

Ofcom Draft Annual Plan Consultation Response from Welsh Assembly Government

The Welsh Assembly Government welcomes this opportunity to comment on Ofcom's Draft Annual Plan for 2011/12. In general, we are broadly supportive of the approach suggested by Ofcom in this Annual Plan and look forward to working with Ofcom on the proposed consultations and projects for the forthcoming year.

Spectrum

We welcome Ofcom's priorities for 2011/12, specifically Strategic Purpose 2 - 'promoting the efficient use of public assets' and its focus on spectrum.

The Welsh Assembly Government is aware of technical trials that are currently taking place in south west Wales utilising the cleared digital switchover spectrum for Long Term Evolution (LTE) deployment. This trial has shown the important role that the cleared spectrum can play in the expansion of mobile services, including mobile broadband in rural areas. We urge Ofcom to focus on clearing this spectrum at the earliest opportunity to promote the roll out of mobile services in underserved areas such as rural Wales.

Competition is currently the primary driver used to deliver services to customers and, clearly, this has resulted in minimal investment by mobile operators in areas of low population density.

We understand that other European nations are already making specific provision to provide rural coverage in underserved areas. The EU Review of Spectrum Policy Programme indicates specific action is needed to secure good service for rural users.

The release of spectrum is of particular relevance in Wales due to the poor mobile coverage in the region. The 2010 Communications Market Report for Wales shows that Wales still suffers from below average 2G and 3G coverage in comparison with the rest of the UK. We would urge Ofcom to work with the mobile operators to complete the auction process as quickly as possible in order to increase mobile coverage across Wales.

Ofcom is aware that we have lobbied on the issue of regional mobile coverage obligations as we do not think that the current obligations go far enough to address coverage issues in Wales. We urge Ofcom to define minimum population coverage targets at a regional level, to consider imposing geographical coverage and rural network roaming obligations in order to guarantee that mobile services are truly mobile. Whilst we welcome the research and work taken forward by Ofcom on mobile notspots to date, it is now time for Ofcom to take action to significantly improve coverage.

Regional Dissemination of Information

In terms of Ofcom's new duties under the Digital Economy Act, we are especially interested in the work being taken forward on the telecoms infrastructure review and would welcome sight of the findings for Wales. We have been calling for some time for greater granularity in its regulatory response. We have previously called on Ofcom to do more to map communications issues relating to Wales and therefore welcome this report.

A key issue here, however, is whether or not Ofcom will be compelled to share infrastructure issues relating to Wales with the Welsh Assembly Government in the same way that it will be required to share the UK picture with the UK Government. We would be pleased if the dissemination of regional information could be carried out with respective devolved administrations in order to facilitate policy making by the Welsh Assembly Government.

Public Service Broadcasting

We urge Ofcom to continue to fulfil its obligations in relation to public service broadcasting.

We are very concerned over changes underway with regard to television broadcasting in Wales. There has been a significant reduction in English language programming targeted at Welsh viewers over recent years. Ofcom's latest "Communications Market Report" records that in 2009 the joint BBC and ITV spend on television services in Wales declined by no less than 16 per cent over the previous year, and by an average of 11 per cent per annum over the five years since 2004. This represents a drop of £5 million - from £33 million to £28 million. In fact the decline in spending for Wales is greater than in any other nation in the UK. This is a matter which the Welsh Assembly Government has raised with both ITV and the BBC Trust Chairman, Michael Lyons as the corporation continues with its strategy review.

We have also expressed our very serious concern about the reductions in funding announced for S4C and the continuing uncertainty surrounding its future level of funding. We are therefore trying to protect services at a national level and believe that that should be the priority rather than developing local television services. The broadcasting landscape in Wales is vastly different from that in England. There is no history of local television in Wales and we are very sceptical about how it could work here. We urge Ofcom to take account of these considerations when assisting the UK Government in relation to the development of local television.

The Welsh Assembly Government has continued to refer to the importance of ensuring plurality of English language television in Wales in news and also general programming aimed at Welsh viewers. Both the Welsh Assembly Government and National Assembly for Wales have emphasised the need to ensure plurality and strong news services to ensure that democratic issues for Wales are available to the people of Wales on channel 3. The channel 3 news

service should not be looked at as a 'regional news' service, but as an essential democratic national news service for the people of Wales.

Ofcom should take these issues into account when preparing its statutory report for government on licensing arrangements for channel 3 after 2014.

Network Programming

The Welsh Assembly Government has made clear the importance it attaches to appropriate coverage of Wales on the main television networks. We expect the BBC Trust and Audience Council for Wales to continue to implement the recommendations of the King report. The recommendations of the King report are also relevant to ITV news and Channel 4 news and it is vital that these channels appropriately reflect the devolved nations. We urge Ofcom to reflect this in their analysis of PSB.

We would like to reiterate our view that if it is to be in receipt of public funding, Channel 4 should be required to produce at least a population share of network commissions in the nations and regions. We believe that this is fully in conformity with Channel 4's role in developing new talent throughout the UK.

The House of Commons Culture, Media and Sport Committee published its *Channel 4 Annual Report* on 14 December 2010. The report considered, among other things, the level of Channel 4 television production in the devolved nations. In particular, it noted that *"...the quota of 3% of network spend on originated programming coming from Northern Ireland, Scotland and Wales was rather low, given a total population share of 15% of the UK population"*. The report therefore urged Channel 4 to *"...redouble its efforts to increase the proportion of UK-originated commissioning from the nations and regions"*. It therefore proposed that *"...Channel 4 set a medium term target of 15% of network spend on originated programming coming from the nations, in line with their total population share."*

The Welsh Assembly Government agrees with the recommendation made by the Culture, Media and Sport Committee.

When Ofcom announced its short-term regulatory decisions on 21 January 2009, following its second review of public service broadcasting, it decided that Channel 4 should have a quota of 3% for production from Scotland, Wales and Northern Ireland. However, Ofcom also said that *"We plan to review - and consider increasing - these quotas once the future of Channel 4 is clearer"*.

Channel 4 now has a new remit, enshrined by the Digital Economy Act, and its new Chair and Chief Executive have been in post for some time. Its future appears to be secure. It is therefore an appropriate time for Ofcom to consider increasing Channel 4's quota for production from Wales, Scotland and Northern Ireland, especially if Channel 4 decides not to follow the Culture Media and Sport Committee's recommendation to set its own target.

Commercial radio

The Welsh Assembly Government recently conducted a public consultation on our new Welsh Language Strategy. In the consultation document *A living language: A language for living*¹ we suggested that we will consider the possibility of increasing the provision of Welsh language programming on commercial radio stations across Wales. We look forward to discussing these issues further with Ofcom.

The consultation closed on 4 February 2011 and the Welsh Assembly Government is now considering the responses.

DAB Radio

The challenge of providing sustainable and successful radio services in both English and Welsh is made more complex by the need to also ensure the completion of a transmitter network that ensures that those services are available throughout the whole of Wales. It is important that content and coverage of the DAB service in Wales is no worse than Welsh AM/FM radio coverage at present, and available in areas where the national radio stations (Radio Wales and Radio Cymru) can only be transmitted on the AM spectrum. The new DAB service needs to provide an enhanced service if listeners in all parts of the UK are to be persuaded of the merits of that service. The Welsh Assembly Government re-iterates its view that we would not be in favour of digital switchover for radio until there was a guarantee of at least 97% coverage for DAB throughout Wales. We have emphasised this regularly to the UK Government. There is a problem with FM coverage in Wales - almost 40% of Welsh listeners cannot receive Radio Wales on FM and the lack of DAB would compound the problem. We urge Ofcom to liaise with the BBC to resolve these issues.

We are aware that the BBC has announced the roll-out of an additional 10 'national DAB multiplexers' in Wales, but it is essential that they also commence a roll-out of 'local DAB multiplexers' in order to ensure that rural areas of Wales have full coverage of DAB.

There is currently an issue in the classification of Radio Wales and Radio Cymru as local stations, as per English regions, and we would urge Ofcom to work with the BBC to re-classify these as National Stations. In our response to the consultation on the BBC Strategy last year, we suggested that the spectrum vacated by Radio 6 and the Asian network provided an opportunity to ensure national coverage of these stations. Otherwise we could end up in a situation where listeners are able to listen to Radio Wales / Radio Cymru on their Freeview TV sets, but not whilst travelling. This would do nothing to promote those services as key aspects of the BBC's radio offer.

¹ <http://wales.gov.uk/docs/drah/consultation/20101213alivinglanguageeng.pdf>