



NUJ briefing for the DCMS select committee session with Ofcom (Tuesday 10 October, 2017)

Fox/Sky merger & Leveson Part Two

The NUJ has welcomed the decision of Secretary of State Karen Bradley to refer the proposed merger of 21st Century Fox with Sky to the Competition and Markets Authority on the grounds of media plurality and alleged breaches of broadcasting standards.

The union believes the bid will give the Murdoch family undue influence and reach in the UK media market. The union also believes the Murdochs have fallen short of Ofcom's broadcasting standards because of the phone-hacking scandal in the UK, the sexual harassment scandals at Fox and the Murdochs' blatant flouting of the most sacrosanct tenet of journalism – the protection of sources.

If the Fox bid is successful, the satellite broadcaster – together with its other assets including The Sun, Sun on Sunday, The Times, The Sunday Times and talkRadio – will give the family more influence than any other news provider apart from the BBC. Leveson Part One showed how much influence the Murdoch media empire had, with Prime Minister after Prime Minister paying homage at the court of Rupert.

The Murdochs presided over a newspaper at the heart of the phone-hacking scandal. James Murdoch, who was the chair and chief executive officer of News Corp during this period, is now chief executive officer of 21st Century Fox (21CF) which has recently been embroiled in a string of sexual harassment allegations at Fox News and claims that the broadcaster colluded with the White House to publicise a discredited story that the murdered Democratic National Committee campaigner, Seth Rich, leaked committee emails to WikiLeaks.

According to a report in the Financial Times, Glass Lewis, which advises more than 1,200 big investors globally, said Sky shareholders would be better served by an independent director during the takeover discussions. "We remain concerned that less than a year into his tenure as chair of [Sky], 21CF, of which Mr [James] Murdoch is CEO, has made a renewed attempt to acquire the company," it said. "We believe that independent shareholders will need an

independent chairman to best protect their interests during the bid process and [Mr Murdoch] does not fulfil this role.”

News Group Newspapers was forced to apologise in court and agreed to pay damages to a former army intelligence officer whose computer and emails were hacked. In a hearing at the High Court on Friday 6 October, News Group admitted that a private investigations firm had hacked the computer of Ian Hurst and that its boss, Jonathan Rees, had then sent intercepted information to the newspaper publisher. Lawyers for News Group said the company offered its “sincerest and unreserved apologies” to Hurst and his family and accepted “vicarious liability” for the hacking. News Group will pay “substantial” damages to Hurst and cover his legal costs.

The union has called for the government to implement the Leveson Inquiry Part Two. Trinity Mirror’s latest six-figure pay-out to a victim of phone hacking shows there is still unfinished business – that of determining the culpability of proprietors and senior newspaper staff in the industrial scale of phone hacking on certain newspaper titles.

It is a core principle of journalism that sources and whistle-blowers are protected. In 2012 News International decided to make millions of emails available to the police during the phone-hacking inquiry. Murdoch trashed a core principle of journalism without a thought to the consequences. At the time the union received calls from journalists and from whistleblowers who felt betrayed when more than 300 million emails, expense claims, phone records and other documents were handed over to the authorities. This is just one reason why the NUJ has no confidence in the Murdoch’s’ ability to maintain or promote broadcasting standards.

The Murdoch empire is known for its wholesale acquisitions of diverse media companies, but the NUJ believes media diversity is essential in a healthy democracy. We have already witnessed the impact of media concentration on journalism and politics. In today’s troubled world, citizens need access to diverse and reliable news sources – this proposed merger reduces plurality and undermines diversity and, as such, it is clearly against the public interest.

Ofcom & its role as BBC regulator

Can Ofcom show that it has sufficient resources and staff to fulfil its new obligations to the BBC? Can Ofcom show that it is independent of the government? Governments of all hues have attempted to put pressure on the way the BBC operates; can Ofcom give assurances that it will resist such attempts?

Ofcom has a reputation as a light-touch regulator in its dealings with the commercial sector and in its role overseeing the Public Sector Broadcasting (PSB) remit. The NUJ has already taken issue with its decision to allow ITV local news to be reduced by one-third in the latest 10-year broadcast licences for ITV, STV, UTV and Channel 5. ‘ITV’s lack of commitment to

peak-time news was shown when it moved the News at Ten to 10.30 to make way for the disastrous topical entertainment programme, the Nightly Show. Ofcom did nothing when ITV slashed its current affairs coverage, including World in Action. With this record, is the BBC's news and current affairs coverage safe in Ofcom's hands?

In principle, the NUJ has supported Ofcom's proposed increases in news quotas for BBC TV and radio and the need to show/air news and current affairs at peak times. Yet, the disastrous licence-fee deal for the elderly has forced the corporation to make huge savings which will inevitably have an impact on editorial production. This behind-the-door deal will cost the BBC £1.3bn over five years, then £750m each year to fund what is a state benefit, the free licences for over-75s. After BBC One, funding the free licence will be the single biggest item in the corporation's budget.

BBC's director general, Tony Hall, has said: "The overall result is that, by 2022, the BBC will need to make savings of £800m a year. That's 23 per cent – and in some parts of the BBC, it will be more." Lord Birt, a former BBC director general, said during the BBC charter debate in the House of Lords in 2016 that the cost of the two raids on the licence fee in the past decade had taken "almost exactly 25 per cent out of the real resources available to the BBC for its core services".

The NUJ will call on Ofcom to monitor the effects of the forthcoming cuts, which will inevitably lead to job losses, impose pressure on programme budgets and put in jeopardy elements of the BBC's public purposes. If the cuts do damage the corporation's ability to meet its public purposes and mission, what can Ofcom do?

The BBC should reflect and serve the diverse communities of all the UK's nations and regions. As Ofcom's research has shown, there are communities who feel they are not served well and in some cases portrayed negatively. Yet, the NUJ strongly challenges Ofcom's decision to not include a requirement to improve off-screen diversity. The union believes this is as important as on-screen diversity and that there is a direct relation between the two. If the people who are doing the hiring and the commissioning continue to be predominantly Oxbridge, white males, there is little hope that the aim of having a representative workforce at the BBC on-screen and off-screen will be achieved. Production, editorial control and nurturing off-screen talent to encourage and influence are essential in driving diversity forward. If those who are hiring also reflect the UK's diverse communities, it is more likely that we will see greater diversity reflected on screen/air.

Ofcom & BBC Radio's public service obligations

Can Ofcom explain why it is allowing BBC Radio, and particularly Radio 4, to water down their public service obligations? It was widely reported in the papers last month that BBC management had asked for radio public service obligations to be watered down and that Ofcom had agreed. In the case of R4, The Times reported that: "The corporation has asked

Ofcom to scrap a requirement for the radio station to broadcast science shows, religious services or arts programming, as well as removing quotas on original drama and comedy. It is aiming to cut more than 200 existing programming requirements to only 20, ditching other topics including consumer affairs, education, health, farming and disability."

<https://www.thetimes.co.uk/article/bbc-wants-its-public-service-rules-slashed-t3tpg0t7x>

Outsourcing of 60 per cent of radio output by 2022

There is no evidence that outsourcing will improve quality and no explanation how the figure of 60 per cent was reached. There is no evidence that the radio "Indie" sector is large enough, robust enough, or creative enough to take on such a huge quantity of radio production and no evidence of an impact study of such tendering out on high quality BBC radio production centres. The official additional cost of tendering out is estimated at £900,000 in the first year alone. This looks like a costly additional burden which contributes nothing to the public value of hearing excellent programmes. Clearly what is needed is an immediate review of the radio tendering proposals, including the required public value test, before it is too late to reverse any damage. **Will Ofcom propose such a review and public interest test?**

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