

Ofcom Wales Advisory Committee Consultation Response: Ofcom Plan of Work 2021/22

Introduction

The Ofcom Wales Advisory Committee (ACW) was established by the 2003 Communications Act to provide advice to Ofcom about the interests and opinions, in relation to communications matters, of people living in Wales. The Ofcom Annual Plan of Work provides an important opportunity for the ACW to consider the impact of this programme on key issues relating to communications matters that are of concern to citizens and consumers living in Wales.

The Covid 19 pandemic has emphasised that in Wales, along with the rest of the UK, citizens and consumers more than ever require high-quality, reliable communications services. Fixed and mobile voice services, reliable high speed fixed and mobile broadband, along with a broad range of high-quality media services, including public service media content are now essential ingredients of a fully functioning civic society. Internet access is increasingly seen as an essential utility rather than a luxury. We therefore welcome this opportunity to comment on Ofcom's latest plan of work and examine the priorities, set out in the Plan, as broad themes which will scope out the regulator's work for the coming year.

Plan of Work: Ofcom's Main Themes

In this response we have focussed our attention on the main themes of Ofcom's proposed plan that have specific relevance to the interests of consumers and citizens in Wales. This is not to say that the other areas of Ofcom's work are also important, but we have tried to priorities policy and regulatory matters that have a specific Welsh dimension over those that are largely generic.

1. Affordability of Communications Services

We recognise and support Ofcom's priority of ensuring that people can access affordable communications services. We welcome Ofcom's intention to monitor the proportion of people who have difficulties being able to afford communications services. In our view, this will be a major issue in Wales as the economy emerges out of the pandemic. Covid 19 has also had a profound impact on the quality of education received by children and young people over the past year which has highlighted the importance of availability of devices as well as the affordability of access, for example to fixed and mobile broadband services during the periods of school closures and home online learning. It is worth noting however, that there has been some good work in this area in Wales during the pandemic. In October 2020, a report by the Education Policy Unit¹ stated that the Welsh Government was able to draw on 'well-established infrastructure to act quickly following the closures. Policymakers and schools were able to re-purpose existing stocks of laptops and send internet routers to disadvantaged learners by the end of May.'

But generally, affordability of services remains a significant challenge in Wales. A recent meeting of the Communications Consumer Hub for Wales noted that in 2020, Ofcom research found that around 4.7 million households in the UK had reported at least one affordability issue with their communications services. In Wales, the Joseph Rowntree Foundation's report 'Poverty in Wales 2020' found that by June 2020 approximately 400,000 adults (16%) in Wales had fallen behind on at least one bill, with 200,000 (8%) falling behind on their rent or mortgage payments. In research

¹ <https://gov.wales/wales-led-way-providing-it-and-online-learning-pupils-home-throughout-pandemic>

published in February this year, Citizens Advice Cymru warned that the pandemic is creating a ‘debt time-bomb’ causing a severe impact on people's mental health². It claimed that more than 280,000 people in Wales have fallen behind on payments since the start of the Covid pandemic and estimates that households in Wales are £73m in arrears regarding rent, energy bills and council tax payments. The Communications Consumer Panel’s own research, ‘Don’t Cut me Off’ found that consumers prioritise telecoms bills over food and other utility bills. According to the Panel, the pandemic has placed even greater pressure on many consumers, particularly those from low-income households and in the early stages of the pandemic, stakeholders across the Nations including Wales reported concerns around affordability and debt. The issue of affordability of communications services will therefore be a major consideration for the ACW in terms of the advice it will provide to Ofcom during the year regarding the interests of citizens and consumers living in Wales.

2. Investment in strong, secure networks

We agree with Ofcom’s view that our increasing dependency on communications services makes it imperative that networks are reliable and secure. In the Plan, Ofcom notes that the resilience of the UK communications networks is due in part to continued investment in mobile and fixed broadband infrastructure. An example of this is the welcome news that access to full fibre networks increased in Wales from 12% to 15% (in the period from September 2019 and May 2020) compared to the UK average of 14%. We will also continue to monitor and engage with the development of the Alt Net operator market here in Wales in order to support the delivery of increased coverage, choice and innovative new services to consumers and businesses. In the context of network security, we think that it is prudent that Ofcom should aim to ‘encourage communications companies to make sure their networks are strong, secure and protected in the face of potential outages and cyberattacks’. We would also welcome more research into ensuring that Wales has resilient gateways to access international connectivity and the Internet.

Spectrum Policy and the support of Innovation

The Ofcom Spectrum Management Strategy published in December 2020 sets out how the radio frequency spectrum will be managed over the next ten years. It includes a commitment to further innovation in the development of new and existing frequency bands across the UK as well as in local areas. We welcome this emphasis on innovation and Ofcom’s willingness to consider locally based and flexible licensing initiatives, including a facility to experiment with temporary licensing to free up spectrum for development and experimentation.

Wales has much to offer the development of new connectivity options through local access licences, particularly within some of its sparsely populated rural areas and innovative applications and services. Its rural areas offer environments where the risk of interference is reduced. These areas could be useful for developing UHF white space technology and higher frequency service developments, using mmWave 5G or other technologies for rural connectivity, if successful business models can be established. We believe that Ofcom’s proposed update of TV White Space database framework will also facilitate this potential development and we welcome the emphasis on improving receiver design to reduce the degree of protection that will be required for existing services in the future. We believe that spectrum is too valuable a resource to allow operators to lock-up access to specific bands, acquired through current auction processes, that subsequently

² <https://www.bbc.co.uk/news/uk-wales-55904379>

remain unused, preventing access by other operators, consumers and business users. We also therefore welcome Ofcom's emphasis on ensuring the most efficient allocation and use of spectrum. We will continue to take an active interest, as stated in the Plan, in the development of innovations and new technologies, particularly applications which can improve productivity in business and the consumer experience in relation to telecommunications. We will continue to monitor developments around 5G and LoRaWan wireless applications, such as locally based SMEs developing agri-tech innovations in rural Wales. We will continue to research fixed and mobile connectivity for SMEs based at Wales' business parks. We will also monitor the development of key Wales based players in the supply chain of these new technologies, for example Compound Semiconductors.

3. Getting everyone connected

Ofcom's commitments in the Plan to reduce the number of homes unable to get a broadband service of at least 10Mbit/s and increase the proportion of the UK that receives good quality mobile coverage from all mobile network operators is very welcome as these matters continue to be significant issues in Wales.

Mobile Connectivity

Mobile connectivity for both voice and data in Wales has, arguably, been lagging behind the UK average for many years, despite some important coverage improvements. However, Ofcom notes that, 'in March, the UK Government announced funding for the 'Shared Rural Network' (SRN) being built by the four mobile network operators (EE, O2, Three and Vodafone). The SRN will improve mobile coverage across the UK, particularly in rural areas.' The development of the SRN offers the prospect of a significant uplift in 4G outdoor coverage in Wales. According to the Ofcom 2020 Connected Nations Report for Wales, 4G coverage from all four operators will rise to a minimum of 80% of landmass in Wales, up from the current coverage of 60% and that coverage from at least one mobile operator will increase to 95%, up from 90%. We also therefore welcome the recent news that O2, Vodafone and Three are co-operating to roll out 33 additional mobile phone sites in Wales³, many of which will be able to serve the national parks. Ofcom's intention to improve consumer information regarding mobile coverage and performance is also significant. This could enable consumers to select the mobile network with the best coverage in the area where they live. We hope that Ofcom's work in this area will establish better reporting of the availability and quality of mobile coverage which will benefit consumers and businesses in Wales and present a more consistent picture regarding 4G availability (and that of 5G as it rolls out). As well as coverage improvements, we will now also monitor and investigate the improvement of the capacity, quality and performance of mobile connectivity in Wales.

Fixed Superfast Broadband and the Broadband USO

Ofcom's Connected Nation Report for Wales, published in December 2020 shows that fixed superfast broadband connectivity has improved in Wales, reaching UK average levels for fibre to the cabinet (FTTC) deployment and exceeding them for fibre to the premises (FTTP), where 265,400 of homes in Wales (19%) have access to gigabit capable broadband connections. But the development of the broadband USO will still be relevant to the approximately 18,000 premises that are still without a decent broadband connection. One key issue is that BT, as the USO provider, will only provide a connection where the cost is no more than £3,400. If the cost exceeds this amount, which

³ <https://www.ispreview.co.uk/index.php/2021/01/o2-three-uk-and-vodafone-to-share-222-rural-4g-mobile-masts.html>

could well be the case in more remote and difficult to access locations, additional contributions would be required from customers. We welcome Ofcom's current investigation into this issue, particularly around claims by some consumers of excessive connection charges making deployment of the service unviable. We note that Ofcom has decided to proceed to the provisional decision phase of its investigation and is currently gathering additional evidence with the aim of providing an update on this issue by the end of March.

4. Supporting and developing UK Broadcasting

We note Ofcom's concerns about the financial impact and uncertainty caused by the pandemic on the television industry and the major falls in advertising revenue experienced by the commercial broadcasters. Public Service Broadcasting/Media has played a vital role in providing news and information to viewers and listeners living in Wales, particularly in relation to devolution and the work of the Welsh Parliament and Government. In this context, plurality of supply in news remains a key issue and it is vital in our view that both ITV Cymru Wales and BBC Cymru Wales continue to provide comprehensive news and current affairs services for viewers and listeners in Wales. We also note S4C's plans to develop a digital curated online news service in conjunction with Golwg 360.

We have already been engaging with Ofcom in its currently consultation regarding options for sustaining and strengthening public service media in the future, with the aim of providing recommendations to the UK Government.

Small Screen: Big Debate

Wales' public service broadcasters, BBC Cymru Wales, ITV Cymru Wales and S4C play a key role in providing trusted sources of news and current affairs, which has been vital during the pandemic. They also provide a wide range of other content which is valued by audiences, in reflecting the lives of people living in Wales as well as producing a wide range of original content, including drama series, such as Keeping Faith, Y Gwyll/Hinterland and the recently broadcast Pembrokeshire Murders, that have drawn large audiences across the UK as well as in Wales. However, we note the significant pressures faced by the public service broadcasters, for example from the impact of online streaming services. According to the Ofcom 2020 Media Nation Report for Wales, 59% of homes in Wales had a television connected to the internet in the first quarter of 2020 and 54% of households in Wales had a subscription video-on-demand (SVoD) service from providers such as Netflix, Amazon Prime Video and Now TV at the beginning of 2020. However, while Netflix was present in 54% of homes, BBC iPlayer was the most popular broadcaster video-on-demand (BVOD) player in Wales, watched in half of Welsh homes. We therefore intend to support Ofcom in Wales in its work of reviewing the future of public service broadcasting in light of changing audience habits and fast-developing markets.

News provision during the Pandemic

News about the pandemic continues to be a priority for viewers in Wales, particularly as public health in Wales is the responsibility of the Welsh Government. The regulations set for Wales during the first and subsequent lock down periods were often significantly different to the requirements implemented in the other UK nations. However, anecdotal evidence has suggested that various network news programmes repeatedly failed to distinguish between measures that were relevant in England and in other parts of the UK. The UK Government daily press briefings sometimes failed to make clear that the measures being announced were only relevant to England. The perception in some quarters in Wales was that news coverage of these briefings needed to explain which measures were UK-wide, for example quarantine restrictions and which were only relevant in

England, such as relaxing of travel restrictions for exercise and enjoyment purposes and reopening of schools. In our view the coverage raised potential issues around inaccurate reporting and the risk of misleading audiences across the UK, including Wales.

Ofcom's 2020 Media Nation report for Wales noted that at the height of the lockdown in April 2020 there was a significant increase in broadcast TV viewing with people in Wales spending an extra 65 minutes per day, (an average of 5 hours and 30 minutes per day) compared to the same period in 2019. According to Ofcom data 78% of online respondents to the Media Nation research in Wales used BBC services during the first four weeks of the lockdown period. However, as noted earlier, members of the Advisory Committee believe that the structural deficiencies of the present news provision from all broadcasters across the network, revealed serious shortcomings and a lack of clarity in the reporting of the pandemic, particularly in our view, in relation to the position in Wales. Research on the reporting of devolved matters by the networks has been conducted in the past, for example by Sir Anthony King (originally commissioned by the former BBC Trust) and more recently by Cardiff University and its research regarding news coverage in the early stages of the pandemic was reported in the Ofcom 2020 Media Nation Report for Wales. It concluded that, "Generally, the research found that journalists made references to measures being relevant to England. But news bulletins rarely spelt out the difference in approaches across the UK, and when they did, it was not always with great clarity or precision; for example, very briefly mentioning Wales or the other nations at the end of a news item". In our view there is a compelling case to commission research to look at the deficiencies of the pandemic coverage. We are therefore calling on Ofcom to commission audience research to investigate this issue so that robust data will be made available to inform future policy.

BBC

We will continue to support Ofcom in its role in reporting on the BBC's performance to ensure that it is delivering its mission and public purposes, particularly in relation to its services for Wales and that the BBC continues to meet the requirements set out in the operating licence and operating framework. Last summer, the ACW provided advice to Ofcom regarding the BBC's Annual Plan 'Bringing Us Closer' 2020/21 published in May regarding concerns that the BBC had not adequately responded to the issues identified in Ofcom's second Annual Report on the BBC published in October 2019. We also responded to the review of BBC Sounds and we will continue to focus on Ofcom's work in examining the role of BBC Studios and its impact on the independent production market in Wales.

Radio in Wales.

The ACW remains concerned about the impact of recent changes to the regulation of commercial radio, implemented across the UK, which has resulted, in the case of Global, the largest radio group in Wales, in the loss of local breakfast shows which were replaced with a networked show broadcast from London. However, we note that the requirements of Ofcom's localness guidelines, for example to produce local news, travel and weather bulletins, remain in force.

The Bauer Group re-branded Wales' oldest commercial station, Swansea Sound to create a new service for south east Wales which has the potential to reach larger audiences with a stronger presence on DAB. This was significant as, according to the Ofcom 2020 Media Nation Report for Wales, digital listening through DAB radio, digital television and online (including smart speakers) accounted for 51.6% of all listening in Wales in the first quarter 2020, having overtaken analogue listening in the second quarter of 2019 for the first time. Whilst we accept that Bauer's decision was

purely a commercial matter for the operator, we will continue to liaise with Ofcom staff to ensure the rebranded service adheres to the terms of its existing licence.

The ACW is also concerned about the future viability of community radio in Wales, where some stations are facing severe financial difficulties and may even have to close, due to the economic impact of the pandemic. We therefore welcome Ofcom's initiatives to establish hardship funds for community radio stations across the UK. We will also continue to liaise with the Wales Community Radio Network (WCRN) to assist in the development of the sector across Wales.

Spectrum licensing for broadcast services.

We note that Ofcom is working to deliver more small-scale DAB multiplexes which we believe represent an important, low cost, upgrade path for community radio in the future as well as for smaller commercial stations. It was therefore gratifying to note that applications have been received by Ofcom from groups wishing to run small-scale multiplexes in Cardiff and in the south Wales valleys.

Diversity in Broadcasting

We agree with Ofcom's increased emphasis on ensuring that the television and radio workforce reflects the diversity of the population in Wales, both in terms of its ethnic and linguistic mix and the proportion of people with disabilities. We agree that this should be an important priority for Ofcom and we support the ambition to address areas of underrepresentation and secure more senior, decision-making roles for disabled people across industry and people from minority ethnic groups. We also welcome S4C's appointment, in summer 2020, of a diversity and inclusion officer.

5. Preparing to regulate online harms

Ofcom notes that online services are becoming increasingly important sources of news. But it also recognises that despite the benefits of online services people are also expressing high levels of anxiety about going online. For example, according to Ofcom research, 81% of 12-15 year olds and 62% of adults claim to have had a potentially harmful experience online in the past year. An example of potential harm was reported in January by the Guardian newspaper which claimed that "conspiracy theories and misinformation about the coronavirus vaccine are still spreading on Facebook and Instagram, more than a month after Facebook pledged it would take them down"⁴. We therefore welcome the UK Government's announcement that it is minded to appoint Ofcom as the future regulator responsible for protecting users from harmful online content. We note that Ofcom intends to carry out work to deepen its understanding of online harms through a range of work. For example, the ACW will continue to participate in Ofcom's Making Sense of Media programme which aims to provide insights on the needs, behaviours and attitudes of people online. As part of Ofcom's research into online technologies we will support further understanding, for example of how online harms can be mitigated in the case of content and services delivered in the Welsh language.

The Ofcom Plan of Work For Wales

We will support the work of Ofcom's team in Wales by helping to engage with stakeholders, including relevant committees of the Welsh Parliament and by providing advice to Ofcom as

⁴ <https://www.theguardian.com/world/2021/jan/06/facebook-instagram-urged-fight-deluge-anti-covid-vaccine-falsehoods>

required. We will also respond to a range of Ofcom consultations during the year and assist the Wales Office in promoting awareness of Ofcom's services in the Welsh language.

Ofcom ACW
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