again there  
18 are discussions across the company in terms of operational management.

19 But, again, even with the 10.00 am meeting, if one of the services that day has  
20 an exclusive report, if it is one that requires some discussion about legal  
21 matters, immediately after that meeting, they come to my office if something  
22 has to be raised with me privately. So again, we keep those Chinese walls  
23 about enterprising journalism, so that they do not - so they are shared between,  
24 among, the newsrooms.

25 Q. (Mr Bamford) So taking those statements around the separation between the

1 editorial, the Ofcom report of Phase 1 of this inquiry and their news-  
2 consumption survey that they carry out, and have done for the last three or four  
3 years, puts all of ITN's contracts together under one heading. What is your take  
4 on that? Do you think that is a fair way to put together your influence or share  
5 of the media landscape?

6 A. (Mr Hardie) What do I think about it? I think that I have never objected to it  
7 because, as chief executive of ITN, my responsibility is to run this business.  
8 We are not subsidised; we are a commercial organisation privately held. It is  
9 important that ITN is seen to be an organisation of influence, and that helps us  
10 in our commercial goals. And therefore the fact that ITN is known as a company  
11 of stature is important and useful to us. It is important to us in this country, as  
12 it is internationally, to be known that ITN has that position. So we have no  
13 objection to it. It probably sometimes overstates the extent to which we have  
14 influence or we are opinion formers. Because we simply do not. As I say, we  
15 have no independent ITN voice or ideology that permeates across our services.  
16 So in terms of understanding - from a consumer point of view, the ITN brand  
17 used to be the name of the ITV news, up until 1999, and it has been ITV news  
18 since then. It has always been Channel 4 and Channel 5 news. So while we  
19 are the production company behind it, and it is important to us that  
20 commissioners in the business know of ITN, we do not really see ourselves as  
21 a consumer brand at all. And therefore it is not - so if you were to analyse  
22 matters from the viewer point of view, probably more correctly, you should look  
23 individually at ITV, Channel 4 and Channel 5 in terms of their impact, rather  
24 than aggregating and saying, "This is the ITN impact", because there is no  
25 single ITN impact on the viewer.

1 Q. (Mr Bamford) Do your clients ever express any concern that they are all put  
2 together in that framework, or is it not something that is very ...?

3 A. (Mr Hardie) Not to me, they have not. I mean, they are very clear that they  
4 consider these services to be their services. It is their name on the tin; it is their  
5 brand. There are options and choices, and some have expressed those  
6 choices to go to other providers.

7 Because we not only make the news, but we are responsible for day-to-day  
8 compliance, so we make the day-to-day decisions about what goes on and what  
9 editorial decisions they make, it is very important to them that we make them  
10 proud; that we create a service which fulfils their needs, that is highly regarded,  
11 and which complies with all law and regulation, which wins awards and is good  
12 for their reputation. So we are an essential part of providing a service that is  
13 an essential part of their reputation.

14 But they do not convey any concern that the ITN brand, as it were, lords over  
15 their own brands. If that ever was a case, it might have been 20-odd years ago,  
16 but it is certainly not the case now.

17 Q. (Mr Tutton) Could I just pick up on one of your earlier points? You made the  
18 point that Sky News may be lossmaking in a narrow sense, but it is important  
19 to the overall Sky brand. Is there any way, trying to from the outside - especially  
20 if you are looking at things whether under what circumstances there would be  
21 incentives for it to go on or not go on - is there any sense is one just sort of  
22 stuck with the proposition, "Well, they have done it for years. They have gone  
23 on for years. They have gone on putting money into it. So it obviously must be  
24 worth that to them"? Is there any way of going beyond that, or is that really the  
25 only evidence one really has of what the brand value of the news is to the

1 customer of Sky in that case, or in your case, the Channel 5, Channel 4 and so  
2 on?

3 A. (Mr Hardie) Well, I think they may - and I am not privy to what their detailed  
4 research is. We sometimes talk about imputed value of a service like Sky  
5 News. So that, of course, Sky News is available free-to-air on all platforms, so  
6 it is not exclusive to the Sky platform. So therefore in terms of for them to  
7 evaluate the ongoing business value, they can make an assumption about the  
8 imputed value, ie what might happen to the reputation of the brand, or to churn  
9 rates or so forth, if they did not have Sky News today, if they did not exist? I  
10 have no idea how they would conclude that.

11 I suspect they may conclude that, actually, they are - and I may put in  
12 parenthesis, before my time at ITN, I was at Disney for eight years, so I have  
13 some experience in dealing in a multichannel world, and dealing with platforms,  
14 including Sky News across Europe. So I used to have some understanding of  
15 this, although it may be very much out of date. But nevertheless, I think we can  
16 look at it and say, "Look, in order to maintain satisfaction in the customer base,  
17 you need a broad array of content. And things have moved on very significantly  
18 from the times when a platform like Sky would only focus on movies and  
19 exclusive sport as their main driver.

20 Now, obviously, they invest very heavily in a whole range of different genres  
21 and materials you see in their investment in the channels. So as part of that, it  
22 may be that indeed that what is important to the value that a Sky subscriber has  
23 is the fact that they do get Sky News, even if they were to know, "Well, I do not  
24 literally need my Sky News subscription because it is available on Freeview". I  
25 have really no idea what contribution Sky News makes to the impact of the

1 overall mix. It seems to me that they view it as important, an important part of  
2 the quality of the Sky brand itself.

3 And I do not think I did say it is a lossmaker. I do not personally know if it is  
4 lossmaking. But I suppose if you look at the advertising revenue versus what I  
5 assume would be cost, on that metric, it might be a lossmaking service, or a  
6 loss-leading service for Sky. But in terms of the marketing value that it has as  
7 part of a multibillion-pound operation, it seems to me, am I to say, but a modest  
8 investment in the Sky brand.

9 Q. (Mr Bamford) So far we have primarily talked about news, or at least that is the  
10 way we have captured it to you. Taking on board the response you gave to our  
11 questionnaire information, where you talk about some of the other products that  
12 you produce for both Channel 4 and ITV, how do you see the development of  
13 the current affairs or opinions-based programmes, and have you seen that  
14 change over the period of time that you have been in charge of ITN?

15 A. (Mr Hardie) So, I make a distinction between current affairs and opinion-based  
16 programme. Clearly, current-affairs programmes are more likely to have  
17 discussions, where strong opinions are the currency of discussions.

18 I think it is a relatively recent development for ITN to get into this area. In 2009,  
19 ITN was largely two news contracts, plus a lossmaking archive business, and  
20 our non-news production, ie long-form production, amounted to something like  
21 seven or eight hours per year; last year it was 200 hours; next year it will be  
22 more than 500 hours.

23 Our foray into non-news production was led through documentary and current  
24 affairs. Our approach to those is really not different to our approach to television  
25 news, and indeed the people who are making those programmes have grown

1 up in television news. So we have exactly the same standards for fairness and  
2 accuracy and due impartiality for the current-affairs programmes that we do as  
3 we do for our regular news programming, as do our clients.

4 And indeed all material we do online, while technically speaking the material  
5 we put online is not covered by the same regulatory regime, we have no  
6 difference in our standards and approach to those.

7 So that as we have grown our business, our productions business in current  
8 affairs and documentary, we take really exactly the same approach for those  
9 as we do for news.

10 Q. (Mr Bamford) Is that different for what you would call an opinion programme,  
11 or do you see that as ...?

12 A. (Mr Hardie) We do not make programmes which are largely about giving a  
13 voice of opinion to - unlike in, say, in the US, where clearly what are called the  
14 news channels have built programmes led by high-profile presenters, which are  
15 often very largely about their opinions about matters of the day, it does not really  
16 exist in the regime in the UK, and we do not make programme like that. And I  
17 think we might struggle to make programmes like that, even if our regime  
18 allowed them to do so.

19 THE CHAIR: Why might you struggle?

20 A. (Mr Hardie) Well, the growth of ITN in the last several years has been helped  
21 by the reputation of ITN for its standards. For us, integrity is everything, in every  
22 aspect of what we do. Whether we are making an entertainment programme  
23 or a factual entertainment programme or whether we are making current affairs,  
24 at the root of it people believe that ITN has certain standards.

25 Also I think that ITN does not have an ideology, does not have political partisan

1 views. Nor do we allow our people to do so. We expect our people who are  
2 appearing in our news programmes and current-affairs programmes if they  
3 have political opinions to keep them to themselves, even outside of the work  
4 they do on television, so that there is never a question about what somebody  
5 really believes, even while they are operating.

6 So, for us to get into programme making which is very much about strident  
7 opinion, I think could undermine that integrity. So it has not been something  
8 that we have been presented with, because there has never been a programme  
9 like that.

10 Q. Your clients do not want it.

11 A. (Mr Hardie) I do not know.

12 Q. They have not asked for it.

13 A. (Mr Hardie) I think what broadcasters like in some of the current-affairs  
14 programming - we have recently launched another one for ITV called After the  
15 News - is to have strong opinions argued over and debated over at the end of  
16 the day. Which is nothing new, because it goes back to Question Time and all  
17 kinds of different programmes are like that.

18 So I think we want to be good at being a place where there is moderated debate  
19 that is lively, and actually allows all kind of range of voices to be heard in the  
20 course of the day, so that the viewer watching has a chance of saying, "That  
21 person speaks for me". So I think we very much believe in the importance of  
22 programming which has opinions, which the general public to say there is  
23 somebody out there in that programme who seems to be like me and speaks  
24 like I do.

25 Q. (Mr Bamford) I think we are going to move on to talk about broadcast

standards. Tim will pick this up probably. Just one question leading on from what you have just said, particularly about a programme like After the News where, as you have said, you have people with different opinions on the programme; not focusing on the opinion of the presenter, but guests that you have on such a show. How do you ensure that you would fit within Ofcom's due impartiality code around that kind of programme?

A. (Mr Hardie) Well, because that programme, that particular programme, is produced by ITN Productions. The staff on that programme sit at the hub of ITN Productions. We have a compliance lawyer from ITV who will look over. In that particular case, because it is a live programme, therefore we have to plan in advance for it to meet compliance needs. For some of the programmes that we do - just to make it clear, for live news programmes though not all, for all three, we are responsible for compliance - but other programmes that we do for broadcasters, some are up to the broadcaster themselves to comply with those programmes, especially if it is made in advance and they will see it and judge and then make any changes. But they expect us, because we do this for a living, to basically deliver programmes which will be fully compliant. So for After the News, these are very experienced editors. The executive producer of After the News is Ian Rumsey, formally of ITV News, steeped in the world of compliance, legal and journalism. So it is second nature to them to make a programme which will do that. They know they are responsible for meeting compliance needs, especially for a live programme like that. The programme is planned in advance; the question areas are considered in advance. It is important that the presenters are in advance prepared how they will make sure they will bring in the different voices. They will step in at certain

1 times if they think there is a preponderance of one voice over another. It is  
2 produced from the gallery, so the presenter has the ear piece, so they are going  
3 to be maybe taking guidance from the galleries to make sure.

4 If something happens, they need to be corrected. For example, if somebody  
5 makes an allegation in the heat of the moment, that we make it clear - so if you  
6 have been watching After the News in the last few weeks, you will notice that  
7 every single time the Harvey Weinstein case has come up, the presenter will  
8 always say and make it clear, "Of course Harvey Weinstein has denied all  
9 allegations of misconduct", just as an example. So that is what we do. You  
10 know, it is an essential part of that programme that it does not step over the line  
11 and stays within all compliance needs.

12 Q. (Mr Du Parc Braham) Just on that last bit. So if you had an hour-long  
13 programme debating the accusations against Harvey Weinstein, are you saying  
14 that a ten-second line at the end of it saying, "Harvey Weinstein has denied  
15 this" -?

16 A. (Mr Hardie) No, in the middle of it. Watch it tonight; the subject may come up  
17 again. So right in the heat of the debate, if Ferrari or Emma Barnett is taking  
18 points of views and something is being said, right there in the middle they will  
19 be saying, "Just to be clear again, Harvey Weinstein has denied all these  
20 allegations". So, no, we do not wait and just do a catch-up at the end; we try  
21 to do it there and then. And it might not even be the case that an incorrect  
22 allegation was made. It just may be that we are clarifying, for fairness if not for  
23 accuracy, that that is the case.

24 Q. (Mr Capel) I am just going to ask some questions about broadcasting  
25 standards, and I think we have touched on a fair amount already. I guess from

1 our perspective, we are obviously trying to think about, under the broadcasting-  
2 standards ground, how Sky, and then Fox is buying out the rest of Sky, kind of  
3 fits in terms of its peers, and what you do to establish compliance with those  
4 standards.

5 You have obviously given us a little bit of a flavour, but I wonder if you could  
6 then also talk a bit more around how you train your staff. You talk about having  
7 experienced editors, but then how to make sure that filters right down, and who  
8 is making these day-to-day or minute-to-minute judgements and what kind of  
9 oversight they have.

10 A. (Mr Hardie) So the best form of compliance is not a safety-net approach, where  
11 the lawyers are catching you all the time. It is the individual journalists and  
12 editors themselves are deeply steeped in journalistic standards and in media-  
13 law standards.

14 So when people join the organisation, at an early point there is an induction  
15 programme all about media law and standards. A lot of our people of course  
16 and journalists are starting - they have been through NCTJ training, and so they  
17 have both the journalistic training and have the media training early on in their  
18 career. We encourage people to go through NCTJ media-law diploma. I went  
19 through it myself a few years ago.

20 We have the compliance manual which we have seen, and we update that on  
21 a regular basis. We insist that everyone reads that and signs a note to inform  
22 that they have read and understood it.

23 We have regular training sessions throughout the course of the year, for specific  
24 things like elections, but whether it is reminders on court reporting or social  
25 media and so forth. So there is an ongoing programme, led by our head of

1 compliance, John Battle, that makes that a day-to-day reality what the  
2 standards are.

3 We have compliance lawyers dedicated who are sitting in the newsrooms  
4 through the course of the day. They take part in the editorial meetings in the  
5 morning, and so they are talking with everyone about the possible implications,  
6 legal and compliance implications, all the time.

7 So it is just part of every day's work; everyone's working life every day is deeply  
8 embedded in the whole understanding of the need for journalistic accuracy and  
9 fairness and impartiality.

10 So there are a combination of formal things, like we do, like we said we have  
11 regular training sessions, and the fact over the years we have made those even  
12 more formal than before. We are now starting a register to make sure we  
13 understand who actually has formal qualifications and who does not have  
14 formal qualifications and to get those people who do not have them to take the  
15 step in going through it. The NCTJ media-law diploma is very good, and there  
16 is also a specific course in court reporting that we do.

17 Actually just recently we are investing even more in our compliance support.  
18 So it used to be that we had one full-time compliance lawyer who had a roster  
19 of freelancers who would come in and support; we now have three full-time  
20 compliance lawyers, if we get to that point, as well as a roster of very  
21 experienced lawyers. So it is a very significant part of what we do.

22 But to come back to my first point. The measurement of success is that most  
23 of the time the compliance lawyers are crossing t's and dotting the i's; that the  
24 journalists themselves know exactly what the standards are, but they have to  
25 be - sometimes there are areas that just have to be - that require double

1 checking and so forth.

2 Q. (Mr Capel) Just in terms of the three, across ITV, Channel 4 and Channel 5,  
3 do you take a blanket approach? For each of those customers, do you take the  
4 same standards, or are they different between the three?

5 A. (Mr Hardie) The standards are the same, because they are standards,  
6 obviously. Ofcom applies equally to all of those. We have certain standards  
7 as a company which is embedded in our compliance manual, which  
8 encompasses law and regulation but also states ITN standards. So across the  
9 board, we have standards.

10 Now there sometimes can be a slightly different appetite for risk taking. So it  
11 may be that one newsroom has done an investigation, an undercover  
12 investigation, is about to make individual allegations about a powerful  
13 organisation. Now, we will make sure that, from an ITN point of view, we are  
14 behind those, that the head of compliance is signing off against it. Sometimes  
15 if it is a significant risk, we will involve the broadcaster. There is a referral  
16 process. We will say, "Look, we are about to do something", and so we are all  
17 lined up. And it may be that one of our clients or newsrooms has a slightly  
18 greater appetite for risk than other cases, but the standards are the same. The  
19 standards are exactly the same, whether that is due impartiality, fairness,  
20 accuracy, other standards in defamation or copyright, or any other aspect of  
21 media law.

22 Q. (Mr Capel) When you talk about risk, is that in terms of just pure risk of  
23 breaching the standards, or are you weighing it up against, say, the commercial  
24 risk of doing something?

25 A. (Mr Hardie) If you are about to make an allegation against a very powerful

1 commercial organisation, we do an investigation, we do a report, we send a  
2 right to reply; fairness requires that we do that. From time-to-time we get 20-  
3 page letters back from major law firms designed to put us off our game. And  
4 we will look at those and we will consider any points in fairness. In my  
5 experience we always press ahead and do those. But in those cases, you  
6 know, you are sometimes being threatened with multimillion action. So you  
7 need some backbone in doing those things.

8 Actually, when I say different levels of risk, I cannot think of any occasion in my  
9 time at ITN when any of our newsrooms have led an investigation leading to  
10 allegations which we have not followed through on from a point of view of risk.

11 Q. (Mr Krumins) If we consider risk the other way to the example you gave us.  
12 Allegations is mainly people. So there may be a slander or a libel-type exposure  
13 there which the channel may or may not have the risk for.

14 One of the things that we are trying to establish is that within the Broadcasting  
15 Code, depending on my appetite as a licence holder, how much scope is there  
16 to change the scope and feel of the news? That may not necessarily be in  
17 terms of taking, risking stories, but it might be via omission of stories or ordering  
18 of stories or the emphasis I place. I was curious just for your observations of  
19 three bespoke operations coming out of a sort of common hub what you felt  
20 about that.

21 A. (Mr Hardie) Each newsroom can make a different - for example the level of  
22 investment that may go into investigations can vary from newsroom to  
23 newsroom. So one newsroom may say, "Our main job is to report news of the  
24 day". I mean, Channel 5 News tend to do news of the day and follows a slightly  
25 more domestic agenda, but still does international news, will do features on

1 matters of significant importance, say in the world of healthcare, and will, from  
2 time-to-time do investigations to hold power to account.

3 Channel 4 News has a greater investment in revelatory stories, investigations,  
4 holding power to account. And so that is an editorial decision. Still operating  
5 under exactly the same broadcasting codes, but will have as an ambition to  
6 reveal more. I mean, it has as part of its strategy to not only cover the news of  
7 the day, but also to reveal stories you do not see anywhere else. And in order  
8 to do that, they tend to invest somewhat more in original investigations of that  
9 type.

10 So that is an individual decision that a channel and an individual newsroom can  
11 make to push more. And so there may be a greater preponderance of stories  
12 which are about powerful organisations, political institutions, regimes than  
13 others.

14 Q. (Mr Krumins) For example, say Brexit. Let us say that I had an appetite for  
15 pro-Brexit. In terms of being a news-licence owner and a broadcast-licence  
16 owner of a news channel, I am interested in being the pro-Brexit side of due  
17 impartiality. In practice, in terms of the scope I have to influence my news  
18 agenda and what I choose to broadcast and what I not choose to broadcast,  
19 how much flexibility do I have?

20 A. (Mr Hardie) It just could not happen. It should not happen. It does not happen.  
21 The notion that any, either client or any of the newsrooms, would say, "We are  
22 a bit more pro-Brexit here", or pro-Remain, is anathema to that newsroom. And  
23 indeed, within that newsroom, what people individually believe about these  
24 things, they will have their own opinions, but the notion that we would - I mean,  
25 it would be suicide to our reputation and completely wrong from a point of view

1 of impartiality to even allow that thought to emerge.

2 So I think taking that case, we - I mean, of course different sides of the  
3 arguments have said, and do say, that they think that a news service favoured  
4 one or the other, and actually, in the case of Brexit, there was a complaint  
5 launched by the Leave campaign against ITV News, which we successfully  
6 defended.

7 So the premise of your question, which is if we were to have, or someone was  
8 to have a slightly pro-Brexit agenda, could they do this? I do not even recognise  
9 that as - it would be so controversial, the thought would not even emerge.

10 And the truth is that, apart from a very proactive Ofcom organisation looking at  
11 what we are doing, quite rightly, in this country, it is a relatively easy matter to  
12 raise an objection to any of these things to hold it to account. So I think it would  
13 be very difficult for a news organisation to try and stay within the pure letter of  
14 regulation but actually to subvert regulation and actually demonstrate a partisan  
15 leaning, to demonstrate it, for that to happen.

16 Q. (Mr Krumins) Do you find Ofcom to be a very proactive organisation?

17 A. (Mr Hardie) Well, they obviously respond to any complaints that are made, but  
18 from time-to-time, they will, simply by watching our services, ask a question and  
19 we will answer it, if they themselves think that seemed - "Can I just ask you  
20 about an item that you had last week?"

21 So I think mostly, in our field, they are reacting to what is going on. But it is so  
22 easy to raise a complaint, and they take them all so seriously, that I think we  
23 feel ourselves to be appropriately and significantly regulated.

24 Q. (Mr Krumins) Do you take a very detailed record of the amount of coverage  
25 that each news channel applies, one side versus the other? So if those kind of

1 concerns are raised, you can say, "No. Actually, in terms of Brexit, we have  
2 had 64 hours this month that has been one way, and we have had 60 the other  
3 way. So we think we are impartial".

4 A. (Mr Hardie) So during elections, or during referendums, we have got into the  
5 practice of putting a stopwatch on these things. Only as a preparation for  
6 inevitable complaints. Now, the regulation is very clear on due impartiality,  
7 even during election times. There is not a matter of a simple 50/50 division or  
8 an even division of time. Or even both individual programmes. The Standard  
9 is due impartiality for a series of linked programmes over the period of time. If  
10 challenged, we have to be able to demonstrate that we have done that.

11 Now, just for convenience, we sometimes have run the clock, but it is a clumsy  
12 measure. An example I will give is during Brexit that all of our news services  
13 would meticulously make sure that each part of the campaign that day was  
14 making the case it wanted to make, and that that would be reported, and that  
15 would be aired. And we did not miss a day of not actually reporting, "This is  
16 what Leave have said. This is what Remain said".

17 But if in that same day, for example, President Obama visits, and in answer to  
18 your question from an ITV News political correspondent says, "If it came to  
19 negotiating a trade agreement with the US, you would be at the back of the  
20 queue", as he actually said, well, that in itself is a news event that has to be  
21 recorded.

22 Now, you might think, well, therefore, did that imbalance that day because there  
23 was both what the Remain campaign was saying, and also that statement from  
24 President Obama? But we would say, "But that was a major news item". So,  
25 it was entirely appropriate that on that particular day maybe more minutes of

1 what you might conclude to be Remain arguments were being made. But we  
2 would be very confident over the course of the referendum, that we were very  
3 balanced in our coverage, that we challenged both sides on the points that they  
4 were making, as well as giving appropriate airtime.

5 Q. (Mr Tutton) One more arcane question. At any one point in time, there is a  
6 view on what the political spectrum is across it, but it will vary between  
7 demographic groups, for instance. So poll evidence suggests if you are under  
8 50, you have a different range, or at least a preponderance of views, on certain  
9 issues. Given that, say, for instance, Channel 4 has consciously tried, in a  
10 sense, to appeal to a slightly different demographic, does that affect anything  
11 that you have said, or is it in a sense the due impartiality a more global thing  
12 that might apply to a particular demographic?

13 A. (Mr Hardie) So it is a problem if you let it become a problem. But if you only  
14 measure your success by the number of views you get, and if you are to  
15 discover, in theory, that let us say posts which were more left wing than right  
16 wing got more views - and we do not do this - but if you were to do more of  
17 those, that would be a problem.

18 So you have to almost, from a point of view of impartiality, have to make sure  
19 that the totality of what you are putting out there on social media and online is  
20 balanced. You also recognise you are putting out two-minute pieces, rather  
21 than a typical programme will have, "Here is a package about a subject. Let us  
22 do an interview in the course of that. All views will be explored and challenged".  
23 So you have to make - when you are doing a two-minute package, or one, going  
24 out there, it is a different construction; there is not an interview to follow that.  
25 So that just means that because we do apply the same standards of due

1 impartiality to what we put online, you have to make sure that you are  
2 addressing all the appropriate views in your pieces.

3 Q. (Ms Chambers) One other question just related to this broadcasting-standards  
4 thing. You said earlier that you have recently enhanced your procedures; you  
5 do much more training than you used to do, so the procedures have been  
6 considerably improved. You have also talked a bit about culture issues, about  
7 how the journalist must actually really know what the standards are; it is not just  
8 about being trained.

9 So what I really wanted to know is what is the balance of importance between  
10 culture and procedures, and how, if at all, could one tell the difference between  
11 an organisation that was clever enough to get the procedures good enough to  
12 make sure that they were ticking boxes and not getting caught, and an  
13 organisation that has it in their blood, and did not even want to get that close, if  
14 you see what I mean? Is it the sort of thing you can just tell from outside?

15 A. (Mr Hardie) Yes. I could not put a percentage on it, but I think that I would say  
16 culture more important than procedure. As I say, procedures are sometimes  
17 about a safety net and making sure everyone knows what the standards are  
18 every single day. But what you want, and I think what we mostly deliver, are  
19 people who, from the first day they step through the door, all the way up through  
20 an organisation, and many of our people have been around for 25 years and  
21 longer, have it completely engrained in them that broadcast-news journalism  
22 has particular standards, and you have to get the story right, and you have to  
23 be fair, and you have to be impartial. It should not even take an editor to say,  
24 "Hold on. I think you have gone too far in this in that direction". All the way  
25 down the organisation, it just happens automatically.

1 Q. (Ms Chambers) How would an outsider know if an organisation was not of that  
2 sort?

3 A. (Mr Hardie) I think if you were to take a video camera and say, "Let us see  
4 culture in action", you will see it in the editorial meetings through the course of  
5 the day, and in the nature of the discussions. You would see it in the way that  
6 the journalist or the presenter of an item is speaking to the producer, who is  
7 then maybe then speaking to a compliance lawyer, but in the very nature of  
8 how it works.

9 So you can see it if you go in and observe it, in the group meetings as well as  
10 the individual interactions. It is there. It is there. And I see it. And I have seen  
11 it in my time there. People saying, "Hold on. I think we are not too sure about  
12 this yet. We need to cool our jets and wait for another day, just to follow up",  
13 or, "We need to take account of what this person is saying. Are we being totally  
14 fair?" and all those things. And I think they are engrained in culture.

15 Q. (Mr Bamford) Just to pick up on that kind of the culture and the commitment,  
16 the words that are used with the test that we are having to look at is "a genuine  
17 commitment to broadcast standards", and there has been various ways put  
18 forward, both by the parties themselves and by other organisations, as to how  
19 we should interpret that genuine commitment. One of the ways that Ofcom  
20 looked at it in their Phase 1 report was around the number of times the  
21 standards had essentially been breached by particular parties.

22 Now, noting all you have said around culture and around newsrooms and so  
23 on, and noting in particular more recently there have been some breaches  
24 against Channel 4, in particular around accuracy, over the last three or four  
25 years, how would those breaches sit alongside that commitment within ITN and

1 Channel 4 and the Broadcast Standards?

2 A. (Mr Hardie) Those breaches were very serious. Of course I know in detail  
3 exactly how each one came about and what happened and the steps that were  
4 taken afterwards. So, to say, it was deeply unfortunate that they happened.  
5 They have been taken very seriously, to say the very least, by ITN, by the  
6 Channel 4 newsroom. The editorial team, of course, backed by Channel 4. I  
7 think in some sense, it is a measure of how serious these standards are and  
8 how they operate, and how important the regulatory regime is in these cases,  
9 is actually a good reflection on the standards in the UK of that regulation.

10 I think each case turns in its own circumstances, and I have a very clear  
11 understanding of each of the circumstances of how the mistakes were made.  
12 But let us be clear; they were very serious mistakes and they were mistakes of  
13 judgment by very experienced people.

14 Obviously a particular one, and most recent one, I mean as was the  
15 Westminster Bridge case, these were not mistakes by junior people who had  
16 not been trained; these were mistakes made under time pressure, in the  
17 moment, by experienced people and a very experienced journalist with the very  
18 best intentions involved, where people thought that they had essential  
19 information about this terrible attack, and they wanted to bring it to the public  
20 straightaway, and that was a mistake, as has been itemised in that report.

21 So it was very regrettable, and I think that in part some of the things I have  
22 talked about here is that in the last few years we have been investing in  
23 spending more time at ITN in putting more resource into our legal support, partly  
24 because we have been doing even more investigations and holding more  
25 organisations to account. This most recent example is one which has just

1 underlined that and that has led us to doing yet more in terms of resourcing, in  
2 terms of full-time lawyers, and also increasing the formality, as well as the  
3 extent, of our training.

4 Q. (Mr Krumins) Just to build on that. So you are saying that there should not be  
5 a direct read across. Does it reflect on Channel 4's genuine commitment to  
6 broadcasting standards that it had four breaches in three years?

7 A. (Mr Hardie) I really think not. These were serious mistakes, as opposed to any  
8 sense that there was any less than a complete commitment and belief in those  
9 broadcasting standards. And the way that we have reacted to it I think bears  
10 that out. It is not a failure of the standards themselves. These were mistakes  
11 made on the day.

12 Q. (Mr Krumins) Because processes failed, or systems failed?

13 A. (Mr Hardie) In the case of Westminster Bridge, it was a case that we relied  
14 upon a very experienced journalist, who has relied upon a single source, who  
15 had repeatedly told him that the man in question was who we thought it was.  
16 And we have relied upon that more than we should have done. In terms of the  
17 process, it was highlighted in the Ofcom report, it was a significantly  
18 controversial matter which should have been referred to me as chief executive  
19 and editor-in-chief, and in the moment, it was not, and that was - the procedural  
20 failure was one of referral in that case, not simply that we were reliant on a  
21 single source.

22 One can from time-to-time make a decision on an important story to rely upon  
23 a single source, so it was not as simplistic as that. But in the heat of the  
24 moment, the editors in charge made a mistake of judgement. We went live with  
25 it, and then within the course of the programme, we corrected the error and

1 apologised for it within that same broadcast.

2 Q. (Mr Bamford) I am going to move on from the broadcast standards into the  
3 area of influence, and the influence of different types of media, whether that be  
4 on each other or on others. I just wanted to see how you, with respect to ITN,  
5 would rank the different sources of news, so print, online, or broadcast, in their  
6 influence over the public or politicians.

7 A. (Mr Hardie) I would make a distinction between influence on opinion and  
8 influence understanding. So I think that television broadcasting has a very  
9 significant impact on viewers' and citizens' understanding of affairs of the day.  
10 As I mentioned earlier, by far the most watched television news programmes  
11 are the bulletins on ITV, Channel 4, Channel 5 and BBC. I think that all the  
12 evidence suggests they are well trusted outlets by viewers, and so therefore, in  
13 terms of gaining an understanding of matters of the day, whether political or  
14 anything else, they have a significant influence.

15 That is different from forming opinions. You know, obviously a distinction  
16 between broadcast news and newspapers, or even online, is that newspapers  
17 and online of course have the absolute right and ability to not only express  
18 opinion but to campaign on their opinions and to advocate for opinions.

19 I have seen some research that says that the ability for newspapers to simply  
20 shape opinion through their own opinions has probably diminished a little bit  
21 over the last 20 years. Maybe it has, maybe it has not. I think that in terms  
22 of - we are also conscious that - after the last election some research I recall  
23 saying that among younger people, they are more likely to say that they formed  
24 their opinions through information they saw online, as much as what they saw  
25 on television.

1 But I think still today, I believe that - and of course if we are going to go into the  
2 whole world of fake news - but I think more than ever, the fact that the  
3 importance in online of news brands, like ITV News, Channel 4 News,  
4 Channel 5 News, are a very important hallmark of quality and trust for what  
5 people are saying online.

6 So your question directly is, I think that broadcast bulletin news has a significant  
7 impact on people's understanding of events of the day, and helps them lead to  
8 their own opinions, but does not shape their opinions of those. My judgement  
9 is that it is probably as significant today as it was 20 years ago, although I  
10 cannot direct you much to research that demonstrates that. Clearly online has  
11 a greater impact among a younger audience, but what - just maybe answering  
12 a question you are asking is, what I would not agree with is that we are thought  
13 leaders in broadcasting. We are not opinion formers, in the sense that we  
14 consciously form opinions and, consciously or unconsciously, we are  
15 embedding those opinions among the population in general.

16 THE CHAIR: Would you say newspapers are thought leaders? Or other forms of  
17 media are thought leaders?

18 A. (Mr Hardie) Well, I think having never worked in the newspaper business but I  
19 think it is the role that newspapers feel completely emboldened to have strong  
20 opinions, and that they are not shy about trying to encourage people who read  
21 them to share those opinions.

22 The extent to which they as successful as they - you know, the much quoted  
23 phrase, "Switch the lights off", the Sun headline from - when was it? - 1992 was  
24 that, or whatever? I think my judgement, I think that things may have moved  
25 on significantly since then, but I could not demonstrate that.

1 Q. (Mr Bamford) What about the kind of stories that get picked up by broadcasters  
2 such as yourselves? Are they influenced by what is influenced by what is in the  
3 papers or the stories that are online?

4 A. (Mr Hardie) We look at the newspapers every day and we are cognisant of  
5 what is going on and what is generally going around, but we are not led by  
6 newspapers. Most of what newspapers are putting on their front pages is that  
7 we are finding out from the very same original sources as those newspapers.  
8 From time-to-time, a newspaper may have its own original investigation which  
9 we will say, "This is significant. We should also take a look at that story". But  
10 I think the great majority of what is appearing on the front page of national  
11 newspapers is stories that we become aware of ourselves in any case.  
12 And just because a particular story may feature on a lot of front pages will not  
13 make us think, "Well, we had better make that prominent because the nationals  
14 are going with that". It is just not how it works. The newsrooms and the editors  
15 are very independent on what they decide to be the lead stories of the day.  
16 And, as often as not, the lead stories in each of the three services that we  
17 provide are different from each other.

18 Q. (Mr Bamford) So you talk about broadcast forming understanding rather than  
19 opinions, and not being thought leaders in that way. How do you think the  
20 politicians view broadcasters in terms of your influence over the general public?

21 A. (Mr Hardie) I think politicians believe that television news is very important. I  
22 think politicians like to appear on television news. Politicians value 24-hour  
23 news, because there are usually more opportunities. But there is more airtime  
24 to fill and there are more opportunities to appear on some of those. We tend to  
25 be a bit more time compressed, and may be a bit more selective in terms of

1 what we do with it.

2 So I think they still believe that television news is extremely important, not only,  
3 not just in running for election and so forth, but in terms of managing the country  
4 and managing government departments.

5 Q. (Mr Bamford) So have you found politicians keen to appear on the bulletin  
6 shows that you produce?

7 A. (Mr Hardie) Sometimes. It depends who they are going to be interviewed by.  
8 You know, one of the things we hold sacrosanct in any of our services is when  
9 we, as we say, "bid" for an interview is we decide who conducts the interview,  
10 and we decide what questions will be asked. So if there is ever a politician, or  
11 frankly anyone in public life, that tries to say, "Well, I will only be ... I will do it if  
12 it is this person versus that person", or, "I will do it if you only ask me questions  
13 about this", we will say, "No such guarantees. We will decide who will do the  
14 interview. We will put any question to you that we think is journalistically  
15 justified".

16 Q. (Mr Bamford) Do you have politicians come to you as ITN, or do they come as  
17 Channel 4, or Channel 5 ...?

18 A. (Mr Hardie) It is individual services. Individual services.

19 THE CHAIR: Of those three, is there any one of those three services they are more  
20 keen to come on? Is it just determined by reach, time of day or just ...?

21 A. (Mr Hardie) No, I think that politicians - let me see. No. Obviously they know  
22 roughly speaking the size of audiences and so on, and that ITV has a larger  
23 audience than say Channel 5. But they also know the BBC has programmes  
24 of larger audiences than ITV News. So they are interested in the reach.

25 They are often interested in the time of the day. So sometimes a politician will

1 like to do one hit in the morning, and then exit stage left, whereas we might be  
2 keen to pursue them after that. And because ITN does not make a morning  
3 programme, obviously we have a disadvantage sometimes against the likes of  
4 the BBC with its various outlets. So that kind of thing can happen.

5 And, you know, politicians may have their own preferences as to where they  
6 like to appear. But by and large, they are dealing with individual news services.

7 Q. (Mr Bamford) Is there a difference in desire to appear on a news service versus  
8 current affairs or an opinion piece, such After the News?

9 A. (Mr Hardie) Let me just think about that. I think that we have been pretty  
10 successful. If I think of the current affairs programmes that we have  
11 made - obviously very recently After the News, but for several years, The  
12 Agenda - is that we have been always very successful in attracting the highest  
13 level of politicians from all aspects to appear in those programmes. They like  
14 to appear on programmes which have got audiences that allow them to engage  
15 in debate, and sometimes current-affairs programmes will maybe give a little  
16 more airtime to the nuances of arguments, giving them a bit more time to parry  
17 and so forth, than a straightforward bulletin.

18 So, but, no, I think they are as interested in appearing in current affairs, as they  
19 are in news.

20 Q. (Mr Krumins) I wanted to come back to this point about influence, broadcast  
21 standards, impartiality, and agenda. I am just thinking about what you are  
22 saying in the totality of your evidence you have given here. I am struggling  
23 because one of the reasons why initially we are all sitting here today was  
24 because Ofcom expressed a concern that there may be an ability to align the  
25 editorial agenda of Sky News with the Murdoch newspaper titles if they were all

1 under one controlling shareholder.

2 Has Ofcom got that wrong then? Is it not possible to align the editorial agenda  
3 of a news channel but still show its due impartiality?

4 A. (Mr Hardie) Well, it is possible to - if "editorial agenda" means selection of  
5 stories, and say, "These are the kind of things we would like to cover", any news  
6 organisation can say, "We can put so much weight against political stories, or  
7 international stories, or whatever", and they may or may not be the same, if you  
8 like, selection of stories and emphasis on those things as for any newspaper.  
9 So I suppose, to that level, it is possible.

10 The level to which you could say, the Times or the Sun, let us say, most of the  
11 time has tended to be, I think it is fair to characterise, as just slightly right of  
12 centre in terms of their approach. To say that you could do that with a news  
13 programme under the current regulatory regime, I think it is a much harder  
14 matter to actually pull off, even if you intended to do so. So I think they would  
15 find it difficult to achieve that.

16 THE CHAIR: Ofcom have said that they allow broadcasting channels to have a  
17 particular "take". Russia Today, for example. I mean, that is a very different  
18 viewpoint from other broadcasting channels.

19 A. (Mr Hardie) There are significant differences in the emphasis and the editorial  
20 direction of services as well as news channels, and clearly Russia Today has  
21 got one. But even Russia Today has been sanctioned by Ofcom.

22 Q. That is my point. There has been, but there is scope in the Broadcasting Code  
23 to, let us put it this way, a range of views. Whereas I think you were more  
24 presenting actually there is very little scope. I was just thinking there is actually  
25 in practice, we see quite a lot of scope.

1 A. (Mr Hardie) Again, I come down on - I think of these things in terms of the due  
2 impartiality, fairness and accuracy, and those core things, and I think it would  
3 be difficult - and I cannot really comment on Ofcom's view over Russia Today  
4 or all those other services. It just seems to me, as someone running three quite  
5 different services, that the standards that currently apply would apply to Sky  
6 News, even under different - should apply under different ownership, and it  
7 would be a very important part of Ofcom's duty to ensure that there was not  
8 slippage in those standards at all.

9 So I do not say that it would be impossible to envisage anything like that, but I  
10 just think - I mean what we are saying is if Sky News is valuable today and its  
11 contribution to plurality is valuable because it does adhere to the same  
12 standards of due impartiality, fairness and accuracy as we do, and that would  
13 be an important criteria for the future if ownership was to change.

14 Q. (Mr Bamford) One of the ways which Ofcom expressed their potential way  
15 through the Broadcast Code is around the omittance of stories around the  
16 running order of which stories. Seeing as you are producing content for three  
17 different organisations, and a lot of the news itself is the same, but obviously  
18 you have a choice over which stories to run and when to run them in that news,  
19 have you ever had any concerns raised by Ofcom with you, or expressed to  
20 you, that the omittance or the particular way that you have run a story is in  
21 breach of the Standards.

22 A. (Mr Hardie) No, never. Never. I have only been around for - this is my ninth  
23 year, but there has not been an occasion that Ofcom has contacted us and  
24 said, "We noticed you did not cover this. Is there a reason for that? Because  
25 that seems to ..." That has not happened in any of the services.

1 Q. (Mr Bamford) Is it something that you consider internally at any time?

2 A. (Mr Hardie) Well, I think internally we are always considering, especially when  
3 you have got the very obvious case of it is a simple Yes-No referendum, at all  
4 times you are making sure you represent both sides of an argument.

5 For the rest of the time, for normal coverage, you are always considering  
6 whether or not - at the same time as holding power to account, and in that case,  
7 you are typically holding governments to account, whoever happens to be in  
8 government - but are you sufficiently challenging opposition views of all the  
9 opposition parties, and you always have to remind yourself to do that. It is not  
10 just simply to say, "We are reporting on what is going on in government. We  
11 are challenging government. We are reporting on what opposition is saying",  
12 but to take the argument back to opposition. Saying, "Well, wait a minute. You  
13 are saying this. How can you justify what you would do?" So that has to be an  
14 ongoing - that is an ongoing part of the consideration of the news agenda is to  
15 hold to account all the sources of power.

16 It may tend to be that those in government feel - they feel it more than  
17 opposition, but then that is just the nature of - that is what power brings.

18 THE CHAIR: We are conscious we have been going for a long while.

19 Q. (Mr Capel) Just one extra question just in terms of Ofcom's approach; just  
20 whether you feel they may take any different approach with ITV on the one hand  
21 with their larger audience, versus say Channel 5 with a smaller audience?

22 A. (Mr Hardie) No. No. I have never had that impression at all.

23 THE CHAIR: Any other further questions from my side? No? Is there anything else  
24 that you would like to say?

25 A. (Mr Hardie) I do not think so.

1 | Q. In which case, I will just say thank you very much for your time. It has been  
2 | very helpful. Thank you.

### Key to punctuation used in transcript

--	Double dashes are used at the end of a line to indicate that the person's speech was cut off by someone else speaking
...	Ellipsis is used at the end of a line to indicate that the person tailed off their speech and did not finish the sentence.
- xx xx xx -	A pair of single dashes are used to separate strong interruptions from the rest of the sentence e.g. An honest politician – if such a creature exists – would never agree to such a plan. These are unlike commas, which only separate off a weak interruption.
-	Single dashes are used when the strong interruption comes at the end of the sentence, e.g. There was no other way – or was there?