

Ofcom's consultation on the Renewal of Channel 3 licences: proposed changes to licensed area for Wales and West of England Licence and South West of England Licence

This response has been cleared by the Rt. Hon Carwyn Jones AM, the First Minister of Wales.

The Welsh Government welcomes this opportunity to respond to Ofcom's consultation on the renewal of Channel 3 licences: proposed changes to licensed area for Wales and West of England Licence and South West of England Licence.

As was set out in the Welsh Government's February 2013 response to the consultation on Ofcom's draft Annual Plan for 2013-14, we support, in principle, the creation of a single Channel 3 licence for Wales. It is our view that the Welsh Government should have an active role in discussions to develop the single licence.

In our view financial considerations overrode the needs of the Welsh people when the 1990 licence award for channel 3 was made. This, combined with subsequent relaxation of licence conditions has allowed the service in Wales to diminish, economically and in terms of Welsh content.

As current channel 3 licences expire at the end of 2014 Ofcom has an opportunity to remedy this situation and protect the PSB requirements of Wales. Following Ofcom's report to the Secretary of State for Culture, Media and Sport on the Licensing of Channel 3 and Channel 5 - which stated that it would now be correct to formally separate Wales from the regional licence for the West of England - the Secretary of State instructed Ofcom to look at a new ITV franchise for Wales. We are pleased that this consultation proposes to change the licensed area for the Wales and West of England Licence and the South West of England Licence - separating the constituent regions of the Wales and West of England licence, creating a single licence for Wales and a larger West and South-West of England licence. We are also pleased to note that ITV has indicated it is content with these proposals.

However, there are lessons which must be learned from the way in which current licence arrangements have allowed public service programming obligations - and corresponding economic activity - to weaken over the period of the current licence. Some of these may not be specific to the creation of a Wales licence but the relicensing process provides a timely opportunity to address them:

- New arrangements and mechanisms should be put in place to protect the integrity of the proposed Wales Channel 3 licence, e.g. in the event of a change of control or further organisational changes affecting the licensee. The Welsh Government wishes to discuss with Ofcom how this may be achieved.
- We have made clear in our response to Ofcom's separate consultation on programming obligations that higher standards in terms of service requirements for Wales should be set from the outset, with the involvement of the Welsh Government. These should then be detailed in the new licence agreement.