



**Welsh Liberal Democrats  
Democratiaid Rhyddfrydol Cymru**

# **OFCOM Review Phase 3 Proposals for the Nations & Regions**

**Eleanor Burnham AM**

Welsh Liberal Democrat Spokesperson on Culture,  
Welsh Language and Sport

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## **Introduction**

I believe that the OFCOM's Phase 3 Review still leaves a number of issues outstanding which I will address here.

Public Service Broadcasting should be universally available to all. Special effort must be made to ensure this provision. The final report by OFCOM must include a commitment for universal access to PSB, not just indigenous language PSB but also English language broadcasting for Wales. Securing universal access to digital TV, radio and broadband is a key requirement to ensure social inclusion, secure civil liberties and individual freedoms.

The Crawford Report of 1974 talked of the importance of everyone living in Wales receiving Welsh programming. Thirty years later the many people in the same areas of Wales, mostly in North Wales and the border regions, do not have access to Welsh PSB because of technical issues that should have been sorted out long ago. Not to ensure universal access means that viewers living in these areas will remain disenfranchised from devolved politics and cut off from one of the most significant mediums of Welsh culture. This cannot be allowed to continue into the digital age. The technology exists to provide universal access. OFCOM and the Government need to do more to educate people as to the options available to them.

The report talks at length about the accountability and governance of broadcasters. The Welsh Liberal Democrats believe that OFCOM itself is not properly accountable to the people of Wales without a Welsh representative on its Main UK board. This needs to be addressed.

S4C needs to be adequately supported. S4C has been an enormous success and has an even more important role to play now in achieving the goals set out in the Welsh Assembly language strategy Iaith Pawb. In the past few years S4C's budget has been squeezed whilst the challenges it faces grow. S4C must be properly supported and allowed to diversify in the digital age, broadening its service to meet the needs of the young and old. There should be reason why in the future S4C could not aspire to a specific channel for

these services. We must be bold in our aspirations for culture and language in Wales.

The BBC is central to public service broadcasting in the Wales. The Welsh Liberal Democrats want BBC Wales to be sufficiently strong, independent and financially secure to be a standard bearer of public service broadcasting and a high quality benchmark for the wider media.

### **Questions 1**

'Do you agree with the following proposals for non-news programming for viewers in...Wales?

Until the first UK region switches to digital:

c. four hours per week of non-news programming for ITV Wales...

Once the first UK region achieves digital switchover:

d. a reduction in the requirement for non-new programming for...Wales to three hours per week...'

The title of the Phase 3 of the Review is *Competition for Quality*. It seems therefore contradictory that OFCOM recommends reducing the regional non news output of ITV Wales which reduces the competition in this area. Given that BBC Wales produces a significant amount of S4C's programmes then BBC Wales would be left as the main non news broadcaster in Wales. The idea risks creating a market in which the BBC is an almost monopolistic commissioner and broadcaster in non news programming, reducing choice and competition.

The review states that its aim is to ensure that 'the lives of the people from around the UK are fully reflected on our mainstream commercial television.'<sup>1</sup> The proposal seems further at odds with the proposed future model of PSB based on plurality of outlets, plurality of commissioning and plurality of production.<sup>2</sup> I note OFCOM's view that 'regulatory quotas will be increasingly ineffective in those areas where high opportunity costs make programme

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<sup>1</sup> OFCOM Review of Public Service Broadcasting, Phase 3, Proposals for the Nations, pp. 11.

<sup>2</sup> IBID, pp. 31.

obligations unsuitable.<sup>3</sup> Could this view be too pessimistic? Is it really that much to expect ITV Wales to broadcast 4 hours a week of non-news regional programming? If OFCOM's other recommendation of a 'no play, no pay' arrangement and increased consideration of regional programming by the network controller then these could offset the impact of regional non-news programming.

ITV Wales produces and broadcasts excellent non news programmes for Wales. It would be a shame to reduce cut back on this. OFCOM's desire to maintain the initiative in shaping the PSB model during switchover is admirable but there are no guarantees in the review that OFCOM will take all necessary measures to maintain the initiative and keep non news programming part of commercial broadcasting after digital switch-over. Allowing ITV Wales to reduce its hours risks resulting in its withdrawal as a meaningful competitor. Reducing the hours seems more of a short term solution that fails to address fully the issue of commercial broadcasters providing adequate competition in regional non-news programming. OFCOM should set out a number of possible actions to maintain a plural market in a digital age.

The debate as framed, however, risks reducing the issue of PSB to a question of hours. PSB should not be reduced simply to a measurement of hours alone. PSB is not just a question of quantity but also of quality. If OFCOM's proposed cut in the hours of non-news programming is carried out, which ITV Wales supports; then there must be a criteria by which to judge the quality of the remaining hours. Reduced quantity does not necessarily mean deterioration in the service but it is all too often a precursor to it. If ITV Wales is allowed to reduce its hours of non-news programming it should not be at the expense of quality. The reduced hours should be of the highest quality, to the extent that it compensates for the lost time.

## **Question 2**

'Do you agree with our proposed amendments to the ITV Networking Arrangements:

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<sup>3</sup> IBID, Section 2.69, pp. 36.

- a. the introduction of a 'no-play, no-pay' clause for network programmes for national licenses, which enables national licensees to opt out of the network schedule in order to meet their regional programming requirements without having to pay for the network programme that they have opted out of; and
- b. a requirement on the ITV Network Centre to take into account the higher level of regional programmes in the three Nations when devising its network schedule.'

I welcome both of these proposals.

### **Question 3**

'Do you favour or oppose SMG's proposal that it should lose its requirement to broadcast a new bulletin at 1400, instead developing sub-regional opt-outs within its regional news service and a tailored Scottish version of the 2230 national and international news bulletin? If the latter is possible under the Communications Act 2003, do you think that similar tailored versions should be available in Wales and Northern Ireland?'

SMG's proposal presents an interesting idea that has relevance to Wales though ITV Wales, in its evidence to the National Assembly Culture Committee, rejected the proposal. However I believe that the idea, even if not implemented as stated, raises two issues that should be discussed.

Firstly whilst Welsh news bulletins are of a high quality they are often criticised for being too Cardiff centric in much the same way that people believe UK news bulletins are too London centric. The Welsh Liberal Democrats have called for sub regional news bulletins in order to give Mid and North Wales their own news bulletins. This would help foster regional identities and increase the coverage of local politics and culture. BBC Online already provides news tailored to North, Mid and South Wales and in addition BBC Radio Wales split its FM signal last summer to tailor its broadcasts. The provision of sub regional news is a realistic idea.

Secondly whilst ITV Wales already broadcasts a Welsh version of the 2230 UK and international news bulletin, the idea of a tailored Welsh news service has relevance to all broadcasters. A tailored programme would enable as section A.8 states broadcasters to reedit and omit national stories depending

on their relevance to a devolved Wales whilst still maintaining the same international content. BBC Wales already provide a similar template in the news they produce for S4C. A Welsh national bulletin combined with a sub regional news bulletin would give Wales a truly distinctive news service and one of great public value to viewers. Whilst not all broadcasters would want to do this, I would at the very least support more research being undertaken on this and the idea of sub regional news bulletins.

#### **Question 4**

'Have we set out the right options for the future of indigenous language broadcasting in...Wales? What are the pros and cons of our proposals?'

The review's proposal for the status quo whilst revising the working arrangements between the BBC and S4C is the most realistic way forward. However I do not accept that the review presented a real choice. The proposal for S4C to be absorbed into the BBC was a stark option and one with little support, the idea of a Public Service Provider to far in the future to be considered at the present time.

As the Laughton Review of S4C recommends, the future working arrangements between the BBC and S4C should be based on a clear financial commitment from the BBC rather than an hours based promised.<sup>4</sup> Laughton highlights the fact that the BBC's contribution has fallen in value over the last few years. In addition S4C have pointed out that they have to pay the BBC to maintain some of its productions all year round. Both the BBC and S4C accept the need for change in their relationship and a financial commitment would remove any cause for ambiguity between their positions. A clear documented financial contribution from the BBC to S4C is the best way forward and I welcome the review's recommendation.

I reject the proposal to siphon off part of the licence fee directly to S4C as it would have a detrimental impact on BBC Wales. 'Top slicing' as it has been referred to in the wider debate on Public Service Broadcasting has been

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<sup>4</sup> Laughton, R., *Report Of The Independent Review Of The Welsh Fourth Channel Authority, S4C*, (2004), pp25.

rejected by the BBC in the Charter Review. I believe that it would be much better exploring, as part of a more transparent relationship between the two organisations, giving S4C more of a say in the way this money is spent in addition to full editorial control, than to give the money direct to S4C to the potential detriment of BBC Wales.

The review calls for the Government to consider funding Channel 4's digital roll out cost yet says nothing about S4C's costs. Why is this? The Government must also consider funding S4C's digital roll-out costs on the same basis as the other broadcasters.

The future of Welsh Language broadcasting could proceed on the following basis. Firstly that S4C's Government grant keeps pace with industry inflation. Secondly that the Government considers funding S4C's digital roll out costs. Thirdly that the BBC makes a clear financial commitment to S4C. This would give S4C the financial stability for the digital switchover.

I welcome the proposal that more programme production should take place outside of London in the regions and nations. The future of Welsh PSB is dependant on a strong independent sector and we welcome the money and jobs that this will bring to Wales. However OFCOM must ensure that production does not just trade one large city for another and is spread throughout the Wales and the UK regions to ensure a diverse independent sector that benefits the whole of Wales and the UK.

With regard to a future PSP providing Welsh language services, at this stage it is too early to comment on this issue. We need a better idea of the impact of digital broadcasting on Welsh language services and Welsh public service broadcasting more generally before this is idea taken further. I believe that this issue would be better considered at the next review in 2010.

**Eleanor Burnham AM**