



News Release

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ITN QUESTIONS BBC'S NEW MEDIA EXPANSION AND NEWS COSTS IN NEXT LICENCE FEE PERIOD

Commenting in advance of the Department of Culture, Media and Sport's seminar on the BBC licence fee on Friday 5 May, ITN says the DCMS should examine the BBC's proposed new media expansion and news expenditure to see whether the BBC could reduce its news costs over the term of the next licence fee.

In its current licence fee bid, the BBC is asking for additional funds of £1.6 billion to deliver "quality content", £0.6 billion to deliver "local services", and £1.2 billion for "digital infrastructure". The BBC proposes to spend some of this extra funding on global journalism, on local news and on its online news and "active engagement".

Mark Wood, chief executive of ITN, said: "The BBC's new media strategy is once again too expansionist. It shows no sign of curbing its tendency to throw public money into developing new media platforms. This risks swamping markets which are well-served by commercial operators. ITN is already providing these services without public funding. ITN's multimedia business is growing quickly and ITN is now the UK's leading supplier of news, entertainment and other video content to 3G mobile phones and broadband.

“There is no evidence of any kind of commercial failure in this market and it is therefore very unclear as to why the BBC should need to allocate so much resource to it. We believe their online news strategy could be funded at a much lower cost.”

But the BBC’s bid documents give no detail on what levels of news expenditure they envisage in the next licence fee period.

Wood said: “We believe that the BBC has plenty of scope for even greater efficiencies in its news expenditure. The BBC says it provides ‘good value for money’ but ITN and other commercial news services provide outstanding programming at a fraction of the cost of the BBC’s news provision. ITN has driven its costs down dramatically over the last decade by harnessing new technologies and pioneering new techniques in newsgathering.”

He continued: “This has enabled ITN to be very cost-effective without a reduction in our high standards of news output, despite expanding our range of programmes and services across new media, as well as TV and radio. ITN’s unprecedented eight wins at the Royal Television Society 2005 awards for television journalism show that good cost management need not affect quality.”

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Editor’s note – Background to ITN

ITN News

ITN’s award-winning news operations provide news programming for ITV1, London Tonight, Channel 4, More4 and over 260 commercial radio stations in the UK, and its combined news broadcasts reach over two-thirds of the UK population. ITN International also produces a weekly programme called 'World Focus' summarising the week's international events. The company has a strong reputation for the creative and innovative use of technology, winning the Royal Television Society's 2004 Innovation Award.

ITN Multimedia

ITN is driving expansion in the fast-growing new business area of ITN Multimedia, where the company is established as the UK's leading supplier of news and other video entertainment content to 3G mobile phones and established broadband operators. Key partners to ITN Multimedia are mobile operators such as Vodafone, O2 and 3 as well as broadband operators BT Yahoo! and MSN, and enterprising new companies such as Greengrass.tv.

ITN Archive

ITN Archive is an international company and one of the largest commercial archives in the world, with nearly 700,000 hours of moving imagery. With footage from 1896 to the present day, ITN Archive represents exclusively the collections of ITN, Reuters, British Pathe, Granada, Channel 4, Film Four, Fox News and Fox Movietone. The enormous range of the collections provides imagery from celebrity and entertainment to politics and current affairs; from wildlife to history to fashion.

ITN programme production

ITN Factual is ITN's documentary-making unit, making programmes for all major UK broadcasters, as well as international clients such as Discovery and National Geographic, for which Factual made the recent, highly regarded Reign of Terror series. Visual Voodoo is a division of ITN specialising in factual entertainment; since its creation in 2000 it has established a reputation for popular, controversial, cutting edge programming across a wide range of UK channels.