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Media in Wales
Serving Public Values

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1. Introduction

In the past decade technological developments have wrought more change in our media landscape than ever before. The familiar peaks of BBC, ITV, Channel 4 and S4C no longer stand out against a flat and featureless plain but are increasingly hidden by a multitude of digital channels in television and, to a lesser extent, in radio. The internet has also reshaped the way in which we seek out information and entertainment. This has had an effect on every part of the media landscape, print, broadcast and electronic, without exception.

A broadcasting system largely shaped and driven according to public service values has begun to feel the force of markets as never before. Market pressure and technological developments have forced change, too, in newspapers. Arguably, public service values are more vulnerable than ever before. 2008 will be a watershed year, the beginning of the total switch from analogue to digital television signals.

This is the backdrop to Ofcom's second review of public service broadcasting (PSB), being carried out as part of its obligations under the Communications Act 2003. The speed of technological change and, in particular, the imminence of digital switchover will mean this review could be much more influential than the first in reshaping public service provision for the decades ahead. This is why the widest possible public debate in Wales is essential.

In the past, Welsh responses to Ofcom consultations have been restricted in the main to the broadcasters and to a formal response from the Assembly Government. There has been little public debate beyond the confines of the media industry itself. That must not happen this time.

This is particularly necessary since media policy has in the past rarely been shaped specifically to Wales's needs. With so much at stake in this review, Wales must take the utmost care that it does not end up as the final square on the Rubik's cube that does not fit.

The distinctive circumstances of Wales – two living languages, sparse population in places, difficult topography, pockets of multiple deprivation, extensive poverty both urban and rural, the prevalence of the small scale in broadcast and print media markets, external media ownership, and a new democratic institution – more than justify a closer look at how Wales is served by the media.

This report seeks to put Ofcom's review of public service broadcasting into the context of the totality of means by which the public in Wales is informed. Print media cannot be left out of account.

The Ofcom Review

The Communications Act requires Ofcom to carry out a review of public service broadcasting at least every five years. Its first review was carried out between 2003 and 2005, and brought forward the following definition of PSB:

- To inform ourselves and others and to increase our understanding of the world through, news, information and analysis of current events and ideas.

- To stimulate our interest in and knowledge of arts, science, history and other topics through content that is accessible and can encourage informal learning.

- To reflect and strengthen our cultural identity through original programming at UK, national, and regional level, on occasion bringing audiences together for shared experiences.

- To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere.

It argued that public service broadcasting should be:

- High quality – well funded and well produced.
- Original – new UK content, rather than repeats or acquisitions.
- Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones.
- Challenging – making people think.

This second review, which need not have taken place until 2010, has been brought forward because Ofcom judged that ‘in some areas change has occurred even more rapidly than anticipated’, that pressure on services such as Channel 4 and on ITV’s regional services were growing, and that any change might need time-consuming legislation.

The terms of reference for the current review are as follows:

- To evaluate how effectively the public service broadcasters are delivering the purposes and characteristics of PSB, particularly in the light of changes in the way TV content is distributed and consumed.

- To assess the case for continued intervention in the delivery of TV content to secure public service purposes.

- To consider whether and how the growth of new ways of delivering content to consumers and citizens might create new opportunities for achieving the goals of public service broadcasting, as well as posing new challenges.

- To assess future options for funding, delivering and regulating PSB, in light of these challenges and opportunities, and uncertainty about the sustainability of existing funding models.

Ofcom’s Phase 1 consultation document seeks to answer four questions:

- what has intervention or regulation been aiming to achieve?
- have those goals been achieved?

- ❑ what is likely to happen if there are no changes to the regulatory framework?
- ❑ what does PSB need to deliver in the digital age?

A Phase 2 document, expected in the autumn of 2008, will present options designed to deliver public services effectively in changing circumstances. Wales, too, needs to ask how its own needs and aspirations will be served in the digital age.

Public value in broadcasting

At the core of the dilemmas facing Ofcom and society is the need to ensure that our media systems deliver and support important public values that are relevant to our existence as citizens, values that might not survive in a system wholly given to satisfying the desires of consumers. The nature of this 'public value' has been stated in many different ways.

'Inform, educate and entertain' – in that order – were inscribed in the tablets of stone that John Reith had carved for the BBC in the 1920s. The corporation created in 1927 was to be 'a public service operating upon a democratic policy', and Reith infused it with a sense of moral obligation towards the public, an obligation made necessary by 'the brute force of its monopoly'. The same values that were embedded in the radio medium were transposed to the BBC's television service.

When ITV was first established in 1955 it was to be regulated by a public corporation. Balance and impartiality and an array of public service commitments, including children's programmes and religious programmes, were imposed from the outset. It was to be an advertising funded public service, that - for technical reasons and to avoid a monopoly over programme supply - took on a regionalised form with a provision that each station should include in its output 'a suitable proportion of matter calculated to appeal specially to the tastes and outlooks of persons served by the station'. When Margaret Thatcher's government introduced the auctioning of ITV franchises in 1990, Parliament insisted on adding to the financial bidding a 'quality threshold' that each bidder had to cross.

Faced with an increasing challenge to its funding, the BBC has since the early 1990s responded with a succession of documents – *Extending Choice, The BBC Beyond 2000, Building Public Value* - setting out ever more fully dimensions of public value that have included fostering an active and informed citizenship, developing British culture and creativity, extending educational potential and community cohesion through online services and promoting the UK's voice in the world.

From 1955 to 1990, the 15 ITV companies that comprised the ITV federation responded to the regular franchise renewal rounds, often with promises of increased regional programming, and community service initiatives such as the ITV Telethon. For a period those same companies funded Channel 4 as it set a new course.

Ofcom's remit

The same concern for public values was evident in the charge that Government laid down respectively for Ofcom in the 2003 Communications Act and for the BBC in its new charter.

Section 3 of the Communications Act states that 'It shall be the principal duty of Ofcom, in carrying out their functions –

a) to further the interests of citizens in communications matters; and
b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.'

The BBC's remit

The Government, in its licence agreement with the BBC, states the BBC's public purposes as:

- sustaining citizenship and civil society
- promoting education and learning
- stimulating creativity and cultural excellence
- representing the UK, its nations, regions and communities
- bringing the UK to the world and the world to the UK
- in pursuing its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services, and taking a leading role in the switchover to digital television.

S4C's remit

The same values have infused S4C since its inception in 1982. The S4C Authority has the function of providing television programme services of high quality that represent 'a public service for the dissemination of information, education and entertainment'. It can also provide other services - either television services or services 'that are neither television nor sound' - but in the case of television services it must ensure that a substantial proportion of the programmes included in the service consists of programmes in Welsh, some of which must be in peak hours.

The transmission of Channel 4 programmes is another statutory requirement on the S4C Authority as a result of S4C's service being the only means of distributing Channel 4 programmes in Wales using analogue signals.

Channel 4's remit

Channel 4's remit has had its own character from the outset. Its purposes were restated in the 2003 Communications Act as 'the provision of a broad range of high quality and diverse programming which, in particular:

- demonstrates innovation, experiment and creativity in the form and content of programme.
- appeals to the tastes and interests of a culturally diverse society
- makes a significant contribution to meeting the need for the licensed public

service channels to include programmes of an educational nature and other programmes of educative value, and
- exhibits a distinctive character.'

Channel 4 has set out how it sees its public purposes in a document entitled, *Next on 4*, published in March 2008. The document emphasised that legislation defines Channel 4's role purely in terms of the core channel, which it regarded as anachronistic in a multi-channel world. Instead it describes four public purposes which give practical expression to the end benefits that result from Channel 4 delivering its remit. They are:

- to nurture new talent and original ideas
- to champion alternative voices and fresh perspectives
- to challenge people to see the world differently
- to inspire change in people's lives.

Channel 5's remit

Channel 5 – Five – has the fewest public service obligations. Its remit, as stated in the Communications Act, is limited to 'the provision of a range of high quality and diverse programming'.

The current Ofcom review has to decide whether and how the central public role of the BBC should be supported by the other public service broadcasters – ITV, Channel 4 and Five – and by online services.

The IWA's Media in Wales Audit

The IWA's purpose in putting together this document is to complement Ofcom's Phase 1 report and

- to document the current shape, content and usage of public service broadcasting in Wales

- to present an accurate picture of the way in which newspapers and the internet serve public needs in Wales

- to describe those ways in which Welsh circumstances differ from the rest of the UK and to assess their significance

- to bring into focus some of the questions most pertinent to the development of media policy within Wales.

What follows sets out:

- a detailed description of total print, broadcast and online media provision in Wales

- an assessment of journalistic resources and investment in print media, local radio, community radio, and television, including an account of the approach of UK newspapers to the reporting of Wales.

- an account of the current strategies of Wales-based media, including newspaper owners, the indigenous magazine sector (some of it subsidised), local radio operators and community stations, and public service broadcasters.

- an assessment of the volume and nature of current online provision in Wales, both in terms of news and the journalism of opinion.

- an assessment of the indigenous broadcast production sector and of the cultural characteristics of contributions from Wales to UK networks, a factor that is often disregarded when the devolution of production is discussed.

2. Broadcasting – Mixed signals

2.1. Signal coverage

Serving Wales with broadcast signals has never been easy. Its hilly terrain and often small dispersed communities make terrestrial transmission difficult, resulting in less than full coverage and in some places inferior quality signals. With 5% of the population, Wales has around 20% of all broadcast transmitters in the UK – six main transmitters (Wenvoe, Carmel, Preseli, Blaenplwyf, Moel-y-Parc and Llanddona) and 208 relay sites. This limitation will apply just as much for digital terrestrial transmission as for traditional analogue signals, and for radio just as much as television. For the same topographical reasons the extent of cable networks in Wales is also limited.

According to Ofcom's Communications Market Report, Wales (2008), take-up of digital and broadband services is unevenly balanced geographically across Wales. Digital television take-up is greatest in Cardiff (95%), while both Swansea and Newport's take-up proportion is 88%, compared with 82% for the rest of Wales. Broadband take-up is also highest in Cardiff (58%), Swansea (56%) and Newport (62%) compared with 42% for the rest of Wales.

As a whole, however, rural areas of Wales have a higher take-up of fixed-line telephones (88%) and broadband (51%) compared with urban areas (77% and 43%). However, there are considerable disparities within urban areas. Ofcom's research indicated that broadband penetration in the south Wales Valleys was 34% (although this figure differs from Assembly Government surveys).

2.1.1. Analogue Television

Fig 1: Analogue terrestrial television coverage
% population covered

	Analogue coverage
UK	98.5
England	98.7
Scotland	97.2
Wales	96.7
N.Ireland	97.6

Source: Ofcom

Analogue coverage in Wales increases by 0.7% points if coverage by transmitters based in England is included. 40% of the Welsh population live in these overlap areas.

Channel 4 as a discrete channel has never been available in analogue form in Wales – except in areas of overlap from transmitters in England. In Wales the frequencies have been used to transmit the Welsh language channel S4C. However, Channel 4 has a statutory obligation to make its programmes freely available to S4C and its programmes have formed a substantial part of the S4C analogue schedule since the launch of both channels in 1982. Since the advent of digital transmission, both S4C and Channel 4 have been available separately on digital platforms.

For technical reasons analogue coverage for Five is available from only three of the six main transmitter sites in Wales, reaching around 20% of the population. It is not available in analogue form from the two transmitters serving the most populous areas of Wales – Wenvoe in the south east and Moel-y-Parc in the north east.

The above differences or limitations have contributed to the following consequences:

- Some viewers have tuned to transmitters based in England in order to receive better picture quality

- Some viewers have tuned to transmitters based in England to avoid Welsh language output or to get access to the full Channel 4 service and, more recently, Five.

- Take up of satellite television and digital formats in Wales have run ahead of the rest of the UK. Digital penetration in Wales in 2006 was 82% against a UK figure of 75%. However, since the end of 2006 to the present, increases in the take-up of digital television in Wales only rose by two percentage points to 84%. During the same period take-up in England and Scotland rose markedly, to 86% and 85% respectively, while Northern Ireland has around 79% take-up.

2.1.2 Digital Television

Consumers access digital television in one of five ways:

- Digital Terrestrial – Freeview
- Digital satellite (subscription) – Sky TV
- Digital satellite (no subscription) – Freesat from Sky
- Cable – Virgin Media
- Telephone line – BT Vision or TopUp TV

The full choice is not available everywhere in Wales, for technical and/or commercial reasons. Digital Terrestrial Television services in Wales are currently broadcast from 10 sites and core coverage (where all 6 multiplexes can be received) is currently 57% in Wales (see Fig 2 below). Digital satellite services are available to around 98% of households in the UK and the figure for Wales is likely to be comparable, though no data exist specifically for Wales. The broadband cable network in Wales (the Virgin Media cable TV network, available in urban areas of south-east Wales) serves 23% of the population compared with a UK average of 45%.

Fig 2: Current and anticipated digital television coverage across the UK
% of population

	DSAT	DTT Pre-DSO	DTT Post-DSO 6-multiplex	DTT Post-DSO 3 PSB-multiplex	Cable
England	98	73	93	98.9	52
Scotland	98	82	88	98.8	38
Wales	98	57	73	97.8	24
N.I.	98	58	75	97.5	30

Source: Ofcom 2007
Note: Digital Switchover (DSO)

Fig 3: Digital television penetration
% of households

	DSAT	DTT	Cable
UK	41	44	14
England	40	45	14
Scotland	39	43	17
Wales	56	39	10
N.Ireland	43	32	8

Source: BBC estimates, based on BARB data

The above figures for Digital Satellite (DSAT) include pay and free to view satellite. Both are Sky services. A free to view satellite service (Freesat) provided by a consortium of the BBC, ITV and Channel 4 was launched in early 2008. At present the Freesat service does not carry either Five or additional Channel 4 services such as E4.

The full six-multiplex DTT (Digital Terrestrial Television)/Freeview service is currently available to only 57% of Welsh households. Switching off analogue, scheduled to start during 2009 in Wales, will allow this digital transmission network to be extended, but the extension will be restricted mainly to the three public service multiplexes rather than the full six. This will leave nearly 30% of the Welsh population with a restricted DTT/Freeview service. They will have full access to the public service channels, but not to the commercial channels available in the rest of the country.

In its submission to Parliament's Welsh Affairs Committee's inquiry into globalisation effects, Ofcom stated: 'Given the limited availability of DTT and cable, the satellite platform is currently the only option for most viewers in Wales who switch to digital television.'[1]

[1] Welsh Affairs Committee Inquiry – Globalisation and its impact on Wales. Ofcom submission, p.23. 2008

2.2. Overlap transmission from England

Around 40% of the Welsh population, mainly in east Wales, live in areas that are also covered by signals from transmitters based in England. In research carried out in 2006-7, Ofcom found that 26% of the population in overlap areas were able to receive these signals in their homes, with 8% receiving only signals from English transmitters.

The advent of digital services, and their high take-up in Wales, has increased numbers viewing output from Wales, since both Sky's satellite services and cable services in Wales have made Welsh services the main default proposition. This will also apply to the Freesat service. The BBC has claimed that viewing to BBC 1 Wales as a percentage of all BBC1 viewing in Wales had increased from 75% to 85% between 1998 and the present day largely as a result of the take-up of Sky Digital.

However, Ofcom found that 15% of households in the overlap areas watched only, or mostly, England channels. There were substantial variations: 30% in Wrexham, 4% in Newtown and 7% in Cardiff. Ofcom calculated that 39,300 households in Wales were "England only households, but that this rose to 74,100 if one included those who watched 'mostly' England channels.

Significantly, where households viewed only England channels, Ofcom found that in only a minority of cases this was a matter of cultural choice. The main reasons given by respondents were either no reception or poor quality reception from Welsh transmitters, inherited aerial settings or the absence of the digital terrestrial option. Only half were aware that there was a choice of signals.

However, in those households able to receive signals from Wales and from England – but who 'mostly viewed' those from England – the inability to understand Welsh was the most frequently mentioned reason. In Ofcom's focus groups 'there was widespread misconception among non-Wales viewers that all Wales channels featured Welsh language content.'

2.3. Analogue Radio and DAB

Topography presents the same challenge to radio transmission in Wales as it does to television. In analogue format BBC Radio 1, 2, 3 and 4 (speech-only) as well as Radio Cymru are available throughout most of Wales on FM, with Five Live – a speech-only station – on medium wave. Until 1998 BBC Radio Wales was also available on medium wave only, a considerable disadvantage for a station that had substantial music content, although partially balanced by the wide reach of medium wave. FM frequencies for BBC Radio Wales were not made available until 1998, and even now cover only 62% of the population, although the service continues to be available more widely on the medium wave.

Fig 4: Analogue radio coverage (FM - VHF) of BBC Wales radio services
% of population

	Coverage
Radio Wales	62
Radio Cymru	95

Source: BBC Wales

In digital format both BBC Radio Wales and BBC Radio Cymru have been at a considerable disadvantage compared with the BBC's UK services. When DAB frequencies were first allocated the BBC's UK services – Radios 1 – 7 plus the Asian network and BBC World Service - were allocated their own digital multiplex and rolled out across the country. In Wales these UK services are available from the main transmitter sites.

In contrast, the BBC's services for the 'nations', together with local radio in England, were obliged to share multiplexes with commercial services under the control of the Radio Authority (now Ofcom). The roll-out of these multiplexes is determined by the willingness of commercial operators to fund new transmitters. As a result DAB in Wales has been confined to the Cardiff/Newport and Swansea areas. By 2008 the BBC and Digital One DAB networks were estimated by Ofcom to cover around 74% of the population in Wales, an increase since 2006. Local commercial DAB coverage reaches around 56% of the population, still barely half of the people of Wales. Current DAB coverage of BBC Radio Wales and Radio Cymru is 43% for both services.

This anomaly, combined with the more limited range of commercial radio stations and limited FM coverage for Radio Wales, may explain why the BBC's network radio stations attract more listening in Wales (46%) than in England (45%), Scotland (26%) or Northern Ireland (27%).

Commercial considerations and the limited range of DAB transmission compared with FM, means it is unlikely that Wales will ever achieve a DAB network that matches the FM network. Ofcom's research found that almost a third (32%) of listeners in Wales said they used digital TV services to listen to radio stations in 2007 and 14% said they listened to radio via the internet.

2.4. Internet and broadband

Some analysts believe that radio and television are more likely to be accessed in future via broadband. The development of services such as BT Vision, 4 On Demand and the BBC's iPlayer are cited as indicators of the trend. Others take the view that broadcast transmission will always be a more efficient way than broadband to reach the mass audience, since the capacity required to enable broadband to be the primary means of accessing television for large numbers simultaneously would require substantial new investment in costly fibre networks. They also point to the fact that although the UK has been ahead of other countries in terms of basic broadband availability (512kps), it is well behind the most advanced countries in offering higher speed services. The debate about technical capacity has other practical implications. For example, there has been disagreement between the BBC and some internet service providers (ISPs) about the extra burden that the BBC's iPlayer and other on-demand services have placed on ISP networks.[2] One ISP provider suggested the BBC should contribute to the costs of extended technical provision.

Although it has great potential and technological appeal, broadband is unlikely to displace broadcast transmission in the near future. In Wales any assessment of the feasibility of such an option is sure to be coloured by the current level of availability and take-up of higher speed broadband services. Cost will be another issue, although it should be noted that broadband prices are decreasing as bandwidth is rising and that, under current circumstances, it is less expensive than some popular TV subscription packages.

The level of broadband take-up in Wales is the lowest in the UK and has increased the least between 2006 and 2008:

Fig 5: Broadband penetration across the UK, 2006-2008
%

	2006	2008	Change (% points)
Wales	42	45	+3
England	44	57	+13
Scotland	46	57	+11
Northern Ireland	42	52	+10

Source: Ofcom, Communications Market Report, Wales (2008)

Local Loop Unbundling (LLU) is the process by which alternative operators can lease the local loop – the twisted copper pair between (in the UK) a BT or Kingston Communications local exchange and households and businesses. Alternative providers can use their own equipment in the exchange to provide other services (although this is not the only method alternative providers can use to provide services). Although the availability of a basic speed broadband is now virtually 100%, the higher speeds available via cable or through LLU have been slow to reach the Welsh market. Services of more than 8Mbps are currently available to only about a third of the Welsh population compared with two-thirds of UK households. LLU operators tend to unbundle exchanges serving a large number of delivery points for economic reasons, which favours urban areas because of their greater population density.

[2] *Financial Times*, 'ISPs warn BBC over new iPlayer service'. August 12, 2007

Fig 6: Premises connected to a DSL or LLU (local loop unbundling) Enabled exchange or able to receive cable modem broadband

%

	DSL	LLU	Cable*
UK	100	67	46
Urban	100	78	52
Rural	99.9	27	23
England	100	74	48
Scotland	99.9	39	37
Wales	**100**	**32**	**23**
N I.	100	10	30

Source: Ofcom – The Communications Market 2007, Nations and Regions
**Cable figure is proportion of households passed by cable infrastructure.*

The availability or non-availability of higher speeds has a correlation with usage. The research company Nielsen reported in April 2008 that those able to access speeds of 8Mb averaged 22% more time online than those operating at the lowest speed, 512Kb. In February this year British users of the slower dial-up broadband averaged 16 hours 7 minutes online per month, whereas those on 8Mb or above averaged 19 hours 40 minutes.

Fig 7: UK monthly internet time by connections speed

Connection Speed	Time online
<128Kb	16’07”
128Kb-512Kb	16’31”
512Kb-2Mb	18’23”
2Mb-8Mb	19’00”
8Mb+	19’40”

Source: Nielsen Online, February 2008

The same survey showed that more than half of all British users were only half way up the speed chain.

Fig 8: Connections speeds of the UK internet population

Connections speed	% Internet Population
<128Kb	3
128Kb-512Kb	9
512Kb-2Mb	52
2Mb-8Mb	33
8Mb+	3

Source: Nielsen Online

BT’s investment in its 21st Century Network (21CN) – an end-to-end IP-based network that will replace the existing switched network and will have the potential to deliver speeds of up to 24Mbps – is scheduled for completion by 2012. Although Wick in south Wales was the first place in the UK to experience the migration of customers to this technology, some variations in levels of service between urban and rural areas are still likely.

Meanwhile, there is currently some dispute over the measure of availability of higher capacity broadband in Wales. Although all exchanges in Wales have now been broadband-enabled, distance from the exchange, which affects the quality/speed of the broadband service, is an issue in many areas and particularly in rural Wales. The precise availability of broadband services at the advertised quality is, therefore, not known.

'Not-spots' – areas where broadband is perceived not to be available – have recently been the subject of considerable public complaint and concern. In April 2008, following a consultation with the telecommunications industry, the Assembly Government announced that it would commence a procurement exercise to find a telecommunications provider or consortium to address the remaining broadband not-spots.

2.5 The Digital Dividend

Digital Switchover (DSO) will release analogue spectrum that can be made available for additional digital services. In 2006 Ofcom carried out a review to determine how to make best use of this 'digital dividend' and estimated that the new spectrum could be worth £5bn-10bn to the British economy over a ten year period. It published a consultation document in December 2006 and its final conclusions a year later.

Ofcom has decided that, while some spectrum will be set aside for the development of DTT services, in allocating the remaining spectrum it should adopt a market-led approach, on the basis that only this approach can achieve the flexibility that enables timely responses to rapidly developing technology. If Ofcom's recommendations are accepted the newly available spectrum will be auctioned, and there is likely to be intense competition for it.

It will allow a major expansion of the capacity and coverage of DTT, but claims are also being made by both public service and commercial broadcasters for high definition television (HDTV) which will take proportionately more bandwidth than normal standard services. Others foresee mobile broadband, mobile television, and what are called 'cognitive wireless services' capable of identifying unused frequencies.

In the wake of DSO the reconfiguration of multiplexes to create an additional public service broadcaster will present some dilemmas for Welsh services. For instance, S4C's aspirations for a new Welsh language service for children might be curtailed if it has to put the new service on a commercial multiplex that will have much more restricted coverage in Wales. Ofcom also plans "to auction packages of interleaved spectrum suitable but not reserved for local television in 25 locations across the UK". Geographic interleaved spectrum is available in various geographic areas across the UK.

3. Broadcasting – Television

Wales has three public service broadcasters: the BBC, ITV and S4C. BBC and S4C are both not-for-profit public authorities. ITV plc is a public company, formed by the merger in 2004 of two major ITV companies – Carlton and Granada – that encompasses all the ITV franchise holders in England and Wales. Scotland, Northern Ireland and the Channel Islands are still served by independent franchise holders – SMG, UTV and Channel Television respectively. ITV Wales and S4C are television broadcasters, while the BBC also delivers two national radio services and employs a symphony orchestra, the BBC National Orchestra of Wales. All three broadcasters have invested in online to different levels, the largest investment being by the BBC.

All this makes broadcasting a significant sector in the Welsh economy. Economic impact studies have also described considerable indirect economic effects. For instance, S4C is essentially a publisher broadcaster, commissioning all its output from independent producers (apart from hours supplied by the BBC). The independent production sector is significant in its own right.

All three broadcasters have implemented economies in recent years that have impacted on their total staff numbers. ITV Wales has been affected by ITV plc's general wish to reduce regional programming as its financial model comes under pressure. The BBC has instituted a programme of economies arising from the last, tight licence fee settlement. However, there has also been investment at BBC Wales, largely through network commissioning and online. S4C has reduced its direct staff as the result of introducing a new internal structure and outsourcing production activity.

Fig 1: The three Welsh public service broadcasters

	Turnover	TV Hours	Radio Hrs	Staff (FTE)
BBC	c. 125.0	1,629	15,546	*1,169
ITV Wales	12.9	477	N/A	136
S4C	96.7	1,834	N/A	**159
Total	234.6	3,940	15,546	1,464

Sources: BBC Annual Report; S4C Annual Report, Ofcom 2007
**including the BBC National Orchestra of Wales*
***as at 1 April 2008*
Note: BBC turnover and staff figures include local and network output but hours for TV and radio relate only to local broadcasting

3.1. English language television

3.1.1. Hours of output

Wales has waged a long battle to secure broadcasting services that allow it to reflect every facet of its life in anything like full measure. From the very beginning of broadcasting it has fought for increased programming, first in radio and then in television. In the main this battle was led by demands for provision in the Welsh language, in the face of the increasing scale and influence of English language services that contained very little content about Wales. It was not until November 1978 that it achieved its first discrete broadcasting service – BBC Radio Wales, followed exactly a year later by BBC Radio Cymru. In November 1982 the Welsh language television service, S4C, was inaugurated after 20 years of, at times, bitter campaigning.

Growth in the volume of English language television was slower in Wales than in Scotland, partly as a result of having to accommodate both Welsh and English programmes in the BBC and ITV schedules, right up to the launch of S4C, an event that liberated programme making in both languages, though less so in English than in Welsh.

Fig 2: English language output for Wales
Average hours per week (exc. repeats)

	1990	2000	2008
BBC	9	13.7	15.6
ITV	15.5*	12	9.5
Total	24.5	25.7	25.6

Sources: BBC, ITV and HTV's Application for a Licence to Provide a Channel 3 Service for Wales and West of England Under Part 1 of the Broadcasting Act 1990, May 1991
**Repeats included in the 1990 allowance, subsequent figures only cover first-run programming*

Before S4C, English language television output from and for Wales amounted to about half the current level. By 1990 it had grown to 9 hours a week from the BBC and 15.5 hours a week (including repeats) from HTV. By 2000 both BBC Wales and HTV Wales were producing around 12 hours a week. BBC Wales output rose to 13.7 hours in 1999/00 in the wake of devolution, and again to 17 hours by 2002/03 following the addition of BBC2W, a digital version of the analogue BBC2 service, that contained a concentrated block of Welsh output in peak times, although mainly repeats. By 2008, BBC Wales's total originations have settled to just short of 16 hours, although the total broadcast hours across analogue and digital, including repeats, has exceeded 20 hours a week for the past four years. In 2006/07 it was 21.25 hours per week.

ITV Wales has had a more difficult path to tread, since in recent years it has been a strategic objective of ITV plc to reduce its regional programming obligations. Both Ofcom and one of its predecessors, the Independent Television Commission, have accepted the economic case for a reduction in those obligations.

In June 2002, when the Independent Television Commission announced a new Charter for the Nations and Regions, it proclaimed a switch of emphasis from hours of output to investment, and reduced the required hours across all regions, on the back of a promise by the ITV system to invest an additional £1m in regional programming in peak or near-peak slots. The output reductions were smaller in Scotland, Wales and Northern Ireland than in England. HTV Wales, as it then was, reduced its weekly output from 12 hours to 10 hours. A further reduction sanctioned by Ofcom has seen ITV Wales' required output drop from 10 hours to 8.5 hours, 5.5 hours of which is news programming. In 2007 it exceeded that requirement, producing 477 hours, 9.2 hours per week. At the same time ITV was allowed to reduce non-news programming in the English regions to half an hour a week.

Fig 3: BBC Wales English Language Television

Hours	**2003-04**	**2004-05**	**2005-06**	**2006-07**
Originations	883	866	842	814
Repeats	277	278	281	291
Hours of output	1160	1144	1123	1105

Source: BBC Wales Annual Reports

Because both BBC and ITV output for Wales is scheduled as opt-outs from UK services, it has always been difficult to accommodate the demands of competitive network schedules with the desire to find good peak-time slots for regional programmes. As a result many programmes made for Welsh audiences are scheduled at off-peak times where they are unlikely to attract large audiences.

As a result of regulatory pressure from Ofcom a limited number of peak time slots have been available for Wales within the ITV schedule, allowing ITV Wales to broadcast 30% of its non-news output in peak – i.e. between 6:30pm and 10:00pm. A more limited number are also broadcast in peak on BBC1 Wales. The digital BBC2W channel, running alongside the BBC2 Wales analogue service, has also sought to given a substantial part of the peak time hours to English language programmes for Wales.

3.1.2. Investment

As a result of these pressures there has been an increasing concentration of late on the issue of investment, on the basis that concentration of investment on a more limited but better scheduled number of hours may serve the viewer better. Monitoring of total investment in English language television in Wales is not a straightforward task. Although the BBC publishes considerable amounts of data, ITV plc publishes no expenditure data for individual regions, despite these expenditures still being *public* service obligations. The data is given to Ofcom, but is not published on the grounds of commercial confidentiality, although it should be said that ITV plc has no commercial competitors in regional television broadcasting. There are also difficulties in reconciling data from different sources.

BBC Wales total spend in Wales is approximately £125m – almost £70m on services for audiences in Wales and £55m of programme commissions for the BBC's television and radio networks and online services.

Fig 4: BBC Wales programme spend, 2006/07

	£m	**%**
BBC Wales television	24.6	35.4
BBC Wales for S4C	20.6	29.7
BBC Radio Wales	10.5	15.1
BBC Radio Cymru	9.6	13.8
BBC Online	4.1	5.9
Total – services for Wales	**69.4**	**100***
Network Commissions	55.0	
Total	**124.4**	

Source: BBC Wales

** Rounding of percentages in calculation produces a total just below 100%*

BBC Wales's spend on English language programmes has been broadly static for the past four years, indicating that it has had to absorb the effects of inflation.

Fig 5: BBC Wales - English language television programme costs
£000s

	2003-04	2004-05	2005-06	2006-07
Cost	25.5	25.7	26.8	24.6
Cost per hour (exc. Repeats)	29	30	32	30

Source: BBC Annual Reports

No comparable figures are available for ITV Wales, although the decline in ITV's overall spend on regional programming has been severe in nominal terms, let alone real terms.

Fig 6: ITV plc – Spend on regional programmes
£m

	£m	% change
2004	142	
2005	125	-11.9
2006	119	-4.8
2007	114	-4.2
Overall change	-28	-19.7

Source: Ofcom

However, commissioning documents sent by ITV Wales to independent producers do set out tariffs for particular slots, some of which the production sector regards as problematically low.

Fig 7: ITV Wales Commissioning brief, 2008

Slot	Tariff, per programme
Tues/Thurs 1930	Up to £14,000
Thurs 2300	£12,000
Mon 2300	£7,000
Late night series	£4,000

Source: ITV Wales

Data published by Ofcom in its regular reports on the communications market in the nations and regions give a complete picture of spend on regional television in the UK. The ITV figures differ from those published in the annual reports of ITV plc.

Fig 8: Total spend on English language output in the nations and regions
£m at 2006 prices

	BBC	% change	ITV	% change
2001	192		203	
2002	223	16%	187	-7.9%
2003	215	-3.6%	174	-6.9%
2004	208	-3.3%	171	-1.7%
2005	205	-1.4%	150	-12.3%
2006	193	-5.8%	134	-10.7%
Overall	+1	+0.5%	-69	-34%

Source: Ofcom

This demonstrates the very considerable difference between the direction of travel of BBC and ITV investment respectively, although even the BBC regional investment shows a small decline in real terms. Ofcom has also broken these sums down between the four nations.

Fig 9: Total spend on nations, BBC and ITV1 and % annual change
£m (English language only)

	Eng	% change	Scot	% change	Wales	% change	N I.	% change
2001	242		65		45		43	
2002	238	-1.7%	75	15.4%	55	22.2%	42	-2.3%
2003	228	-4.2%	74	-1.3%	46	-16.4%	41	-2.4%
2004	220	-3.5%	73	-1.3%	46	0.0%	40	-2.4%
2005	203	-7.7%	68	-6.8%	45	-2.2%	39	-2.5%
2006	194	-4.4%	63	-7.3%	37	-17.8%	33	-15.4%
Overall	-48	-19.8%	-2	-3.1%	-8	-17.8%	-10	-23.2%
Cost p./h.	£3.80		£12.50		£12.50		£19.10	

Source: Ofcom

Almost all the reduction in Wales can be attributed to the reduction in spend by ITV. Two things are striking about the chart: first, the relatively small reduction in Scotland and, second, the fact that the spend per head is the same in both countries. One might have expected the Welsh figure to be somewhere between the Scotland and Northern Ireland figures.

Although the precise ITV spend in Wales is not detailed in the Ofcom reports, it is possible to calculate it from other published data in the same report - a table of spend per head that does distinguish between BBC and ITV spend. In 2006, it records BBC Wales at £8.20 per head and ITV Wales at £4.30 per head. Given Wales's population of three million, this implies a BBC spend of £24.6m (confirmed by the BBC's own data) and an ITV Wales spend of £12.9m.[3] The one surprise from this table – that some might feel to be counter-intuitive - is that the ITV spend in Wales is higher than the implied ITV spend in Scotland (£10.2m), despite the fact that SMG, the Scottish

[3] On May 12 2008, Michael Grade, the chairman of ITV plc, in evidence to the Assembly's Broadcasting Committee, disclosed that ITV Wales's current programme spend is currently 'just over £9m', more than £3m short of the figure implied in Ofcom's 2007 market report.

franchise holder, has to serve both the central belt and the Grampian region. Another factor may be a different categorisation of programme support costs, such as marketing.

Fig 10: ITV1 and BBC nations and regions spend per head, 2006
£s

	England	Scotland	Wales	N.I.
BBC	1.80	10.50	8.20	15.10
ITV	2.10	2.00	4.30	4.00
Total	3.90	12.50	12.50	19.10

Source: Ofcom

3.1.3. The range of programmes

News and current affairs have always dominated programming for Wales, as elsewhere. In recent years it has also extended both its form and reach through the development of online sites. News is also likely to be at the forefront of the debate on ensuring a degree pluralism in broadcasting in Wales, although many will argue that Wales's capacity to reflect and explore other facets of its society – through drama and documentary, sport, music and arts, business, religion or the educational needs of children and adults – also demands a diversity of approach.

Fig 11: BBC Wales – English language originations
Hours

	03-04	04-05	05-06	06-07	06-07 %
News and Current Affairs	*463	503	508	475	58.4
Sport and leisure	*264	213	190	201	24.7
Education, Factual, Religion	90	92	96	94	11.6
Drama, Comedy, Music/Arts	65	58	48	43	5.3
Children	1	0	0	0	0
TOTAL	883	866	842	813	100

Source: BBC Wales Annual Reports
**Categorisation changes between 2003-04 and 2004-05*

In 2006/07 BBC Wales produced the following number of hours of each programme genre:

Fig 12: BBC Wales, total English language broadcast hours, 2006/07

Genre	Hours	%
News	356	32.2
Current Affairs	41	3.7
Politics	78	7.1
Sport	201	18.2
Factual	91	8.2
Arts and Music	31	2.8
Entertainment	8	0.7
Drama	4	0.4
Education	4	0.4
Repeats	291	26.3
Total	**1105**	**100**

Source: BBC Wales
**Excludes BBC live coverage of Assembly proceedings broadcast on S4C2.*

Fig 13: ITV Wales originations 2007

	Hours	**%**
News	269	56.4
Current Affairs	41	8.6
Other	167	35.0
Total	**477**	**100**
Average per week	**9.2**	
In-house production		
News	269	56.4
Non-news	139	29.1
Independent production	69	14.5
Total	**477**	**100**

Source: ITV Wales

Although ITV Wales does not provide a detailed breakdown of its non-news output – other than the division between current affairs and other programmes – it states that the total genre mix includes news, current affairs and politics, features, sport, drama and documentaries.

Ofcom has calculated that in 2006, taking BBC and ITV together, £14m was spent on television news in Wales, £4m on current affairs and £19m on other programmes in English. On the assumption that at least half the ITV Wales implied spend of £12.9m is on news, not less than £6.5m of annual programme investment would be at risk if ITV were allowed to withdraw from non-news programming. The reduction would be in addition to the 32% drop in ITV spending on 'other' programmes in Wales in the five years to 2006.

The net result of an ITV withdrawal from non-news programming would be that nearly 60% of all English language television spend in Wales would be on news and current affairs, with viewers in Wales wholly reliant on the BBC for English language non-news output. This sets aside any discussion of whether the current provision from either broadcaster in any of the programme genres is itself adequate, either in volume or investment.

3.2. Welsh language television

S4C is charged with providing a Welsh language television service. It is funded primarily by a grant from the UK Department of Culture, Media and Sport (DCMS). It also receives not less than 10 hours a week of programmes from the BBC funded by the licence fee. Until the advent of digital television S4C was also the only means by which viewers tuned to Welsh transmitters could receive Channel 4 programmes. On the analogue channel, Welsh language programmes dominate the peak viewing hours, with Channel 4 programmes scheduled around them. These programmes are also made freely available to S4C under the Broadcasting Act.

In digital format S4C and Channel 4 in Wales are separate services. As a result the S4C digital channel is wholly comprised of Welsh language programmes, broadcasting often for 15 hours per day – a children's segment between 0700 and 1000 during school holidays, and then continuous broadcasting from noon until around midnight. In 2006 it broadcast 10,749 hours. S4C still accommodates Channel 4 output on its analogue channel. S4C also controls a second digital channel on which, during daytime hours, it broadcasts the proceedings of the National Assembly for Wales, the output funded and produced by the BBC, though with S4C bearing the distribution costs. During the evening hours the S4C2 spectrum, given to S4C as part of its public service agreement, is carried on multiplex A, which is owned by SDN Ltd (itself acquired by ITV in 2005). Following a consultation, *Serving Children in the Digital Future*, the S4C Authority applied to the Secretary of State for Culture, Media and Sport to launch a dedicated channel for children. The authority indicated that third parties might be willing to continue coverage of Assembly proceedings.

3.2.1. Hours of output

S4C is not itself a producer of programmes. It commissions programming from independent producers, and to a lesser extent from ITV Wales and BBC Wales. It also receives not fewer than 520 hours a year from the BBC under the statutory requirements. In 2006, in addition to the 1,291 hours programmes commissioned for the analogue channel (1,189 from independents and 102 BBC Wales) it also commissioned 396 hours for its digital service. These hours are additional to the hours shown simultaneously on the analogue service. S4C announced in June 2008 that it would screen programmes for pre-school age children on S4C Digidol on weekday mornings and early afternoons (from 7am to 1.30pm).

In 2006 ITV Wales supplied 42 hours. In 2007 ITV Wales's income from S4C commissions was £1.696m for 39 hours of programmes.

Fig 14: S4C Commissioned hours – Welsh language

	2003		**2004**		**2005**		**2006**	
Independents								
Commissioned	1,466		1,419		1,288		1,189	
Repeats	1,963		1,949		2,079		2,242	
		3,429		3,368		3,367		3,431
BBC								
Statutory	515		522		544		587	
Commissioned	138		143		153		102	
Repeats	210		234		293		267	
		863		899		990		956
Total – Welsh		4,292		4,267		4,357		4,387
Av. Per week		85.7		84.4		86		86.8

Source: S4C Annual Reports

The high level of repeats – mainly on the digital channel – and the reduction in commissioned hours reflects a policy decision to concentrate programme investment on fewer hours to raise quality and to schedule ‘narrative repeats’ to suit audience availability. In 2007 commissioned hours increased again. In 2006 37% of the channel’s output was transmitted in peak.

3.2.2 Investment

S4C has several sources of income. Its central source is the DCMS grant, but to this can be added income from advertising airtime, programme sales, publishing and merchandising. It also receives substantial value through the BBC’s provision of not less than 10 hours per week funded by the licence fee.

Fig 15: S4C income and value of BBC supply, 2006

	£000s
DCMS grant	90,857
Programme and airtime sales	5,353
Publishing and merchandising	322
Other	169
A. Total S4C turnover	**96,701**
B. BBC statutory supply	20,600
A + B	**117,301**

Source: S4C Annual Report and BBC Wales

Changes in S4C’s business are apparent from the statements of its Public Service Fund income and General Fund turnover contained in its annual accounts. Although DCMS income rose by 12.5% between 2001 and 2006, there was a particularly sharp decline (55%) in income from airtime and programme sales – down from £11.9m in 2001 to £5.3m in 2006. Although the accounts do not separate out airtime and programme sales, it is fair to assume that the bulk of the reduction is due to the decline in advertising revenue as Channel 4 assumed a separate digital presence which, according figures in S4C annual reports, has negatively impacted the overall audience.

Fig 16: S4C Public Service Fund and General Fund turnover

S4C Income						
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Public service fund						
DCMS	80745	81468	83634	85729	88690	90857
Other	103	213	139	142	156	169
General Fund T/O						
Programme/airtime sales	11976	12957	9581	8329	5849	5353
Publishing/merchandising	591	488	289	279	312	322
Multiplex exploitation	1104	867	870	565	646	-
Group Turnover	**94519**	**95993**	**94513**	**95044**	**95653**	**96701**
Share of JV turnover						
Leasing of Multiplex	6224	3903	2608	6220	1900	-
Total	**100743**	**99896**	**97121**	**101264**	**97553**	**96701**

Source: S4C Annual Reports

In 2006 the costs charged to the S4C programme service, including transmission and distribution were £89.965m. But the direct spend on programmes was £68.9m giving an average cost per hour of originations of £48,884. This spend was distributed across programme genres as follows. In the light of Ofcom's stress on the possible contribution of S4C to children's programming in the rest of the UK, it is significant that it spends almost as much on children's programming (£8.52m) as on sport (£8.64m).

Fig 17: Programme spend by genres

Genre	**Spend - £m**
Drama	16.25
General factual	14.25
Current affairs	2.13
Light music / ent	7.53
Children	8.52
Music and arts	4.86
Sport	8.64
Religion	0.92
Other costs	5.80
Total	**68.9**

Source: S4C

Between 1999-2000 the value of the BBC's contribution to S4C rose from £17m to just over £20m and has been broadly static since. In 2006 it was £20.6m. However, under an agreement made in 2006 – some time before the Government decision on the future level of the BBC licence fee – the BBC committed to increasing its investment in output for S4C by £4.5m over the following three years on the following schedule:

2007	£22.9m
2008	£24.0m
2009	£25.1m

Moreover, this commitment was guaranteed. Under the agreement – made as part of the Charter Renewal process - no reduction can be made without prior consultation between the S4C Authority, the BBC Trust, and the BBC's Audience Council for Wales, and the BBC Trust "shall not consent to any reduction in the financial level of the contribution unless it is satisfied that the public value of the BBC's contribution to S4C, and the S4C service as a whole, shall not be reduced by the proposed change". It has yet to be seen whether this argument will come under pressure as financial stringency bites on the BBC's other services, including those in Wales.

3.2.3. The range of programmes

As a full national service in the Welsh language on a free standing channel, rather than a service that opts outs of a UK channel, S4C provides programming across the full range of programme genres. The following table shows the hours for each genre, commissioned from independent producers, alongside the statutory supply to S4C from the BBC.

Fig 18: Welsh language commissions, S4C and BBC Wales, 2006
Hours

Analogue	**S4C commissions**	**BBC Wales statutory**	**Total**	**Genre % of total commissions**	**BBC as % of total**
News		199	199	13.4	100
General factual	251	0	251	16.9	0
Sport	187	72	259	17.5	27.8
Children's	148	17	165	11.1	10.3
Drama	90	97	187	12.6	51.8
Music and Arts	87	106	193	13.0	54.9
Light entertainment	86	13	99	6.7	13.1
Current Affairs	26	*60	86	5.8	69.7
Religion	20	0	20	1.3	0
Education	0	23	23	1.5	100
Total	895	587	1482	100	

Source: S4C Annual Report
**includes factual*
Note: S4C reports are on a commissioned/calendar basis and BBC Wales on a delivered/financial year basis

Fig 18 is based on S4C's figures for the calendar year 2006. For 2006/07 BBC Wales analysed its output to S4C in a slightly more detailed way:

Fig 19: BBC Wales supply to S4C, 2006/07
including repeats

Genre	Hours	%
News	199	33.9
Current Affairs and factual	60	10.2
Sport	72	12.2
Arts and Music	106	18.1
Light entertainment	13	2.2
Drama	97	16.5
Education	23	3.9
Youth and children	17	2.9
Total	**587**	**100***

Source: S4C Statement of Accounts, 2006
** Total adds to just less than 100% owing to rounding in earlier calculations*

Fig 18 shows BBC Wales supplying 39.6% of the programming commissioned for S4C both by S4C and the BBC, and supplying 100% of the output in news and education and more than 50% of the output in current affairs, music and arts and drama. The dominance of music and arts is accounted for by the volume output from the National Eisteddfod, while the BBC's drama output is confined to the five nights a week series, *Pobol y Cwm*.

3.3. English language television viewing in Wales

Before considering any data about television viewing in Wales it is worth noting that the process of comparing channel performance is complicated by the fact that published data, although collected by the same official body, BARB (Broadcasters Audience Research Board), is subject to a deal of interpretation by each broadcaster. The BBC measures all viewing in Wales, including viewing of transmissions emanating from England. ITV and S4C regard these as 'out of area' viewing. BBC and ITV define weekly reach as those viewing for 15 minutes consecutively, S4C measures those viewing for only three minutes consecutively, which it regards as the 'gold standard'. The BBC's calculation of S4C's reach differs from S4C's measure for this reason. There is a case for an independent study of the methodology and the broadcasters' use of the data as they relate to Wales, to enable a much sounder evaluation.

In 2006 in Wales the two main television channels – BBC 1 and ITV1 – were running almost neck and neck in terms of their audience share. BBC 1 was slightly ahead of ITV1 when measured across all hours: BBC1 at 23%, the same as BBC1's UK average, and ITV1 on 20%, against a UK figure for ITV of 19%. But in the evening peak hours, ITV1 was one point ahead - 27% as against 26% for BBC1. In those peak hours both channels in Wales were one percentage point ahead of their respective UK figures.

ITV Wales state their peak time share in Wales for 2007 as 24.4%, while BBC Wales state the BBC1 peak time share for 2006/07 in Wales as 23.5%. The BBC2 peak time share in the same year was 8.3%.

When it comes to assessing the size of audiences for the programmes made by each of the two organisations, the scheduling of these programmes has to be taken into account. ITV say that 30% of their non-news programming for Wales – about 50 hours - is broadcast in peak, i.e. between 6:30pm and 10:00pm. Most of the remaining 117 hours are transmitted after 10:30pm.

ITV Wales also claims that 18% of its news programmes and 30% of its non-news programmes exceed the network share for the same time slot.

Fig 20: ITV Wales – selected programmes

Programme	Av. audience
Wales This Week (8:00pm)	178,000 (17.7%)
Wild Tracks (7:30pm)	224,000 (22.9%)
The Ferret (7:30pm)	171,000 (18.6%)
Great Welsh Roads	136,000 (17.6%)

Source: ITV Wales/BARB

BBC Wales has access to three channels: BBC1 and BBC2 (both analogue) and BBC2W, which exists only in digital. The BBC has already announced that the analogue and digital versions of BBC2 will have to be merged after digital switchover.

Of BBC Wales's total television output for Wales, 37% is broadcast on BBC1 and 63% on BBC2 or BBC2W. Of the 458 hours of non-news originations produced by BBC Wales, 184 hours (40%) are broadcast in peak, although only 26 hours (5.6%) in peak on BBC1 and the remainder in peak on BBC2 or BBC2W. BBC2 average peak time audience share is usually about one third of the BBC1 share.

Fig 21: BBC Wales output, scheduling

Proportion of total hours broadcast on BBC1	37%
Proportion of total hours broadcast on BBC2/BBC2W	63%
Non-news originations, hours in peak, BBC1	26
Non-news originations, hours in peak, BBC2	145
Non-news originations, hours in peak, BBC2W	13

Source: BBC Wales/BARB

Fig 22: BBC Wales – selected programmes

Programme	***Av. audience***
Scrum V Live	133,000
X-ray	142,000
Belonging	121,000
Coming Home	193,000
Iolo's Welsh Safari	168,000
Weatherman Walking	171,000

Source: BBC Wales/BARB

One key measure for the broadcasters in Wales is weekly reach: i.e. how many people tune in each week to their programmes for 15 consecutive minutes. Given the greater volume produced by the BBC, its weekly reach figure for all its output for Wales is considerably greater than that for ITV Wales, although ITV carries almost twice as much programming in peak on its one channel – 50 hours per annum against BBC

Wales's 26 hours scheduled in peak on BBC1 Wales. In both cases the figures may understate the total, as the 15-minute reach figure does not record those viewing news headlines that are shorter than 15 minutes. The ending of non-news output on ITV Wales would, almost certainly entail a considerable reduction in viewing of Welsh output. Significantly, weekly reach of non-news output matches or exceeds the weekly reach of news output for both BBC Wales and ITV Wales.

Fig 23: 15-minute consecutive weekly reach

Output for Wales

		% of pop (age 4+)
BBC Wales – Wales Today	575,000	20.5
ITV Wales – Wales Tonight	250,000	8.9
BBC Wales – all output	925,000	33.0
ITV Wales – all output	532,000	19.0

Source: BBC Wales and ITV Wales; BARB

3.4. Viewing to S4C

Just as BBC Wales has been running BBC2 and BBC2W in parallel, so S4C has been running, since 1999, an analogue and digital version of its channel side by side. Statute requires that all Welsh language programmes on the analogue channel be shown at the same time on the digital channel. The differences between the two versions of S4C result in very different figures for peak time scheduling of Welsh language output. S4C also measures reach across all its output and across its Welsh language output.

Fig 24: S4C output, scheduling

Total output broadcast in peak	37%
% of analogue output in peak	56%
% of digital output in peak	18%

Source: S4C

Fig 25: S4C audience measurement

Average audience share	3.6%
Average audience share 1800-2300	3.4%
3' weekly reach – all output	865,000
3' weekly reach - Welsh language output	601,000
3' minute weekly reach – news output	159,000

Source: S4C/BARB

The BBC also tracks the total audience of the Welsh language programmes that it supplies to S4C. The BBC calculates that 40% of the viewing to S4C's analogue service is to programmes supplied by the BBC, with 225,000 Welsh language viewers watching some BBC-produced programming on S4C each week. However, at 335,000, the BBC's own estimate of S4C's weekly reach for Welsh language programming is considerably lower than S4C's figure – 601,000. This can only result from the difference between the 15-minute reach figure used by the BBC and the 3-minute weekly reach figure used by S4C because BARB uses the same S4C panel for both measurements.

3.5 Network supply

The supply of programmes to the UK networks serves both a cultural and an economic purpose for Wales. It ensures a television presence for Wales beyond its borders, it attracts substantial investment into Wales, it helps support the overhead of broadcasting for Wales, and makes it more likely that we can retain top talent. But this is the area of greatest disparity between the BBC and ITV.

In 2006 and 2007 ITV Wales supplied no programmes to the ITV network. Although ITV meets its target of commissioning 50% of its output outside London – worth approximately £250m – it achieves this mainly through its production centres at Manchester and Leeds, centres of what used to be called Granada and Yorkshire Television. Commissioning outside England is negligible. In 2005 the Scottish ITV company, SMG produced 79 hours for ITV. In 2006 this dropped to 31 hours and in 2007 to 27 hours.

In evidence to the Scottish Broadcasting Commission, Michael Grade, ITV's Executive Chairman, flatly resisted geographic quotas or targets for commissioning. He repeated his opposition at a National Assembly Broadcasting Committee meeting on May 12 2008:

> "The reason why, after 30 years in broadcasting, I am utterly opposed to quotas is because they put the interests of producers before the interests of the audience. Our duty is to serve the audience, and it is not served by quotas or prescription of any kind. As to how network-standard production can be stimulated in Wales, as far as ITV is concerned, we are very proactive."

PACT – the Producers' Alliance for Cinema and Television – recently produced a survey of commissioning that covered the years 2004-06.

Fig 26: Network supply from Scotland, Wales and N Ireland
Hours, all PSB networks

Scotland	**2004**	**2005**	**2006**
Independents	179.6	139.6	102.7
Broadcasters	160.6	176	102
Total	340.2	315.6	204.7

Wales	**2004**	**2005**	**2006**
Independents	70	51.9	58.7
Broadcasters	33.2	45.0	46.3
Total	103.2	96.9	105

N Ireland	**2004**	**2005**	**2006**
Independents	7.5	7.5	11.2
Broadcasters	2.6	7.1	7.1
Total	10.1	14.6	18.3

Total	**2004**	**2005**	**2006**
Independents	257.1	199	172.6
Broadcasters	196.4	228.1	155.4
Total	453.5	427.1	328.0

Source: Production trend report for out of London, PACT

Some caution is needed with these figures as there are clear disparities between them and data from other sources. But to put the figures in context, in 2006 BBC1, BBC2, ITV1, Channel 4 and Five broadcast 15,329 hours of originations in peak time and daytime together. If the PACT figure for 2006 of 328 hours were correct, this would represent 2.1% of the total, for the three nations together. Even if was out by 100%, the total for the three nations would be less than 5%. The PACT figures also leave BBC3 and BBC4 out of account. Establishing a baseline is difficult since, in practice, the broadcasters and Ofcom usually exclude news and sport. In making its own calculations the BBC also discounts daytime hours and Eastenders.

PACT claimed that in 2006 Channel Four broadcast only 254 hours from Wales, Scotland and Northern Ireland, and 5,255 hours from London independents in the same period. In the same year Channel 4 broadcast no output from Wales or Northern Ireland, only six hours from Scotland, but 1,558 hours from London independents. However, there appears to be a serious mismatch between the PACT figures for Wales and broadcasters' own calculations. The BBC's figures alone, as reported in their annual reports, exceed the total given by PACT.

Fig 27: BBC Wales, network originations (in-house and independent), BBC 1,2,3 and 4

	2003-04	2004-05	2005-06	2006-07
Hours	86	115	158	140
Cost - £m	16	30	49	49
Cost per hour - £000	187	264	312	318

Source: BBC Annual Reports

The BBC totals for BBC Wales deliveries include both in-house and independent productions and range across drama, factual and music programmes. Given that most BBC network programmes are now given an extensive online presence, (e.g. *Doctor Who* and *Life on Mars*) BBC Wales has been growing a centre for on line drama and multi-platform factual productions. Network online commissions were worth £2.1m in 2006/07.

In 2004 the BBC's Director General committed the BBC to commissioning 17% of its network output – more precisely, 'the relevant spend' - from Scotland, Wales and Northern Ireland by 2012. He also claimed that the 17% figure should be a 'floor' not a 'ceiling'. However, this calculation excludes from the baseline, news, sport, daytime programming and Eastenders.

In January 2008, he also set out the BBC's aims in this area at the annual Nations and Regions conference at Salford. He envisaged "a major and…irreversible shift in the physical centre of gravity of the BBC, " based around the development of new building developments for the BBC in Glasgow and Manchester. He claimed that the BBC's plans would lead to half the BBC's total estate being outside London and to three BBC networks being headquartered, with their commissioners and websites in Manchester – BBC Sport, CBeebies and CBBC, with the result that by 2016 half of all television network programmes would be made outside the M25.

He raised a further possibility of decentralised commissioning: "We also aim to base more of our existing strand programmes out of London. This has a number of benefits. Strand editors are themselves commissioners and basing them in national and regional hubs should help local programme-makers, whether in-house or independent, get more opportunities for work. Second, returning strands can be key in sustaining a critical mass of network-ready talent. And third, a geographical spread tends to add, in my experience, to editorial diversity and range – something that we know our audiences want."

PACT's report into out-of-London production trends claimed that programming from Wales (in-house and external) represents on average only 1% of total network television hours across the five terrestrial services. Despite the lack of consistency with BBC data, the relation to the other three PSB Broadcasters is alarming. The implications of PACT's analysis, if correct, are twofold: representation of Wales to the rest of the UK is not sufficient to reasonably inform UK residents about Wales; and the economic benefit of the independent production sector is inequitably spread across the UK, concentrating within London and to a lesser extent the English regions.

Fig 28: PACT's assessment of hours and value of programming from Wales, independent and in-house:

		Independent		**In-house**	
		Hours	*Value £m*	*Hours*	*Value £m*
BBC1	2004	12.0	1.4	7.0	0.7
	2005	2.8	0.0	18.0	11.0
	2006	1.0	0.0	20.0	11.0
BBC2	2004	16.0	1.5	26.0	2.9
	2005	4.1	0.4	27.0	3.5
	2006	7.4	0.7	27.0	8.0
ITV1	2004	10.0	0.8	-	-
	2005	7.0	0.6	-	-
	2006	-	-	-	-
C4	2004	32.0	1.8	-	-
	2005	38.0	2.3	-	-
	2006	51.0	2.9	-	-
Five	2004	0.8	0.0	-	-
	2005	-	-	-	-
	2006	-	-	-	-

Source: Attentional, PACT Out of London Production Trends Report
Note: UK-wide out-of-London production quotas are set by value and volume. All BBC services: value 50% and volume 25%; ITV1: value 50% and volume 50%; Channel 4: value 30% and volume 30%; and Five: value 10% and volume 10%

PACT's report said that 15% of independent production was broadcast in peak-time in Wales compared with an average of 25% across all areas of the UK. The English regions also fell behind the average with 20% in peak-time. Scotland, on the other hand, had 60% of independent production in peak-time.

In a submission to the National Assembly's Broadcasting Committee on April 21, 2008, PACT laid the blame solely at London-based commissioners:

> "In our view, the single biggest barrier to improving representation at network level is the commissioning culture at London-based broadcasters. Until London-based commissioners are willing to commission programmes on a truly meritocractic basis, rather than from the companies that they know, the Nations and English regions will be unable to compete on a level playing field."

Skillset, the creative media sector skills council, announced in May 2008 a fund to part-finance the recruiting of senior producers for three years through the production talent scheme for Wales.

At a meeting of the Broadcast Committee on May 13 ITV disagreed with PACT's explanation of the low network programming from Wales. Michael Grade, the executive Chairman of ITV, agreed that Wales was poorly represented. However, he said sufficient numbers of ideas were not forthcoming from Wales and that there was "nothing at our end" that was stopping representations of Wales reaching the network. Grade said that ITV2 had received one submission in the past 12 months from Wales.

Stuart Cosgrove, the head of Channel 4's nations and regions department, also said his channel received surprisingly few approaches from Wales but said Channel 4 aimed to feature more representation from Wales in the coming years. The channel's document, *Next on 4,* outlining the future of the channel said:

> "There is more that Channel 4 can do by itself to support production in the nations. We will increase the proportion of our television production expenditure in the nations by more than 50% by 2012, and will establish a Nation's [sic] Pilot Fund of £1 million from 2009 onwards to address the lack of critical mass in the production sector in the smaller nations. The focus of this spend will be on returning series in genres such as drama, comedy and factual entertainment. Our partners in the nations agree that these are areas where significant value can be added."

In a paper to the Assembly's Broadcasting Committee, John Geraint, creative director of Green Bay Media, argues that "structural frustrations" do exist but that producers, including Green Bay, "must accept responsibility for failing to penetrate these markets which mean so much to the Welsh audience".

3.6 Independent production in Wales

The independent production sector in Wales is a valuable part of the creative economy, providing many higher skill and higher value-added jobs. The 2006 employment census by Skillset said there were 500 employees (including contracts of 365 days or more) and 700 freelancers (including contracts running 364 days or fewer) working in the independent production sector in Wales.

Whereas S4C provides a base for Welsh language independent production, provision for English language independent productions is not so secure. Also, there is the ongoing debate about the low representation of Wales on UK.

3.6.1 Economic impact and strategies

Glamorgan Business School published a report in 2003 about the economic impact of BBC Wales. The report estimated that the £117m spent by BBC Wales in 2002-2003 generated an estimated further £45m spending in Wales. According to the report, this added more than £100m to Welsh spending in 2002-2003 with direct wage costs of £44.5m supplemented by other local spending of nearly £56m.

The Welsh Economy Research Unit was commissioned by HTV in 2001 to assess its impact on the Welsh economy. According to the WERU report in 2001, HTV Wales generated annual turnover of £57.2m, employing 245 full time equivalent jobs. HTV's direct activities were estimated to support 670 full time equivalent jobs in Wales and around £12 million of disposable income within the Welsh economy. This situation has altered radically, since employment has reduced from 245 to 136 on the back of sharply reduced investment.

The largest broadcaster of independent productions in Wales is S4C which, although not the only customer of independent producers, provides a significant boost to the creative industries and economy in Wales.

Consultants DTZ and the Welsh Economy Research Unit at Cardiff University provided the following estimate for the impact of S4C between 2002 and 2006:

Fig 29: Estimated value-added impacts of S4C on the Welsh economy, 2002-2006 *£m*

	2002	2003	2004	2005	2006
S4C	7.29	11.89	4.06	6.49	6.47
Independent production services	20.97	21.93	26.67	27.27	27.70
Subcontractors to independent producers	21.17	20.67	19.50	18.64	20.44

Source: *The Economic Impact of S4C on the Welsh Economy 2002-2006*, July 2007 (DTZ and Welsh Economy Research Unit, Cardiff Business School, Cardiff University)

Since 2004 S4C has followed a strategy of open tendering that aims to encourage competition and a healthy sector. Its programme strategy (or 'Creative Excellence Strategy') offered new elements:

- Tendering/commissioning: performed in accordance with S4C's code of practice and terms of trade that are both reviewed annually. Tendering is carried out through open competition on the S4C website.
- Reassignment of programme rights: S4C offers reassignment of sale, distribution and usage rights to the original creators, if the creators meet required criteria.

- S4C Development Fund: funding structure does not offer smaller amounts of financial support on a project basis but firms apply for more significant funding to cover development costs over a longer period.

As a result of this funding consolidation strategy – and the general trend within the sector towards consolidation – the number of production companies supplying S4C has reduced in recent years:

Fig 30: Number of production companies supplying S4C

Year	Number of companies
2002	42
2003	35
2004	35
2005	31
2006	31

Source: S4C, in *The Economic Impact of S4C on the Welsh Economy 2002-2006*

TAC (Teledwyr Annibynnol Cymru), the representative body for Wales-based independent production companies, estimates that its 20 companies supplied ITV Wales under non-news obligations with around £1.5m of programme investment (in the 12 months before April 2008, when TAC submitted a paper to the National Assembly's Broadcasting Committee).

BBC Wales' most recent successes – *Doctor Who* and *Torchwood* – are now strictly in-house productions, though BBC Wales does make use of the external marketplace (e.g freelance staff) for in-house productions, especially for higher-cost dramas. BBC Wales says that it commissions "over a quarter" of its English language television optout programming for audiences in Wales from the independent sector. In terms of network programming PACT, the Producers Alliance for Cinema and Television, have said that between 2004 and 2006 expenditure on BBC1 and BBC2 in-house programming in Wales rose from £6m to £20m. At the same time, PACT claimed, independent commissioning by the BBC in Wales fell from £2.9m to £800,000.

ITV plc's main production centres are in London, Manchester, Leeds and Norwich, owing to the inherited production centre structure from previous channel 3 franchises.

The table below outlines PACT's estimate of the total spending on UK independent programming across the UK on the terrestrial channels.

Fig 31: Total spend on UK independent first-run network programming (exc. news) by region, terrestrial channels
£m

	Wales	London	English regions	N. Ireland	Scotland
2004	6	569	249	1	27
2005	3	574	260	2	23
2006	4	565	404	2	16

Source: Attentional, PACT Out of London Production Trends Report

3.6.2 The future of independent production in Wales

S4C will continue to be the focus for the independent production sector in Wales in the Welsh language. Securing the future of independent productions aimed at the majority of non-Welsh speakers is a priority. John Geraint from Green Bay media has suggested an independent production fund for public service content in English for and from Wales, along a Canadian model. There is, also, the Welsh Assembly Government's 'creative hub', which aims to support the creative industries in Wales, and the Wales Creative IP (intellectual property) Fund operated by Finance Wales, which finances productions alongside finance already secured from other sources.

By May 2008 the IP Fund had invested £6m into 17 productions (10 films, three television productions, two new media projects and two factual documentaries) since its establishment in May 2005. The fund takes a share of the Intellectual Property (IP) generated by its investments. The fund seeks to recoup the full amount and share in future revenues and also requires that a proportion of the overall production spend is made directly in Wales. The £7m creative IP fund acts as a 'gap financier', providing finance for productions that have already secured majority funding (a minimum of 60%) from other sources. Finance Wales can also provide commercial funding to small and medium-sized businesses throughout Wales, including production companies. Finance Wales is backed by private and public sector funding and European funds, and works with other public sector organisations, banks and private sector investors.

The Film Agency for Wales also manages a lottery-backed production fund that has been devolved from the Arts Council of Wales. This fund provides production co-financing for a minimum of 2-3 low budget films each year. Budgets for these feature-length films, intended for theatrical release, are ordinarily between £400,000 and £750,000, with a maximum investment from the agency of 50% up to a ceiling of £200,000.

3.6.3 Independent production companies

Some of the largest companies are profiled here.

Tinopolis is one of the UK's largest independent media producers, working in television, new media and animation. It has an estimated turnover of £66m. The Tinopolis Group includes a number of companies: Mentorn, Sunset + Vine, APP

Broadcast, Tinopolis Interactive, Video Arts, Folio, DEEM, Fiction Factory, Daybreak Pictures and POP 1. Its website estimates that it produces around 2,500 hours of drama, factual, sports and children's programming produced each year for more than 200 broadcasters worldwide and has production centres in London, Oxford, Glasgow, Cardiff and Leeds and headquarters in Llanelli. In May 2008 the company accepted a cash offer from Bidco, an incorporated company formed and controlled by investment partnerships advised by Vitruvian Partners. Bidco offered 45 pence per share, just more than 32% the closing market value on May 8. Executives at Tinopolis rolled over proceeds from the sale with additional finance into Bidco.

Boomerang Plus covers musical, extreme sports, factual, entertainment and musical programming. It produces more than 350 hours of television and radio content for all the major UK terrestrial broadcasters, according to Ofcom's submission to the Welsh Affairs Select Committee in January 2008. Boomerang acquired two local production companies in Wales, Fflic and Alfresco, which widened its production to include lifestyle, comedy, drama, documentary and programmes for children. Between 2006 and November 2007 Boomerang's turnover grew from £5.8m to £10.75m (2007 figure is according to interim, unaudited results).

Green Bay was founded in 2001 by two senior executives leaving BBC Wales. It produces programmes in history, performances of classical music, observational series and arts films. Following a £300,000 equity investment in 2004 from Finance Wales Green Bay trebled its turnover and posted record profits in 2006. A further £500,000 from Finance Wales was invested in 2007. The company produces for all Wales-based terrestrial broadcasters, BBC network television and some international broadcasters, National Geographic and France 5.

Telesgôp is a Swansea-based producer of documentary and live events coverage programmes. It produces around 70 hours of television per annum for broadcasters, including BBC Wales/Cymru, BBC Four, S4C, HTV Wales, Discovery USA and Animal Planet. TAC estimates its turnover to be £2-3m.

Cwmni Da, based in Caernarfon, was established by a former BBC Wales television director. It is a supplier of programmes for S4C and ITV Wales. Its turnover is estimated by TAC to be £5-6m.

RondoMedia was formed from a merger between Ffilmiau Nant and Opus TF. A Welsh Assembly Government press release on March 18, 2008, estimated the new company would have a turnover of around £9.2m in its first year.

Indus Films specialises in adventure, arts, documentary and drama productions. It was created in 2005 by former BBC executives and produces for broadcasters in the UK and internationally. One of its most successful productions was Coal House for BBC Wales.

4. Broadcasting – Radio

4.1. Introduction

The high level of consumption of radio in Wales, particularly during the daytime hours, makes it a key component of any public service broadcasting provision:

Fig 1: Radio listening across the UK, 2007

	Wales	England	Scotland	N.Ireland
Average weekly listening (hours)	24.4	23.5	22.9	23.1
Reach (%)	90.5	90.3	88.6	89.6

Source: Rajar, 2007

National provision within Wales is provided by BBC Wales, which produces two services – BBC Radio Wales in English and BBC Radio Cymru in Welsh. Both these stations broadcast throughout the daytime and evening hours – Radio Wales for 19 hours a day and Radio Cymru for 20 hours a day.

Alongside these there are 20 local or regional commercial services, most of which are in group ownership. Owners of all ILR stations in Wales are based outside Wales. It is expected that a further commercial FM Licence for mid and north Wales will be advertised in 2008. In the last two years Ofcom has also granted six licences for community radio stations in Wales. They are required to be community-based, not for profit organisations that aim to deliver some element of social gain and encourage community participation.

Fig 2: Radio stations in Wales

Owner	Station	Area	Licence expires
BBC	BBC Radio Wales	All Wales	
BBC	BBC Radio Cymru	All Wales	
	ILR stations		
GCap	Marcher Sound	NE Wales	04.08.2016
GCap	Coast 96.3	N Wales	26.08.2009
GCap	Champion 103	NW Wales	10.12.2012
GCap	Gold	Wrexham/Chester	04.09.2015
GCap	Red Dragon	Cardiff/Newport	31.12.2009
GCap	Gold	Cardiff/Newport	31.12.2009
GCap	XFM	South Wales	28.11.2019
Town & Country	Radio Pembrokeshire	Pembrokeshire	13.07.2010
Town & Country	Radio Carmarthenshire	Carmarthenshire	12.06.2016
Town & Country	Scarlet FM	Llanelli	12.06.2016
Town & Country	Swansea Bay Radio	Swansea	
Town & Country	Bridge FM	Bridgend	30.04.2012
UTV	The Wave	Swansea	29.09.2011
UTV	Swansea Sound	Swansea	29.09.2011
UTV	Valleys Radio	Heads of the Valleys	22.11.2016
GMG Radio	Real Radio	S and SW Wales	01.10.2008
Bauer	Kiss 101	S Wales and W of England	01.09.2009
Tindle	Radio Ceredigion	Cardiganshire	13.12.2008
Murfin Media	Radio Maldwyn/The Magic 756	Montgomeryshire	30.06.2009

Laser Broadcasting (Herefordshire and Monmouthshire Classic Hits)	Sunshine Radio	Monmouthshire	13.12.2019
	Community Stations		**On air**
	GTFM	Pontypridd	01.01.2006
	Afan FM	Port Talbot	20.04.2007
	Radio Cardiff	Cardiff	25.10.2007
	BRfm	Blaenau Gwent	18.10.2007
	Calon FM	Wrexham	01.03.2008
	Radio Tircoed	Pontarddulais/Gorseinon	Not yet on air
	Bro Radio	Barry	Not yet on air
	Point FM	Rhyl	Not yet on air
	Tudno FM	Llandudno	Not yet on air

Overall levels of analogue radio set ownership and listening in Wales are high, despite poorer transmission coverage. Across the UK people in rural areas, who often have worse coverage, are more likely to have more than one radio set - 28% against 24% in urban areas. According to Ofcom, Communications Market, Wales (2008), 14% of individuals own a DAB digital radio set, lower than in England (22%) and Scotland (21%) but higher than Northern Ireland (13%). DAB radio set ownership levels in Wales have remained stable since 2007 compared with a UK average change of 4 percentage points.

Fig 3: Radio in the UK

	UK	**England**	**Scotland**	**Wales**	**N.I.**
Analogue - multiple set ownership	-	77	55	74	61
Weekly hours of listening	23.5	23.4	23.2	24.7	23.5
Overall radio reach	90.0	90.6	89.4	88.4	90.7

Source: Ofcom/RAJAR

The pattern of listening in Wales differs from the UK average, with BBC stations taking a much bigger share of the total radio audience than in the UK as a whole. The BBC's share of listening in Wales is 61%, against 56% in England, 47% in Northern Ireland and 42% in Scotland. BBC Radio 1 and Radio 2 perform particularly strongly and Radio Wales and Radio Cymru together do slightly better than the UK average for all BBC's local and regional services. This is partly accounted for by the relative weakness of the commercial sector in Wales: the comparatively low number of commercial stations, transmission weaknesses and the very slow roll-out of commercial DAB. In 2006 people in Wales could access on average 4.5 stations, compared with 5.5 in Scotland and 6.1 in England.

The BBC's network services are particularly strong in Wales, although only Radio 2 and Radio 1 achieve a greater reach than the combined Radio Wales and Radio Cymru services, which together reach 580,000 each week.

Fig 4: Listening in Wales – Quarter 1, 2008

	Reach %	**Av. Hours per head**	**Av. hours per listener**	**Share %**
All BBC - UK	68	11.7	17.2	56.8
All BBC - Wales	74	13.7	18.6	64.9
All Commercial - UK	62	8.4	13.7	41.1
All commercial - Wales	55	6.8	12.5	32.2
All BBC Network - UK	60	9.6	16.0	47.0
All BBC Network - Wales	63	10.7	17.1	50.6
All BBC Local/Regional - UK	20	2.0	9.9	9.9
BBC Radio Wales/Radio Cymru	22	2.8	12.5	13.2
All National commercial - UK	28	2.2	7.9	10.7
All National commercial - Wales	19	1.5	7.6	6.9
All local commercial - UK	49	6.2	12.6	30.3
All local commercial - Wales	44	5.4	12.1	25.3

Source: Rajar – Quarter 1, 2008

Fig 5: BBC radio listening in Wales

	UK		**Wales**	
	Reach %	***Share %***	***Reach %***	***Share %***
BBC Radio 1	22	10.6	26	14.8
BBC Radio 2	27	16.5	30	18.8
BBC Radio 3	4	0.9	3	1.0
BBC Radio 4	19	12.2	17	11.8
BBC Radio Five Live	12	4.6	9	2.9
BBC Radio Wales	-	-	18	9.6
BBC Radio Cymru	-	-	6	3.6
BBC Radio Wales/Cymru	-	-	22	13.2

Source: Rajar – Quarter 1, 2008

4.2. Radio Wales and Radio Cymru

There is a sharp dichotomy between the BBC's radio services in Wales and the commercial sector, as both BBC services are predominantly speech services, while the commercial sector is heavily music based during peak times. Real Radio, for example, has a speech content proportion of just below 40% with entire speech content during Mondays to Thursdays in two periods, 6-7pm and 10pm-midnight.

Radio Cymru is a speech and music radio service for Welsh speakers. Output is all speech at the breakfast peak between 7:00-8:30am and the service is speech led in daytime. Radio Wales is a speech led service for adults. Output is all speech at the breakfast peak on weekdays 6:00-9:00am and 7:30-8:30am on Saturdays. The service is also speech led in daytime. Speech on commercial stations is also concentrated on these times, although none of the local stations in Wales are all speech.

Fig 6: Radio Wales and Radio Cymru, output and spend, 2006-07

	Radio Wales		**Radio Cymru**	
	Hours	**%**	**Hours**	**%**
News	1,433	19.4	967	11.8
Current Affairs	105	1.4	66	0.8
Sport	846	11.4	383	4.7
Other	4,529	61.3	6,348	77.8
Repeats	477	6.5	392	4.8
Total	7,390	100	8,156	100
Expenditure	£10.5m		£9.6m	

Source: BBC Wales

The BBC makes a heavy investment in news, which accounts for 20% of Radio Wales's total output and nearly 12% of Radio Cymru's output. Outside news, current affairs and sport, Radio Wales and Radio Cymru carry a range of programme genres, embracing drama and comedy, religion and outside broadcasts from the major cultural events.

Radio Cymru, as the only national radio station for Welsh speakers, contains a similar range of programme genres, and targets audiences of all ages across different parts of the day. Its evening youth zone, C2, and the pitch of some parts of the day contributes to a slightly younger age profile than Radio Wales.

However, the audiences to both services are weighted towards older age groups, with 66% of Radio Wales audience and 59.3% of the Radio Cymru audience drawn from those above 55. Those below 45 represent 18.2% of the Radio Wales audience and 29.3% of the Radio Cymru audience.

Fig 7: Weekly reach of BBC Radio Wales and BBC Radio Cymru
000s and %

	Radio Wales		**Radio Cymru**	
All adults	461,000		160,000	
Age 16-24	19,000	**4.1**	14,000	**8.7**
Age 25-34	20,000	**4.3**	11,000	**6.9**
Age 35-44	45,000	**9.8**	22,000	**13.7**
Age 45-54	70,000	**15.2**	19,000	**11.9**
Age 55-64	108,000	**23.4**	26,000	**16.2**
Age 65+	199,000	**43.2**	69,000	**43.1**

Source: BBC Wales from Rajar, 2006/07

4.3. Independent Local Radio Ownership

The 20 commercial radio stations in Wales are owned by eight owners, three of whom own three or more stations. This represents a greater degree of concentration than occurs in Scotland and England.

Fig 8: Proportion of commercial radio licences held by top three groups %

England	Scotland	Wales	N.I.
47	49	76	90

GCap is the largest player, owning seven stations in Wales in north and south Wales. Town and Country Broadcasting own five stations that extend across south Wales from St. David's to Bridgend. UTV owns three stations, two in Swansea and Valleys Radio in the Heads of the Valleys area. Real Radio, a regional station that extends across the whole of south and south west Wales, is owned by the Guardian Media Group (GMG).

Of the four remaining stations Radio Ceredigion is owned by the Aberystwyth newspaper, the Cambrian News, itself owned by Tindle News, a company specialising in local newspapers; Radio Maldwyn by Murfin Media; Kiss 101, a cross-border station, by Bauer; and the other cross-border station, Sunshine, run by Herefordshire and Monmouthshire Classic Hits, which is owned by Laser Broadcasting. Until recently Emap operated Kiss 101. In late January 2008 Emap Radio was sold to Bauer. Following the acquisition of Emap plc in late March 2008 Emap's shares were delisted. Guardian Media Group and Apax, a private equity firm, purchased Emap's business-to-business arm (trade magazines and other print media) in December 2007.

Ofcom has expressed a wish to encourage a national commercial radio presence in Wales, and the intention to advertise one or more FM licences in mid and north Wales may allow this. It is a matter of conjecture which of existing players, if any, would seek to create such a network. GCap, Town and Country Broadcasting and GMG Radio already have sizeable footprints across Wales.

The situation is currently complicated by the agreed takeover of GCap by Global Radio, which is expected to be concluded by the summer of 2008. Global's £375m bid, which has been accepted by the GCap Board, would create the biggest radio group in the UK, owning 90 stations and commanding 40% of the total commercial radio audience. However, at the time of writing it was not clear whether the deal will be referred to the Office of Fair Trading and/or Competition Commission.

GCap had already decided to offload its Xfm stations in Scotland, Manchester and south Wales. It could do this by sale or by returning the licence to Ofcom (buyers would not be able to ask Ofcom to change the existing FM format for two years). The last of these is a new station that came on air only last year. It has been reported in the trade press since the deal with Global that the group will keep the two stations in Scotland and Manchester, but still want to dispose of the south Wales station. Given that Global is run by Charles Allen, who led the consolidation drive in ITV, and that the industry expectation is that he will concentrate on national networks, there is a question about the place of GCap's stations in Wales in Global's plans.

Five contiguous stations spreading westwards from Pembrokeshire to Bridgend are owned by **Town and Country Broadcasting**, privately owned by a single owner, Jason Bryant. It is also participant in MuxCo Wales Ltd., which was awarded the licence for the Mid and West Wales DAB multiplex in March 2008, and in MuxCo North East Wales and West Cheshire, which was awarded the licence for the multiplex in that area in September 2007. MuxCo was the only applicant for the north west Wales DAB multiplex licence that has not yet been awarded.

The **Guardian Media Group (GMG)** owns Real Radio, Wales, which broadcasts across south Wales. It operates 40 local and eight UK-wide stations representing around 10% of all radio listening in the UK.

UTV Radio, owner of The Wave and Swansea Sound and Valleys Radio, is a subsidiary of UTV plc which owns the ITV licence in Northern Ireland. It also owns several other radio stations including TalkSPORT, as well as media interests in the Republic of Ireland.

Laser Broadcasting is the largest shareholder in Sunshine Radio, which broadcasts either side of the Welsh border to Herefordshire and Monmouthshire.

4.4. ILR performance

In contrast to BBC Radio Wales and Radio Cymru, speech makes up no more than 15-25% of most commercial stations. These ratios vary across the day. Virtually all the stations, with the exception of Xfm, would be regarded as adult mainstream stations providing a mix of popular music, news, weather, traffic, and local information. Most stations employ small teams of journalists to generate local news content. In most stations this is presented alongside UK news provided through Independent Radio News (IRN) and Sky.

Put in a UK context commercial radio is relatively weak in Wales as Fig 9 shows:

Fig 9: Commercial stations, 2006

	UK	**England**	**Scotland**	**Wales**	**N. I.**
Stations	356*	284	41	19	12
Revenue (£)	£506m*	£379m	£49m	£19m	£11m
Revenue (%)		74.90	9.70	3.75	2.17
Local revenue £p./h.	£7.89	£7.81	£9.93	£6.69	£6.66

Source: Ofcom
** 356 commercial stations denotes commercial services in the four nations only and does not count UK-wide commercial stations; figure for commercial radio revenue is a total of both UK-wide services and those in each of the four nations*

In revenue terms ILR generated £21m in 2007 (up from £19m in 2006), within a UK total of £526m.

In terms of size Welsh ILR and Wales' BBC radio stations fall into three broad groups as follows:

Fig 10: Welsh stations by size of transmission area – 000s

		Owner	Population 000s
1	*BBC Radio Wales*	*BBC*	*2,467*
2	*BBC Radio Cymru*	*BBC*	*2,467*
3	Real Radio - Wales	GMG	1,754
4	Red Dragon	GCap	965
5	Gold South East Wales	GCap	965
6	Xfm	GCap	950
7	The Wave	UTV	446
8	Swansea Sound	UTV	446
9	Swansea Bay	TCB	446
10	Marcher Sound	GCap	374
11	Gold North Wales/Cheshire	GCap	374
12	Valleys Radio	UTV	347
13	Coast 96.3	GCap	243
14	Radio Carmarthenshire	TCB	124
15	Champion 103	GCap	121
16	Bridge FM	TCB	118
17	Radio Pembrokeshire	TCB	90
18	Radio Ceredigion	Tindle	55
19	Radio Maldwyn	Murfin	40

In the following tables there are no figures for XFM, which only came on air in 2007, or for Radio Ceredigion and Radio Maldwyn, who do not subscribe to RAJAR.

Fig 11: Welsh stations – weekly reach (000s)

	Station	Owner	Population	Reach
1	BBC Radio Wales	BBC	2,467	461
2	Real Radio - Wales	GMG	1,754	363
3	Red Dragon	GCap	965	256
4	BBC Radio Cymru	BBC	2,467	143
5	The Wave	UTV	446	125
6	Marcher Sound	GCap	374	68
7	Swansea Sound	UTV	446	63
8	Radio Pembrokeshire	TCB	90	51
9	Valleys Radio	UTV	347	51
10	Coast 96.3	GCap	243	48
11	Bridge FM	TCB	118	39
12	Swansea Bay	TCB	446	36
13	Gold South East Wales	GCap	965	36
14	Radio Carmarthenshire	TCB	124	35

15	Champion 103	GCap	121	29
16	Gold North Wales/Cheshire	GCap	374	8

Source: Rajar – Quarter 4, 2007

Fig 11 shows Real Radio to have the largest weekly reach of ILR stations in Wales and with the largest population coverage of the commercial radio stations.

Fig 12: Welsh stations by reach - % of population within area

		Owner	Reach
1	Radio Pembrokeshire	TCB	56
2	Bridge FM	TCB	33
3	Radio Carmarthenshire	TCB	28
4	The Wave	UTV	28
5	Red Dragon	GCap	27
6	Champion 103	GCap	24
7	Real Radio - Wales	GMG	21
8	Coast 96.3	GCap	20
9	Marcher Sound	GCap	18
10	BBC Radio Wales	BBC	16
11	Valleys Radio	UTV	15
12	Swansea Sound	UTV	14
13	Swansea Bay	TCB	8
14	BBC Radio Cymru	BBC	6
15	Gold South East Wales	GCap	4
16	Gold North Wales/Cheshire	GCap	2

Source: Rajar – Quarter 4, 2007

The table above demonstrates that it is possible for quite small local stations to make a powerful impact in their area. Radio Pembrokeshire, for example has recorded the highest reach figure in the whole of the UK and is the market leader in its area, as is Radio Carmarthenshire, whose figures benefit from its sub-station Scarlet FM in Llanelli. To some extent these may benefit from a lower level of competition within their area.

The key measure of a radio station's performance is share which reflects not only the population reached each week but also the hours of listening per person.

Fig 13: Welsh stations by share in its transmission area - %

	Station	Owner	Share
1	Radio Pembrokeshire	TCB	29.3
2	Bridge FM	TCB	14.7
3	Champion 103	GCap	13.3
4	Radio Carmarthenshire	TCB	11.1
5	Real Radio – S Wales	GMG	10.8
6	Marcher Sound	GCap	10.7
7	The Wave	UTV	10
8	Red Dragon	GCap	9.9
9	Coast 96.3	GCap	9
10	BBC Radio Wales	BBC	7.9

11	Valleys Radio	UTV	7.3
12	Swansea Sound	UTV	5.7
13	Swansea Bay	TCB	3.6
14	BBC Radio Cymru	BBC	3.3
15	Gold South East Wales	GCap	2.4
16	Gold North Wales/Cheshire	GCap	1.3

Source: Rajar – Quarter 4, 2007

4.5. Digital Audio Broadcasting

Since its inception DAB has provided a startling example of disparity of service between UK providers and Welsh providers of radio services. From the outset priority was given to the delivery of UK-wide services, with two networks of multiplexes. The first carries all the BBC's UK services – Radios 1, 2, 3, 4, 5Live, 6, 7, the BBC Asian network, 1 Extra and 5Live Sports Extra. The second network, Digital One, was devoted to UK commercial services, carrying Classic FM, One Word, talkSPORT, Capital Life, Virgin Radio, Planet Rock, Core and The Jazz. A second commercial multiplex network licence was awarded in July 2007 to the 4Digital Group, led by the television broadcaster Channel 4 and National Grid Wireless.

In its 2007 Communications Market Report, Ofcom gave the following figures for coverage of the Digital One multiplex in April 2007 – England 93%, Scotland, 76% and Wales 67%. Ofcom expects the Wales figure to have increased to around three quarters since April 2007 because additional transmitters went on air between 2007 and 2008, though the impact has yet to be surveyed precisely. Figures for coverage of the BBC's UK DAB services in Wales are not available.

The BBC's local and national/regional services, on the other hand, were not allocated a multiplex but were guaranteed space on a further network of commercial multiplexes designed for ILR. This has meant that the adoption of DAB by BBC Radio Wales, BBC Radio Cymru and by local ILR services in Wales has depended and still depends on the step by step licensing of DAB commercial multiplexes in individual areas. Such licensing is, by definition, dependent on commercial evaluation rather than public service principles.

As a result, in the first decade of DAB, the only two Welsh national radio services – Radio Wales and Radio Cymru – have been restricted to the Cardiff, Newport and Swansea areas. Ofcom estimated that 36 DAB stations were available in Cardiff/Newport areas in 2007, and 33 stations available in the Swansea area. These figures are comparable to major cities in England.

Concerns expressed about this disparity led to the prioritisation by Ofcom of the advertising of two commercial DAB licences in Wales. They have now been awarded. A licence was awarded in September 2007 to MuxCo North East Wales and West Cheshire Ltd serving, according to Ofcom estimates, a population of 638,000 (231,000 in Wales). Although this is a cross-border licence, space is reserved for BBC Radio Wales and BBC Radio Cymru. The multiplex was due to begin broadcasting in late summer 2008 but MuxCo has decided to delay until at least the fourth quarter of 2008 for commercial reasons.

A DAB licence for mid and west Wales was awarded in March 2008 to MuxCo Wales Ltd (a company in which Town and Country Broadcasting is a participant). Ofcom estimated that this licence could cover a population of 400,000 (234,000 in Pembrokeshire and Carmarthenshire; and the rest in Ceredigion and Powys). In practice, this is likely to prove an unrealistic estimate, since it assumes a full build-out of a DAB system throughout the area, rather than concentration on the main transmitters. Indeed MuxCo's technical plan said: "we have not identified an efficient and viable commercial model to launch DAB within Ceredigion and Powys from launch." The company has until 2010 to put the multiplex on air.

The north-west Wales advertised multiplex licence received one application (from MuxCo). According to Ofcom:

> "MuxCo North Wales Limited proposes to start its service with all six local digital sound programme services within two years of licence award, using a network of two transmitters which it estimates will provide total 'outdoor' coverage of 50% of the adult (aged 15+) population of the licensed area. This local radio multiplex will include capacity reserved for the transmission in digital form of BBC Radio Wales and BBC Radio Cymru."

This multiplex would broadcast to Gwynedd, Anglesey, Conwy and most of Denbighshire, covering an estimated 311,146 adults within the licensed area. The achievable coverage of the service will be constrained until June 2015 at the latest for broadcast technical reasons (the timing is dependent on the Republic of Ireland releasing frequencies in VHF Band 3 which are currently used for analogue television in Ireland but are used for DAB radio in the UK).

The suitability of DAB for Welsh circumstances was called into question by Ofcom itself, in evidence to the Parliamentary Welsh Affairs Committee. Its submission stated: "DAB technology continues to be significantly more expensive than analogue and in business operating terms it favours economic models based on transmission to densely populated areas."

4.6. Community Stations

Community Radio was introduced by one of Ofcom's predecessor bodies, the Radio Authority, under the name of Access Radio. GTFM at Pontypridd was one of the first dozen pilot stations under this scheme. It implicitly recognised three factors: the strength of community, gaps in the ILR map, and the fact that the public service element of ILR was in most cases very limited.

Community Radio has been defined in the Communications Act in a way to emphasise the concept of social gain and to minimise its capacity to upset the often precarious viability of small commercial stations. Section 262 refers to "services to be provided for the good of members of the public or of a particular community, rather than for commercial reasons". The Minister is given wide powers under this section, including the power to "impose prohibitions or limitations on the inclusion of advertisements in services….and on the sponsorship of programmes included in the services".

In practice, in licensing community services, a number of limitations have been imposed:

- No one source of funding has been allowed to provide more than 50% of the cost of the service
- Community stations are not allowed to generate more than 50% of their advertising from advertising and/or sponsorship
- Some stations are banned from taking advertising where they would impinge on commercial stations serving fewer than 150,000 people and more than 50,000.
- Ofcom has been prohibited from licensing community services where there would be more than a 50% overlap with the coverage area of a commercial station serving 50,000 or fewer.
- Any single organisation cannot own more than one community station.

The subsequent ministerial order recognised a wide range of possible social gains, including wider dissemination of knowledge of different kinds of social services, and the promotion of economic development and enterprise, social inclusion, cultural and linguistic diversity, civic participation and volunteering.

Nine community radio licences have been granted in Wales:

GTFM, established in 2002, is the oldest of the community stations, having been established during Access Radio's pilot stage to serve the Rhydfelen estate in Pontypridd. At the time it was set up it was in partnership with the University of Glamorgan.

Afan FM, has set out to provide a music-based information service for young people in the Neath-Port Talbot area. Aimed at those between 11 and 25, it will provide community training service in broadcasting and production, will aim to play music from local bands, and will also include around 30% speech, which is higher than most local radio services. Its brief even refers to the possibility of drama.

BRfm in Blaenau Gwent "aims to advance the social cohesion of the community" with an 8-hours a day service that will include 35% speech, part of which will be a daily bulletin in Welsh.

Calon FM in Wrexham aims to provide "a channel to encourage and facilitate the empowerment, life-long learning, development and regeneration of the target community regardless of race, gender and disability. The station hopes to achieve this goal through inclusive development of new media, communication and education." It, too, is aiming for 30% speech during the day. It says its output will be primarily in English and Welsh and "will embrace broadcasting in Polish, Spanish and French when these communities engage with the project".

Radio Cardiff, based in Butetown, is designed to serve the ethnic minority communities in the area, "the heightening of cultural awareness [and to] … showcase the rich cultural diversity of Cardiff, training opportunities for ethnic minorities in the media, increased employability amongst socially excluded groups and developing the music and media sectors in the city."

Radio Tircoed, which is not yet on air, is designed to serve the Tircoed Forest village outside Swansea, and "to enhance the experience of community living." It has grown out of the Tircoed Village Trust. The application was supported by the Pontlliw and Tircoed Community Councils.

Bro Radio, again not yet on air, is a community station for Barry and the Vale of Glamorgan that aims "to act as an engine of social and economic regeneration for an area that constantly 'slips beneath the radar' in Cardiff, London and Brussels." It also says that it will "provide substantial back-up training to enable members of our community to learn more about producing and presenting programmes themselves. The final target is for this to enable our community to speak to, and for itself".

Point FM, based in Rhyl was granted a licence in January 2008.

Tudno FM, based in Llandudno was granted a licence in January 2008.

Andrew Jones and Julie Barton from the Rhondda Cynon Taf Community Radio Partnership said in a paper to the Assembly's Broadcasting Committee (May 19, 2008) that community radio stations across Wales had a potential reach of around 675,000 people.

It is striking how many of the community stations define themselves in terms of the deficiencies of independent local radio stations. For instance, Bro Radio's website says: "Existing radio stations purport to speak to the community they serve. Few, in reality do so with any great conviction or effect. Be they national networks, or local or regional ILR stations, few pay more than lip-service to the area Bro Radio aims to serve." While the ILR would contest these statements strongly, very often, community stations aim for much higher speech content, although it has yet to be seen how well they can deliver this over time.

At the same time, descriptions of community stations can sound remarkably like an ILR station. Almost all are reliant on music to sustain hours of output. Afan FM, defines itself as a music based service. Bro Radio also has an explicit commercial dimension. It says, "It is also our intention that the radio station will enable far greater dissemination of localised sales and advertising information than is currently the case via existing commercial broadcasters and the print media. The current relatively high cost of advertising, together with the lack of a localised focus in the established media, precludes most local enterprises from advertising. A more locally focused radio station will overcome this by being less expensive, and more locale-specific."

4.7 Radio regulation

Although the Ofcom review of public service broadcasting is, in strict terms, a review of television, radio cannot be divorced from the rest of the public service environment. Ofcom's approach to radio is contained in a separate consultation, *The Future of Radio* that was concluded only in April 2008.

The initial consultation document occasioned considerable concern among groups anxious to preserve the localness of the ILR system. Ofcom had to weigh this against pressure from the radio companies for a lightening of regulation to contain costs and to facilitate consolidation of the industry.

Hitherto, stations have had to subscribe to station formats, usually based on the promises in the licence application. Ofcom pointed out that "often the smallest stations have the highest obligations to deliver local material, locally-made". Ofcom said it "provided no guidance for stations as to the number of locally made hours that would be generally acceptable".

It floated a scheme whereby the minimum amount of local output would vary according to the size of the station – four hours per day for stations serving fewer than 100,000 people, eight hours per day for stations serving between 100,000 and 250,000, 13 hours a day for stations with populations of more than 250,000. The radio companies were initially keen to have no minima set, and argued for self-regulation, although they later proposed a minimum of three hours for small stations, and seven hours for the largest stations.

In February 2008 Ofcom published new guidelines that stated:

- FM local radio stations should broadcast at least ten hours of locally-made programmes each weekday during daytime (including breakfast) and at least four hours at weekends; and
- AM stations should provide at least four hours of locally-made programming every day of the week. Stations based in the nations (Scotland, Wales and Northern Ireland) will be required to provide a further six weekday hours of programming from their home nation.

Launching its statement, Ofcom said that "no station will be required to produce more locally-made programming than at present and, for many licensees, the new guidelines represent substantial deregulation".

During the consultation concern was expressed about the principle of aligning the programme formats of analogue and digital radio, in a way that would constitute of lightening of analogue regulation. Other concerns raised in Wales during the consultation issues related to the possibility of FM being discontinued, the lack of commercial speech radio in Wales, the regulations governing community radio and Welsh input into the licensing process.

5. Wales in Print

5.1. Introduction

Consumption of newspapers in the UK has, traditionally, been high by international standards, and newspapers remain important in the UK as a source of information and a setter of news agendas. However, print media are in a state of flux, not only in Wales but throughout the UK and much of the industrialised world. In many cases the circulations of print media in Wales and the UK have been declining for some time, reflecting changes in news consumption not caused solely by technological developments.

But decline is not universal. English and Welsh language *local* newspapers have generally performed much better than newspapers with a wider geographical focus. This, perhaps, shows that there remains a healthy market for local media that are non-immediate (local titles tend to be published weekly or monthly) and contain traditional reportage with little direct and immediate interaction between the newspaper and reader.

The internet is commonly assumed to be the printed word's successor because it offers a combination of immediacy and potential for personalisation and interaction unmatched by traditional media. Use of the internet is growing at a considerable rate – but from a small baseline – although internet use in Wales appears to be lower than much of the rest of the UK.

Major print media providers are commercial entities. In the face of tough market conditions print media providers have coped by adopting a mixture of strategies:

- cover price reduction promotions, changing page formats and adding supplements
- diversifying away from pure news and comment to cover a wider range of interests
- publishing new free daily or weekly titles
- making savings through reducing staff levels and 'multi-skilling' journalists to publish and broadcast news material across different media
- cultivating an online presence, with more types of media and opportunities for greater user interaction and choice (and increasing the size of sections of the newspaper devoted to correspondence, discussion and interaction).

For commercial reasons newspaper providers have begun to tackle the widespread threat of reducing circulations, which presents challenges to revenue and business viability. By modifying media delivery away from traditional newspaper provision newspapers have been able to offer news in a more flexible and market-driven format.

Reduced readership results in a smaller base for advertising – the lifeblood of commercial media providers. The Newspaper Society's Regional Press Survey 2006 found that 73 per cent of revenue in UK regional operations came from advertising and sponsorship while circulation sales accounted for 15 per cent. Advertising is not likely to diminish in importance for the time being. Print media providers find in the internet a potential new delivery mechanism for their media and thus sources of revenue, albeit in a different form.

The print media market in Wales provides challenges of its own. Just as the topography of Wales has made terrestrial broadcasting difficult, it has also made Wales-wide distribution time-consuming and costly. The uneven distribution of the population combined with the limitations of the road network has created a fragmented Welsh market. Even taken as a whole Wales remains a relatively small market, while its demographic profile and relative poverty mean that for all media advertisers the economic value derived from advertising in Wales is lower than the UK average:

Fig 1: Wales and UK – key demographic differences

	Wales	**UK average**
People in ABC1 categories	c.49%	c.55%
People in C2DE categories[4]	51%	45%
Rural population	22%	12%
Average weekly household income (gross)	547	642
Average weekly expenditure	405	456

Sources: Office for National Statistics, Family Spending (2007 ed.); quoted in Ofcom, Communications Market Report, Wales (2008)

The Welsh media market has the challenge of dealing with two languages. As with any minority language Welsh relies on the continued written (and spoken) word for its survival. The various magazines, periodicals and *papurau bro* printed in Welsh have a role in the life of the language as well as their wider social role as information sources. Possible Assembly Government financial support for a Welsh language news supplier – whether print or online – has created a new opportunity, although also opening up a new area of debate about public and state support in the media market.

Given the increasing emphasis on online provision, it is worth remembering that survey data suggests that internet use in Wales is lower than most of the other regions of the UK:

[4] Social research categories used to denote employment status: C2 is 'skilled working class', D is 'unskilled worker' and E is 'lowest levels of subsistence

Fig 2: People using the internet at home or elsewhere within the past 12 months: %

ITV region (2007)	Percentage
Greater London	79.4
South East/East Anglia	75.8
South West	72.4
North west	71.3
East and West Midlands	69.1
Scotland	68.5
Wales	*68.0*
North	66.5
Yorkshire & Humberside	63.5

Source: GB TGI, BMRB 2007/Mintel

Wales's arguably weaker economic position relative to the UK and its use of the internet are probably related. Low internet usage is closely matched by similarly low consumption of regional and local newspapers. In 1999, when the Welsh Assembly began, Wales had one of the lowest proportions in the UK of regular regional or local newspaper readership:

Fig 3: % regularly reading regional or local newspaper by region (1999)

Region	%
Scotland	95.6
West Midlands	88.9
East Anglia	87.3
North West	86.9
North	86.3
South east	85.3
East Midlands	85.0
South West	84.1
Yorks. and Humberside	82.9
Wales	*80.0*
Greater London	76.3

Source: Audit Bureau of Circulation (ABC), 1999

More recent data from the Incorporated Society of British Advertisers suggest that this remains the case (note that the Wales figure includes the south-west of England):

Fig 4: % reading any regional newspaper (ISBA regions 2006-7):

ISBA region	%
Border	94.9
Central Scotland	89.4
South West	87.9
North West	87.7
Northeast Scotland	87.1
East	86.8
Midlands	85.2
South	84.4
London	81.4
North East	81.0
Yorkshire	79.9
Wales and the West	*76.9*

Source: GB TGI Survey 2006 Q3 (April 2006 – March 2007)

There are differences in the use of print media relative to other media in Wales. The following table shows survey data about use of media sources for news (note the Wales figure includes the south west of England also):

Fig 5: From where do people source their news?
% of population

News source	UK	South West and Wales
24 hour or other TV news	71	74
Radio	48	54
Paid-for daily newspaper	33	41
Website of TV news provider	17	11
Word of mouth / friends / relatives	14	16
Free daily newspaper	10	4
Newspaper website	8	5
Internet portal/information site	5	4
Online news feed/ticker	2	3
Internet radio feed	2	3
Online blog sites	1	2

Source: BMRB/Mintel, November 2007

The most significant divergences in news media consumption between Wales (and the south west) and the UK are: greater use of broadcast media as a news source – especially radio; and lower use of websites (from both television and newspaper providers) and free dailies. Although Fig 5 might appear to contradict the ABC and ISBA data in Fig 3 and Fig 4, Fig 5 includes UK-wide newspapers as well as local and regional titles. Further data about the consumption of UK newspapers are considered later in this chapter.

Evidence of the use made of media coverage of the 2003 Welsh Assembly elections elections shows a similar distribution of media consumption.

Fig 6: "During the election campaign have you…"

	%
…read election coverage in newspapers?	47
…seen any election coverage on TV?	65
…heard any election coverage on radio?	29
…used the internet to access election information?	5
…discussed the election with friends or family?	49

Source: NOP 2-9 May 2003 (1153 people surveyed) quoted in J. Thomas, The Regional and Local Media in Wales, submission to National Assembly for Wales, Culture, Welsh Language and Sport Committee, January 16, 2006

The various data above suggest that, while consumption rates of newspapers and online media are lower in Wales than the UK average, overall reliance on traditional media (paid-for newspapers, radio and television) is greater than the UK average. The nature, content and source of those newspapers, therefore, become crucial. In that context Welsh citizens should be concerned to hear a Welsh academic say in 2008: "It is nigh-on universally accepted that newspaper coverage of Welsh affairs is pretty abject."[5]

Proprietors and managers of private sector media will resist the application of a public service milieu around their products. Nevertheless, the continuing importance of their products to the size and quality – good or poor - of the information base of Welsh citizens suggests that they must be taken into account as issues in their own right and as an important context for the consideration of public service broadcasting. If the over-riding imperative is the health of Welsh society, politics and democracy, then the challenges for Wales revolve around ensuring plurality and equitable representation of Welsh issues in Welsh and English language media based in Wales.

More specifically they are:

- Safeguarding the health of a plural spread of local and national media based in Wales, in print and on the internet, to ensure they serve public needs and are economically sustainable
- Facilitating greater interaction, debate and reflection in Wales between civil society and political processes
- Underpinning investment in indigenous journalism, and raising standards.
- Persuading London based newspapers to lessen their overwhelming concentration on their core market in the south east of England.
- Realising the potential of the internet to reach wider audiences, increase interaction and boost access to information
- Representing equitably the ethnic, political, geographic and economic diversity of Wales
- Ensuring the vibrancy and continued health of the Welsh language even as the market tends towards cultural homogenisation.

5.2. Regionalised newspaper markets

The Welsh newspaper market has more in common with English regional newspaper markets than with market patterns in Scotland or Ireland for geographical reasons. Daily newspaper circulation in Wales is dominated by London-based newspapers, and their distribution into Wales is determined more by logistical considerations than by regard for Wales as a social or market entity. Even in the case of indigenously produced newspapers there is, arguably, no Welsh national market, but rather regional 'spheres of influence' dominated by newspapers groups or their regional divisions in largely settled geographic niches:

- *North:* North Wales Newspapers and Trinity Mirror (North Wales)

[5] Richard Wyn Jones, 'Information gap', *Agenda*, Spring 2008

- *Mid Wales:* a mixture of Trinity Mirror (North Wales and Media Wales) and Tindle News Ltd

- *South-west:* South West Wales Publications Ltd and some overlapping areas with Trinity Mirror (Media Wales) and Newsquest

- *South-east:* mainly Trinity Mirror (Media Wales) and Newsquest (Wales and Western).

Trinity Mirror is the dominant presence in the Welsh print market, featuring as Media Wales in the southern half of the country and as Trinity Mirror North Wales elsewhere. The company is the top regional newspaper publisher in the UK (by circulation) and Wales' *de facto* national print media provider, responsible for the only 'national' morning newspaper – the *Western Mail* – and the *Daily Post* in north and mid Wales as well as Wales' only indigenous Sunday newspaper, *Wales on Sunday*. It owns 24 other Welsh titles and commands more than 40% of the combined circulation of all indigenous titles.

The management of the company's operations in Wales is divided between the north and south. The *Daily Post* is managed overall as part of Trinity Mirror's North West England division, while all its southern titles have been managed from Cardiff by the Western Mail and Echo Ltd. that, in 2007, re-branded itself as Media Wales.

This decision, involving the integrated management of all its journalistic staff across all titles and across online, is an indication of the priority that online development will have in the company's future strategy – an attempt to ensure its brand presence on the internet and underline its intended, and to a great extent actual position as an all-Wales media provider in online and in print. However, the importance of other newspaper groups in regions of Wales should not be understated.

Since websites can be accessed with ease from any location with an internet connection, one might think that the concept of geographic markets is challenged somewhat by the provision of news online. However, the internet can reinforce as well as extend the local. Theoretical capacities and the capabilities of online will be restricted by economics, that is by business models. For this reason, if for no other, it would be premature to conclude that traditional printed newspapers will disappear completely.

5.3. Circulation of newspapers in Wales

In terms of daily newspaper sales the dominance of London-based newspapers is evident in the data delivered by the Newspaper Readership Survey and JICREG (the Joint Industry Committee for Regional Press Research) and by research carried out by GfK NOP Media for Trinity Mirror. Unfortunately, London newspapers do not publish their circulation figures for Wales; therefore the only measure of comparison is readership.

Fig 7: Daily newspaper readership in Wales

Daily Newspaper Title	**UK circulation***	**Total UK Readership ****	**Total Wales Readership *****
Western Mail [AM]	37,576*	129,389**	140,000***
Daily Post (Wales) [AM]	36,432*	114,348**	126,000***
South Wales Echo [PM]	46,127*	149,516**	172,000***
South Wales Argus [PM]	28,457*	72,495**	90,000***
South Wales Evening Post [PM]	51,329*	149,936**	122,000***
Wrexham (& Chester) Evening Leader [PM]	21,180*	74,095**	48,000***
The Sun	2,937,931	7,980,000	488,000
Daily Mirror	1,393,844	3,789,000	360,000
Daily Mail	2,141,596	5,230,000	325,000
The Guardian	310,702	1,121,000	65,000
The Independent	197,718	745,000	47,000
Financial Times	134,045	360,000	8,000
Daily Express	699,312	1,678,000	160,000
Daily Star	612,642	1,597,000	137,000
Daily Telegraph	819,729	2,075,000	103,000
The Times	584,185	1,666,000	67,000

*Sources: * UK Circulation (excluding Rep. of Ireland): ABC; ** Total UK Readership: NRS and JICREG; *** Total Wales Readership: GfK NOP Media 2005. Total Wales Area.*

Fig 8: Daily morning titles in Wales ranked by readership

Rank	**Title**	**Wales readership**	%
1	The Sun	488,000	24.1
2	Daily Mirror	360,000	17.7
3	Daily Mail	325,000	16.0
4	Daily Express	160,000	7.9
5	*Western Mail*	*140,000*	*6.9*
6	Daily Star	137,000	6.8
7	*Daily Post*	*126,000*	*6.2*
8	Daily Telegraph	103,000	5.1
9	The Times	67,000	3.3
10	The Guardian	65,000	3.2
11	The Independent	47,000	2.3
12	Financial Times	8,000	0.4
	Total	2,026,000	100

Source: GfK NOP Media 2005

The above table (Fig 8) is drawn from research carried out in 2005. It can be seen from Fig 7 that the two morning titles in Wales – the *Western Mail* and the *Daily Post* – have a combined daily sale of 74,008 and readership of 266,000 in Wales – i.e. 3.6 readers per copy. They account for 13.1% of the daily morning readership (Fig 8). The combined readership of the London-based newspapers in Wales is put at 1,760,000 – i.e. a figure 6.6 times greater than for the two Welsh papers. Two years later, the NRS survey put the combined readership of the two Welsh papers at

243,737, 8.4% lower than in 2005.

The inescapable, and rather alarming conclusion is that more than 85% of the Welsh population read only London-based newspapers that contain minimal or no coverage of news of Wales. The contrast with Scotland is marked:

Fig 9: Daily morning readership patterns – Wales and Scotland

	Wales	Scotland
Circulation of indigenous papers	74,008	639,517
Readership of indigenous papers	266,000	1,956,631
Readership of indigenous papers as % of total	13.1	52
Readership of UK-wide papers	1,760,000	2,661,289
Readership of UK-wide papers with Wales/Scot editions	None*	2,551,289
Readership of UK-wide papers with no Wales/Scot editions	1,760,000	100,000
Total readership	2,026,000	3,757,631
Total readership as % of population	67	74

Source: NRS Jan-Dec 2007
**No UK-wide papers with Wales edition*

The traditional market split between 'heavies', middle market and 'redtops' contains few surprises, with the redtops dominating, though with just under half the Welsh readership. Redtops in Scotland, which include the Scotland's own *Daily Record*, account for 60% of the total Scottish readership. The London 'heavies' account for only 5.5% of total Scottish readership, compared with Wales's 14.3%, but if Scotland's two indigenous papers – The Scotsman and The Herald are classed as heavies, the Scottish figure rises to 18.3%.

Surprisingly, the figures show that, of the five traditional up market papers, only the *Financial Times* sells more in Scotland than in Wales, despite the heavy investment in Scottish editions. The combined readership of these five newspapers in each country represents 9.6% of the Welsh population, but only 4% of the Scottish population. This may play its part in explaining relative levels of political engagement with Welsh and Scottish institutions by the professional class in each country.

Fig 10: Market split – Wales and Scotland
Readership

	Wales		Scotland	
		%		%
The Sun	488,000	24.1	988,000	26.3
Daily Mirror	360,000	17.7	60,000	1.6
Daily Star	137,000	6.8	141,000	3.7
Daily Record			1,096,342	29.2
Total - redtops	**985,000**	**48.6**	**2,285,342**	**60.8**
Daily Mail	325,000	16	275,000	7.3
Daily Express	160,000	7.9	131,000	3.5
Western Mail	140,000	6.9		
Daily Post	126,000	6.2		
Aberdeen Press and Journal			181,007	4.8
Dundee Courier and Advertiser			201,003	5.4
Total - middle market	**751,000**	**37**	**788,010**	**21**
Daily Telegraph	103,000	5.1	55,000	1.5
The Times	67,000	3.3	61,000	1.6
The Guardian	65,000	3.2	45,000	1.2
The Independent	47,000	2.3	33,000	0.9
Financial Times	8,000	0.4	12,000	0.3
The Scotsman			201,537	5.4
Scotland Herald			276,742	7.4
Total - heavies	**290,000**	**14.3**	**684,279**	**18.3**

Source: GfK, NOP and NRS

Newspaper consumption habits have been changing (mainly away from newspapers) across the UK for some time. More recently the decline has steepened, probably because of the internet, although that decline pre-dates most households' gaining internet access:

Fig 11: UK circulations (000s)

	1965	1985	% Change	2007	% Change
Daily Mirror	4,958,000	3,252,000	-34.4	1,554,000	-52.2
The Sun	1,361,000	4,065,000	198.7	3,043,000	-25.1
Daily Express	3,981,000	1,875,000	-52.9	765,000	-59.2
Daily Mail	2,425,000	1,828,000	-24.6	2,294,000	25.5
The Times	258,000	480,000	86	636,000	32.5
Financial Times	152,000	229,000	50.6	452,000	97.4
The Guardian	276,000	487,000	76.4	371,000	-23.8
Daily Telegraph	1,352,000	1,221,000	-9.7	894,000	-26.8
Independent	-	-		245,000	

Source: Bianchi review of Welsh Language Print Media

Those that appear to have been more successful have followed rather straightforward strategies: reducing cover prices for periods (*The Sun* and *The Times,* which also changed to tabloid format. Other newspapers performing well are suited to a more affluent and older market that is likely to retain an attachment to print media (*Daily*

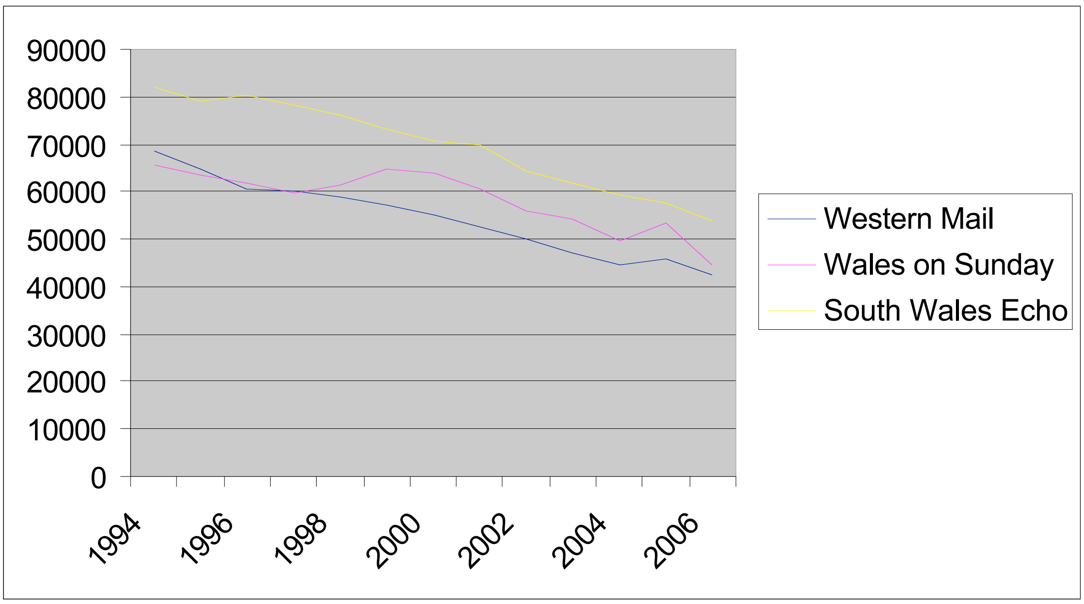
Mail and *Financial Times*).

Fig 12: Circulation of Selected Morning Titles across the UK, 1995-2005

Newspaper title (morning)	**1995**	**2000**	**% Change relative to 1995**	**2005**	**% Change relative to 2000**
Aberdeen Press and Journal	108,963	101,642	-6.7	86,942	-14.5
Newcastle Journal	57,677	50,295	-12.8	38,187	-24.1
The Northern Echo	77,425	66,032	-14.7	55,979	-15.2
Yorkshire Post	79,094	76,424	-3.4	50,541	-33.9
Birmingham Post	28,054	20,922	-25.4	14,256	-31.9
Norwich Eastern Daily Press	79,596	76,579	-3.8	68,599	-10.4
East Anglian Daily Times	49,217	44,755	9.1	38,538	-13.9
Western Daily Press	62,692	52,373	-14.8	45,115	-13.9
Western Morning News	52,123	51,596	-1.0	42,325	-18
Western Mail	**64,602**	**55,273**	**-14.4**	**42,981**	**-22.2**
Ulster Newsletter	33,233	33,435	+0.6	26,270	-21.4

Source: A. Williams and B. Franklin, Turning Around the Tanker: Implementing Trinity Mirror's Online Strategy, from audit and verified data on the Newspaper Society website (ABC and VFD)

The circulation of the two Welsh morning newspapers has been in decline for some decades. The graph below shows the south Wales-based newspapers. Between 1997 and 2006 the audited circulation of the *Daily Post* reduced from around 52,000 to 39,651, a 23.7 per cent reduction. Circulations of the *Western Mail* dropped by 30.8 per cent in the same period. *South Wales Echo* is included for comparison purposes). It is worth noting that the price of the Western Mail in 2001 was 25p, whereas it is now 58p. The circulations of two of Wales's national titles are shown in the graph below, with the *South Wales Echo* for the purposes of comparison (ABC certificate circulations for January to June each year):



The striking feature of the declining circulations in the graph above is that decline has been steady and appears to be largely impervious to any changes. There appears to have been no significant 'devolution dividend' from 1999 in circulation terms. The short-lived increase around 2005 has two possible causes: the Welsh rugby team's grand slam season and the re-launch of the *Western Mail* in smaller format in October 2004.

Trinity Mirror's key daily titles, the Western Mail and Daily Post, have both experienced significant drops in circulation:

Fig 13: Western Mail and Daily Post circulations, 1979, 1997 and 2006

	1979	**1997**	**2006**
Western Mail	94,000	61,541	42,578
Daily Post	50,000	52,000	39,651

Source: Williams and Franklin, Turning Around the Tanker

Fig 14: South-east Wales titles

Title (any editions included in total)	**Jan-June 1999**	**July-Dec 2007**	**% Change**
Morning newspaper			
Western Mail (Wales-wide; Mon-Sat)	57,035	35,067	-38.5
Metro (South Wales)		27695	
Evening newspapers			
South Wales Argus (Final/Local/Main)	30936	28879	-6.6%
South Wales Argus		26362	
South Wales Echo (City Final/News Extra/Swales)	73129	47278	-35.0%
South Wales Echo		40179	
Weekly newspapers			
Abergavenny Chronicle		8,794*	
Barry & District News	7278	6,755	-7.2%
Caerphilly Campaign Series			
Blackwood, Risca & Newbridge		13,258	
Caerphilly, Ystrad Mynych and Bargoed		27,895	
Pontypridd, Porth, Mountain Ash and Llantrisant		21,884	
Cardiff & South Wales Advertiser			
Celtic Weekly Group	85216	73,772	-13.4%
Glamorgan Gazette (Bridgend/Valleys)	20503	21504	4.9%
Cynon Valley Leader	10585	10137	-4.2%
Merthyr Express (Merthyr + Rhymney Valleys)	19285	17138	-11.1%
Pontypridd & Llantrisant Observer	10312	11,429	10.8%
Rhondda Leader	11770	12,500	6.2%
Gwent Gazette	12761	11495	-9.9%
Free Press of Monmouthsire Series	7920	11281	42.4%
The Free Press (Chepstow)		4,707	
The Free Press (Abergavenny)		1,420	
The Free Press (Monmouth)		1,383	
The Free Press (Pontypool)		3,771	
Bridgend & Porthcawl Gem (not audited)			
Glamorgan Gem		30,196	
Monmouthshire Beacon & Merlin		5286**	

Penarth Times	5715	6,183	8.2%
The Barry Post		22,368	
The Bridgend Post		10,065	
The Cardiff Post		73,772	
Weekly Argus		34670	

*Source: ABC, except * Independently audited for July 2006-Dec. 2006 (JICREG); and ** Independently audited January 2006-June2006 (JICREG)*

Fig 15: North-east Wales newspaper titles

Title (and editions)	**Jan-June 1999**	**July-Dec 2007**	**% Change**
Evening newspapers			
Evening Leader (Chester/Flintshire/Wrexham)	30068	21,180	-29.6
Weekly newspapers			
Flintshire Chronicle (Mold-Buckley/Flint-Holywell/Deeside)			
Flintshire Standard		31,482	
Free Press (Denbighshire/corwen-Bala/Llangollen)	6168	7,148	15.9
The North Wales Pioneer		30,522	
The Rhyl, Prestatyn and Abergele Journal		30,287	
The Vale Advertiser		7466	
Visitor Series	3503	4590	31.0
Visitor (Abergele and St Asaph)		2292	
Visitor (Rhyl and Prestatyn)		1211	
Visitor (Rhyl/Prestatyn)		24199	
Wrexham Leader		41584	
	30068	21,180	-29.6

Source: ABC

Fig 16: North-west Wales titles

Title	**Jan-June 1999**	**July-Dec 2007**	**% Change**
Weekly Newspapers			
Yr Herald (weekly supplement in Daily Post)			
Bangor/Anglesey Mail		10687	
Caernarfon and Denbigh Herald (Arfon/South)	14085	15465	9.8
Holyhead & Anglesey Mail	10802	11612	7.5
North Wales Chronicle		33387	
North Wales Series (Merioneth Express/Corwen Times/Y Cyfnod)		6000	
North Wales Weekly News (Colwyn/Conwy Valley/General)	17314	22959	32.6

*Source: ABC ; * Jan-June 2007*

Fig 17: Mid Wales newspaper titles

Title (and editions)	Jan-June 1999	July-Dec 2007	% Change
Evening newspapers			
Shropshire Star (Mid Wales)		5029	
Weekly newspapers			
The Cambrian News		**24258	
County Times & Express (Montgomeryshire/Radnorshire)	17628	**17442**	-1.10%
Oswestry & Border Counties Advertizer		10969	
Brecon & Radnor Express		*11430	
Chronicle and Journal		**2738	

*Source: ABC *Jan06-Jun. 06 **Jul06-Dec06*

Fig 18: South-west Wales titles

Title	Jan-June 1999	July-Dec 2007	% Change
Evening Newspapers			
South Wales Evening Post (Carmarthenshire / Neath-Port Talbot / Swansea Final)	67185	51408	-23.5%
Weekly newspapers			
Neath & Port Talbot Courier (insert in NPT edition of SWEP - Tuesdays)			
Swansea Herald		67297	
Neath & Port Talbot Guardian (Neath; and Port Talbot)		4402	
Carmarthen Journal (Gwendraeth/Lampeter-Llandyssul/St Clears-Whitland/Teifi Valley/Carmarthen Town/Ammanfoird-Llandeilo-Llandovery)	20800	**22245**	6.9%
Llanelli Star (Burry Port Star / Gwendraeth Star /Main / Llwchwr Star)	18392	15,699	-14.6%
Western Telegraph Series (First/East/North)	25627	27183	6.10%
Tenby, Narberth & Whitland Observer		**6935	
Cardigan & Tivy-Side Advertiser	8301	**8466**	2.0%
Milford & West Wales Mercury		5565	
South Wales Guardian		8533	
County Echo & St Davids City Chronicle			

5.4. Local newspapers

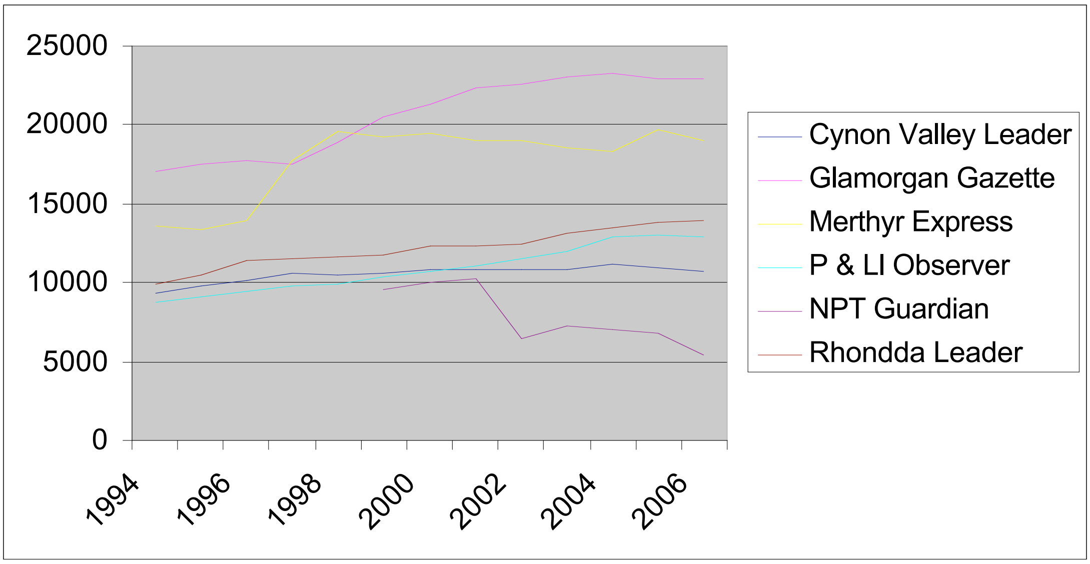
It is evident from the above that the sales of daily Welsh newspapers – whether morning or evening – have been in decline. However, many weekly newspapers have been holding their own, with a sizeable number even increasing their circulations. In total they far outsell even the combined number of daily morning and evening papers.

Fig 19: Sales of indigenous Welsh newspapers

Daily – morning	74,008	5.8%
Daily - evening	220,315	17.3%
Weekly	976,896	76.8%
Total	**1,271,219**	**100***

** Rounding of previous calculations produces a figure just below 100%*

One example below is a graph of the Celtic Weekly Newspaper Group (using January-June ABC certificates for each year):



The trend is not unique to local newspapers in south Wales or to Trinity Mirror local publications. The following are examples of other newspapers elsewhere in Wales, including titles from a number with different owners that have also been relatively successful:

- Free Press (North Wales Newspapers Ltd)
- Visitor Series (Trinity Mirror North Wales)
- Holyhead & Anglesey Mail (Trinity Mirror North Wales)
- Western Telegraph (Newsquest (Wales and Western))
- Carmarthen Journal (South West Wales Publications Ltd)

5.5. Welsh language publications

The small size and dispersed nature of the Welsh speaking community in Wales means there are very few publications that can survive without the support of wider organizations or some element of public funding. The Welsh Books Council (WBC) gives financial support to 16 publications each year to commercial titles, only three of which might be regarded as either newspapers or current affairs magazines. These are *Y Cymro, Golwg,* and *Barn.* The following data and Fig. 20 are drawn from a review of Welsh language print media by Tony Bianchi for the Welsh Language Board and published in January 2008.

Y Cymro, a weekly tabloid newspaper, is the oldest of these publications and was owned by North Wales Newspapers until purchased in 2004 by the *Cambrian News*, part of Tindle News that also owns Radio Ceredigion. *Golwg* receives an annual WBC grant of £18,000. Over the past decade circulation has declined from 5,200 to fewer than 3,000. It is based in north Wales at Porthmadog. It does not have its own website.

Golwg, is a weekly news magazine that is privately owned. It is based in Lampeter in Ceredigion, and receives a WBC grant of £75,000. Its circulation is said to hover around the 3,000 mark.

Barn (Opinion) is a monthly magazine (it publishes 10 issues per annum) and receives an annual WBC grant of £80,000. Its circulation has been in decline and is currently estimated at around 800.

Yr Herald Cymraeg was a free-standing newspaper, but since 2005 it has been an eight-page weekly supplement published within the *Daily Post*. The Bianchi review thought that its journalistic scope had narrowed since the change. It also has an online presence. It does not at present receive any funding from WBC.

Fig 20: Welsh language newspapers/magazines

Name of Publication	**Golwg** 2006/07	**Y Cymro** 2006/07	**Barn** 2006/07*
Owner	Golwg Cyf.	Cambrian News/ Tindle News	Barn Cyf.
Number of staff (fta)	15	6	2
Price	£1.50	£0.50	£2.25
Sales/issue	2,880	2,800	880
% subscriptions	46.3%	8.2%	40%
Sales +/- since '97	-2.5%	Not known	-32%
Grant/year	£75,000	£18,000	£80,000
Grant/issue	£1,500	£346	£8,000
Grant/each copy sold	£0.52	£0.12	£9.09
Grant as % of income	14%	7%	80%

Alongside these more conventional publications there exist a stratum of voluntary and very local publications – *papurau bro* - that, in the main, were established in the 1970s. Estimates are not often made of the exact reach of *papurau bro*. The Welsh Language Board – which funds their publication – does not produce any readily available circulation or readership figures. Academic research suggests approximately

82,000 issues are published monthly across Wales.[6] Unsurprisingly, they tend to be strongest in the areas of west and north Wales where the language and/or sense of Welsh identity is strongest.

- *North west:* north Gwynedd coast and Anglesey;
- *North east:* the Flintshire-Denbighshire border;
- *Mid:* the coast;
- *South west:* southern Pembrokeshire and southern Carmarthenshire;
- *South east:* in the cities and Valleys towns.

Fig 21: Papurau Bro first publishing dates

Date founded	Number
1973-80	41
1981-90	12
1991-00	2
2001-2007	6
Total	61

Fig 22: Papurau bro in Wales, 2008

Title	Distribution	Founded
Yr Angor	Aberystwyth and District	1977
Yr Angor	Merseyside and Manchester	1979
Yr Arwydd	Eastern Anglesey	1983
Y Barcud	Tregaron and District	1976
Y Bedol	Ruthin	1977
Y Bigwn	Denbigh	1988
Blewyn Glas	Machynlleth	1978
Y Cardi Bach	Taf Valley	1979
Y Clawdd	Wrexham and District	1987
Clebran	Preseli District	1974
Clecs y Cwm a'r Dref	Neath, Neath and Dulais Valleys	1976
Clochdar	Cynon Valley	1987
Clonc	Lampeter and District	1982
Cwlwm	Carmarthen	1978
Cylch	Merthyr Tydfil Valleys	2001
Dail Dysynni	Dysynni Valley	1979
Dan y Landsker	Pembrokeshire	2007
Y Dinesydd	Cardiff and District	1973
Y Ddolen	Llanfarian and Llanrhystud	1978
Eco'r Wyddfa	Llanrug and Llanberis	1976
Y Fan a'r Lle	Brecon and District	1996
Y Ffynnon	Eifionydd	1976
Y Gadlas	Conwy and Clwyd	1976
Y Gambo	South East Ceredigion	1982
Y Garthen	Teifi Valley	1981
Y Glannau	Clwyd Valley	1982

[6] Rhodri ap Dyfrig, Elin Haf Gruffydd Jones and George Jones, *The Welsh Language in the Media* (Mercator Media, 2006), p.25

Glo Mân	Amman Valley	1977
Y Gloran	Rhondda Fawr	1977
Y Glorian	Llangefni and District	1977
Goriad	Bangor and Felinheli	1980
Yr Hogwr	Ogmore and District	1987
Llafar Bro	Blaenau Ffestiniog	1975
Llais	Tawe Valley	1979
Llais Aeron	Aeron Valley	1976
Llais Ardudwy	Ardudwy	1975
Llais Ogwan	Ogwen Valley	1974
Llanw Llyn	Llyn Peninsula	1975
Lleu	Nantlle Valley	1975
Y Llien Gwyn	Fishguard and District	1979
Y Lloffwr	Dinefwr and District	1978
Negesydd	Neath Port Talbot	2002
Nene	Rhos and Johnstown	1978
Newyddion Gwent	Gwent	2004
Yr Odyn	Nant Conwy	1975
Papur Dre	Caernarfon and District	2002
Papur Fama	Mold and District	1979
Papur Menai	Glan Menai, Landdona and Brynsiencyn	1976
Papur Pawb	Talybont, Taliesin and Tre'rddôl	1974
Papur y Cwm	Gwendraeth Valley	1981
Y Pentan	Conwy Valley	1979
Pethe Penllyn	Parish of Penllyn	1974
Plu'r Gweunydd	Llanfair Caereinion, Montgomery, Welshpool and District	1978
Y Rhwyd	Anglesey	1979
Seren Hafren	Dyffryn Hafren	1983
Sosbanelli	Llanelli	2002
Tafod-Élai	Taff-Ely district and Ynys-y-Bwl	1985
Y Tincer	Bow Street and Borth	1977
Tua'r Goleuni	Rhymney Valley	1997
Wilia	Swansea and District	1977
Yr Wylan	Penrhyndeudraeth and Porthmadog	1977
Yr Ysgub	Ceiriog Valley and Oswestry	1980

5.6. UK newspapers and Wales

87% of daily newspaper readership in Wales is accounted for by London based newspapers. The quantity and quality of their coverage of Wales becomes, therefore, a matter of singular importance.

The contrast with Scotland is stark. Historically, the strength of the Scottish press has been a function of Scotland's distance from London as much as a recognition of difference. The challenge of timely distribution meant that many London newspapers long ago established printing facilities in Scotland with a linked editorial capacity. Investment is not only historical. In early 2008 News International opened a £60m all-colour printing press near Glasgow to print *The Times* and *The Sun*. The latter has also been sold for periods at a cut-price twenty pence in Scotland (and London, where it has also occasionally been distributed without charge), according to its editor.[7]

The majority of London newspapers now have Scottish editions, with significant content difference from the versions available in England and Wales. Some have argued that this is a partial cause of the declining circulation of Scotland's indigenous press.

Fig 23: London newspapers with Scottish editions

Daily	**Sunday**
The Scottish Sun	News of the World
Scottish Daily Mirror	Scottish Sunday Mirror
Scottish Daily Mail	Scottish Mail on Sunday
Scottish Daily Express	Scottish Sunday Express
The Daily Telegraph	The Sunday Telegraph
The Times	The Sunday Times
Metro	

Fig 24: London papers without a distinct Scottish edition

Daily	**Sunday**
The Guardian	The Observer
The Independent	Independent on Sunday
Daily Sport	The People

The only London newspaper to have attempted a Welsh edition in recent times was the *Daily Mirror*, which established a Welsh Mirror in 1999. It had a staff of fourteen. It lasted for four years before succumbing to a £25m programme of economies within the Trinity Mirror group in 2003. At the time the company was reported as claiming a circulation of 130,000.

In terms of print capacity Wales has recently both won and lost. Newsquest, publisher of the *South Wales Argus*, has announced plans to move printing out of Wales to consolidate them with facilities serving titles in the west of England. South West Wales Publications Ltd (part of the Northcliffe-Associated group) has already moved printing of the South Wales Evening Post to Gloucester. Trinity Mirror's £18m printing facility in Cardiff Bay, opened in 2003, is now managed separately from the Welsh titles. There is some irony in the fact that it prints several newspapers and periodicals for minority groups in England such as *Asian Times, India Weekly,* and *Caribbean Times*, as well as local newspapers from the south east of England.

The absence of Welsh editions of London newspapers might not be a problem if the reporting of Wales were substantial and consistent. However, this is far from being the case. The only UK-wide newspaper staff reporter based in Wales represents the *News of the World* and is based in Cardiff. London papers are mainly reliant on the Press Association, which has five staff in south Wales – four general reporters (1 in Swansea, 3 in Cardiff) and a dedicated correspondent at the National Assembly.

The dearth of coverage of Wales has been brought sharply into focus since the advent

[7] Comments by Rebekah Wade to House of Lords, Communications Committee inquiry into media ownership and the news, January 16, 2008

of devolution, with rising concern about the implications of this situation for the new democratic institution and its ability to engage effectively with its public. Studies of coverage of the Assembly elections in 2003 for the Electoral Commission pointed up the low prominence given to the election by both UK broadcasters and newspapers, although in 2003 it is fair to say that the campaign was overshadowed by Iraq war.

In 2007 although there were fewer reasons to ignore the Assembly election campaign coverage by the UK press was, if anything, weaker than in 2003, and the disparity between coverage of Scotland and Wales greater. On 12 April *The Guardian* carried a leader article on the Assembly elections, under the title 'The forgotten election'. On Saturday, 5 May the first morning on which newspapers could carry the result, the highest selling newspaper in Wales, *The Sun*, carried only thirteen words of coverage, contained within a story on the results of the Scottish elections. This pattern was continued during the long aftermath during which political parties negotiated to form a coalition government.

In broadcasting and online media the BBC Trust was sufficiently concerned about its own performance in this regard to commission an independent review of the BBC's network news and factual coverage of the four nations of the United Kingdom. It is chaired by Professor Anthony King and is expected to report in the summer of 2008.

Its terms of reference are:

> "To assess the impartiality of the BBC's network news and factual coverage of the four nations of the United Kingdom, having particular regard to the duly impartial coverage of matters of political controversy and matters of public policy. In assessing the BBC's coverage, to consider issues of accuracy, context and balance as follows:
>
> - in considering accuracy, to assess in particular if it is clear whether or not the facts and views conveyed in the output apply to each individual nation;
> - in considering context, to assess, where relevant, whether or not the nations' differing policies – with regard to both devolved policies and other matters – are appositely reflected in the content and also whether or not significant relevant factors are adequately explained;
> - in considering balance, to assess in particular whether or not the output gives appropriate weight to the actions and policies of the devolved administrations and at the same time gives due weight to the views expressed by the political parties, other groups and individuals concerning those actions and policies, and also gives due weight to the way points of view may vary both across individual nations and across the UK."

The review covers factual network coverage of the four nations on radio, television and online. It will concentrate on news and current affairs and news online.

The following analysis of material concerning Wales on newspapers and their websites provides further evidence of the problem.

5.7 A case study of UK reporting of Wales

During the summer of 2007 there were two largely co-terminous and extended stories arising from Wales: the formation of the Labour-Plaid Cymru Assembly Government following the May elections, and the events surrounding the slaughter of Shambo, a bullock that was sacred to Hindu monks in the Skanda Vale community in West Wales. The latter story centred on the dispute between the community and the Welsh Assembly Government after Shambo had tested positive for bovine tuberculosis and its slaughter had been ordered by the Assembly Government.

Between July 15 and August 15, 2007, the number of stories with primary relevance to Wales is shown in the following table:

Fig 25: Stories about Wales in the UK-wide newspapers, mid Jul-mid Aug 2007

Source	**Total**	**Politics**	**Economy**	**Human interest**	**Crime**	**Social (Shambo)**	**Entertainment**
The Sun	25	1	0	5	7	11 (10)	1
Daily Mail	23	0	0	2	8	12 (11)	1
The Times	19	1	2	1	2	13 (12)	0
Guardian	16	3	2	0	3	8 (8)	0
Daily Telegraph	15	2	0	1	0	12 (12)	0
Independent	6	0	0	0	0	6 (6)	0
Total	**104**	**7**	**4**	**9**	**20**	**62 (59)**	**2**
Press Association newsfeed (Wales)	30	8	2	4	1	14 (12)	1

Note: *Newspaper figures include stories appearing only on the newspapers' websites as well as those appearing in the newspaper itself. Press Association figures total the number of stories appearing in the PA news feed under the 'Wales' category*

Fig 26: Stories about Wales in UK-wide newspapers

Category	**No of stories**	**%**
Social (Shambo)	62 (59)	59.6 (56.7)
Crime	20	19.2
Human Interest	9	8.7
Politics	7	6.7
Economy	4	3.8
Entertainment	2	1.9
Total	104	100*

** Rounding in calculations means total is just below 100%*

The figures show the bulk of reporting during the period was focused on the Shambo story, even at a time when Wales was experiencing, arguably, one of the most significant moments in its recent political history. If these stories are subtracted from the total, there were only 45 other stories about Wales across six UK-wide papers in a 31-day period, and only seven of those stories on political matters. For politics this represents an average of just over one story per paper in the whole period.

The formation of the Labour and Plaid Cymru coalition was largely ignored by the UK-wide print and broadcast media, receiving only a few column inches in the UK-wide 'quality' papers and next to nothing in the tabloid press (and very sparse and superficial coverage in the network broadcast news).

In contrast, the interest shown by news providers in reporting the Shambo case was sustained and detailed. *The Independent*, for example, devoted a two-page feature to the Shambo case and only a few sentences a week earlier in the 'News in Brief' section to the Assembly coalition. Even this cursory attention was more directly prompted by Rhodri Morgan's hospitalisation for heart surgery.[8] On July 27, the day after the bullock was removed from the temple for slaughter, the story was still being explored. Three of the principal UK morning dailies featured front page pictures: the *Guardian, Daily Mail* and *Daily Telegraph*, with continuing stories in subsequent inside pages.[9]

The appeal of the Shambo story across the UK media was that it had both comical and serious aspects. Critics of the UK media's coverage of Wales, such as Adam Price MP, focused on the comical side of the story: "The death of Shambo the bull got more attention by the BBC in 2007 than the fate of Rhodri Morgan and the Welsh nation, which shows what the media thinks of us as a nation."[10] However, animal-related stories are often popular with media providers in Britain and there was a more serious aspect: the confrontation and disagreement between state law and religious sensibilities.

The UK newspapers focus on UK-wide issues. The coverage of the Shambo case followed months of stories about freedom for religious expression in the UK. The Shambo and 'religion versus state' stories shared a common theme. The Assembly Government, in the Shambo coverage, could have been any organ of the state. When there was a Welsh angle – the devolution of powers to order Shambo's slaughter – some newspapers made mistakes. *The Independent*, for example, was unclear about the roles of the Assembly Government and the UK Department for the Environment, Food and Rural Affairs. The newspaper later carried a clarification.[11]

The common failure to distinguish between events in Wales and England was instanced in the *Financial Times,* which reported on September 8/9, 2007, that the smoking ban had come into force in England and Wales at the start of July 2007. In fact, the ban in Wales came into force in May 2007 after the Health Act 2006 devolved the power to the Welsh Assembly to initiate a smoking ban in public spaces in Wales separately from the rest of the UK.

An Assembly Government announcement in March 2008 about the phasing out of hospital car parking charges in Wales received some attention in the UK media.

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[8] *Independent*, July 17, pp. 17 and 26 for Shambo story; July 10, p.13 for Rhodri Morgan and coalition reference

[9] *The Guardian*, July 27, pp.1-2; *Daily Mail*, pp. 1 and 3; *Daily Telegraph*, pp. 1 and 19; *The Independent*, pp. 10-11

[10] *Golwg,* 'Datganoli darlledu', August 16, 2007; quote is translated from original text: "Fe gafodd tranc Shambo fwy o sylw gan y Gorfforaeth Brydeinig yn 2007 na thynged Rhodri Morgan a'r genedl Gymreig – cymaint yw ei meddwl ohonom ni."

[11] *The Independent*, July 28

However, the debate was only animated after the intervention of Ben Bradshaw MP, Minister of State for Health Services, when he argued that money was being spent more wisely in England on health services.

The variation in services across the UK brought about by devolution is one narrative used by some newspapers. Research into media coverage of the Welsh election in 2003 said that most UK newspaper coverage concentrated very generally on devolution process and threats to the Assembly Government as a Labour administration - specifically threats of nationalism and the Iraq war to Labour - voter apathy, and the potential challenge to devolution posed by low electoral turnout.[12]

This problem is not confined to Wales. In early summer 2007 there were complaints in northern England that floods in Hull received much less attention than floods in southern England that damaged fewer homes and caused fewer deaths. Robert Torday of ING Media, a public relations firm, suggested to *The Economist* that the decline of manufacturing in some northern English cities caused a crisis of identity and that UK-wide newspapers were realising the 'old cobbled streets' image was out of date but were unsure of how to report instead.[13]

However, given Wales's distinct governance arrangements, the London-centric nature of UK-wide newspapers does have greater implications in Wales than in English regions. The coverage and errors detailed above suggest strongly a lack of awareness about Wales within the UK media which is leading to a persistent marginalisation of Welsh coverage. This surely has an effect on the quality of an informed democracy even if disengagement with politics – as expressed in the May 2007 turnout in Wales of 43.7% - has deeper causes. Combined with the limited nature of Wales's indigenous print media, it is proving difficult to articulate plural narratives on Wales and the UK.

In making the case for increased coverage of Wales it would be necessary to distinguish between UK coverage of news in Wales that will keep UK readers informed of developments across the UK and any possible editionalised Wales news provided for readership only in Wales.

[12] James Thomas, John Jewell and Stephen Cushion, Media Coverage of the 2003 Welsh Assembly Elections (Wales Media Forum, 2003)
[13] *The Economist*, 'Magnetic south', August 9, 2007

6. Wales online

6.1 Transition

All traditional media have been gravitating towards online over the last decade – first to simple websites, then through a process of elaboration and now through broadband to IPTV (Internet Protocol Television) and high levels of interactivity. The BBC led the way in the 1990s, developing one of the world's most successful sites, followed by a wider proposition with an extensive capacity for streaming and for listening to and viewing material broadcast on its radio and television services. This has encompassed all programme genres. Worldwide, in 2006-07 the bbc.co.uk site recorded 741 million page impressions per week, up from 430 million in 2004-05. Nearly half of these (45.2%) were to the news and sport sections of the site.

Broadcasters and national and regional papers have begun to converge into similar fields in the online environment – readers of the BBC website can access *Western Mail* material, local news from Anglesey and international media during one internet session. All major newspapers have moved into online provision, with *The Guardian's* site (Guardian Unlimited) being one of the most highly regarded of the UK newspapers' websites. Trinity Mirror in Wales has also developed an extensive proposition, through its icwales.co.uk site in the south and the *Daily Post*'s site in the north (icnorthwales.co.uk).

6.2 Audience growth

Nielsen/Net Rating UK reported last year that in the first eight months of 2007 use of the online sites of the main UK newspapers had grown by 30% compared with a growth of the total online audience of only 9%.

Fig 1: UK newspapers online – Unique Audience 000s

	UA Aug 07	UA Dec 06	Change %
The Guardian	2,677	2,125	26
Daily Telegraph	2,079	1,007	106
The Sun	2,049	1,513	35
The Times	1,912	1,587	20
Daily Mail	1,434	661	117
Daily Mirror	721	436	65
Independent	681	474	44
Financial Times	303	201	51

Source: Nielsen/Net Ratings UK, October 2007

Newspaper managements have been convinced for some time that the move to online was necessary to defend their advertising base, both display and classified, from new competitors. The shift of expenditure to the new medium over the last decade has been significant, even though traditional media are still taking more than a 50% share of advertising expenditure.

Fig 2: Total advertising expenditure (%) by medium:

	97	98	99	00	01	02	03	04	05	06
UK-wide newspapers	12.4	12.7	12.9	13.3	12.5	11.5	11.0	10.7	10.1	10.0
Regional newspapers	16.8	16.6	16.1	16.3	17.1	17.2	17.1	17.0	15.8	14.6
Television	27.8	28.0	28.0	27.4	25.1	25.9	25.2	25.2	25.4	24.1
Radio	2.9	3.2	3.3	3.5	3.3	3.3	3.4	3.3	3.1	2.8
Internet	0.1	0.1	0.3	0.9	1.0	1.2	2.7	4.5	7.2	10.6

Source: The Advertising Statistics Yearbook, 2007; includes display and classified advertising

Amongst Welsh newspapers the most thorough approach has come from Trinity Mirror, whose rebranding of the Western Mail and Echo Ltd company as Media Wales, has been accompanied by the full integration of all the journalistic staff across all its titles, daily and weekly, into one cross-media resource. Its new premises in Cardiff are equipped with a television studio and other facilities that accommodate both audio and video. Alan Edmunds, Editor of the Western Mail, is now simultaneously designated Editorial Director of the wider operation.

Traffic to the Welsh newspaper sites is significant and growing, though it is two to three times as strong in the upper social grades as in the lower.

Fig 3: Traffic to Trinity Mirror sites in Wales

Title	**Monthly UA**	**Social Grade**			
		AB	**C1**	**C2**	**DE**
icWales.co.uk	683,062	54%	20%	9%	17%
dailypost.co.uk	96,913	47%	22%	14%	18%
icNorthwales.co.uk	35,833	41%	17%	14%	28%
homeswales.co.uk	13,724	No data available			
jobswales.co.uk	70,782	34%	27%	14%	25%
motorswales.co.uk	8,350	No data available			

Source: Unique User Source: Omniture – March 2008.
Social Grade Source: Digital Currency Survey 2007

6.3 Online provision from Wales

The BBC has established itself as a world leader in online development, and has attempted to integrate online commissioning with the commissioning of programmes for other media. Unsurprisingly, therefore, its online provision for Wales is the most extensive of all the PSB broadcasters. BBC Wales has a new media department and its total online expenditure on services for Wales was 4.1m. In addition, in 2007 network online commissioning from Wales was valued at £2.1m.

In 2006-07 audiences to BBC Wales sites grew by 24% for English language sites and by 8% for Welsh language sites. The average weekly unique users figure for BBC Wales sites, excluding network commissions such as Doctor Who, was 960,000.

A survey for Beaufort Research suggested that 250,000 Welsh adults used the sites each month – 85,000 above the age of 45 and 165,000 below that age. It also suggested that 20,000 Welsh adults used the Welsh language sites each month – 6,000 above the age of 45, and 14,000 below that age.

S4C also has a site with extensive viewing capability, including live webstreaming of the channel and a 35-day window for the viewing of programmes. Unique user measurements are not adopted by S4C but it claims 314,075 page impressions per week.

Newspaper sites are also well used, with Trinity Mirror's icwales.co.uk site claiming 683,062 unique users in March 2008. The Daily Post's site attracts 96,913 unique users in the same month.

The following describe briefly the main characteristics of the major websites serving Wales. It does not purport to be a full list of all that is available, but is an indication of the direction in which traditional media have moved and of the new uses to which the internet is being put:

BBC Wales

Separate English and Welsh services, integral with BBC site.
National and local coverage based on radio and television inputs, and additional material
Sections on news, sport, features, traffic, travel, weather
Main news agenda also regionalised, plus five BBC Local sites
Blogs by specialist journalists
Audio and video material features
Access to archive via topic or geography
'Your Say' forums
Learning Welsh site
Most attributes of main BBC site

BBC Cymru'r Byd

Part of BBC Wales site, claiming to be first daily Welsh language newspaper.
Welsh language news sport, My local, and programme support sites.
Radio Cymru bulletins carry international stories, otherwise similar news agenda to English language site / carries audio and video feeds of Newyddion and Radio Cymru news.
Education and Welsh language learning
May 2005 – 127,000 unique users.
2005 Hitwise research claimed site the fourth most used in Wales.

S4C

Website mainly supporting wide range of programme genres
Programme listings
Live webstreaming of the channel
35-day viewing window for programmes
Extensive Welsh language learning resource
Award-winning sites and resources for children
Corporate information

ITV Wales

Formatted as ITV Local
Carries Welsh news, traffic, live webcams and travel about various topics, including local
Jobs hosted by CareerBuilders
Wales Tonight is available as a full stream
Other interactive elements include RSS feeds, blogs and user forums

Trinity Mirror

Media Wales (icwales.co.uk – due to be relaunched as WalesOnline.co.uk in June 2008)
Repositioning signalled through rebranding of Western Mail and Echo Ltd
Online strategy (Paper to NAW Culture Committee, 24 May 2006.)
Online services involve 'deploying the resources of all print titles…'
'A user-friendly experience allowing consumers to access the information they want by topic, such as rugby or business, or by geography
Greater scope to have breaking news and further information

Content
jobswales launched in May 2005; six property websites under homeswales.co.uk; motorswales.co.uk
Stories go online around publishing time (i.e. morning for *Western Mail* and afternoon/early evening for *SW Echo* second edition); material used from Western Mail, South Wales Echo, Wales on Sunday and Celtic Weekly group;
Celtic Weekly material also listed separately under 'South Wales Valleys'
Embedded Google search for news material
Extra (non-text) media: separate videos and pictures (although currently rarely integrated with stories)
Extensive exploitation of classified advertising (jobs, cars, homes, dating) with some display advertising
Other information: travel, 'What's on', country and farming
Sport
Blogs: journalists/columnists; RSS feeds available

Trinity Mirror

Trinity Mirror North Wales (icnorthwales.co.uk)
Branding similar icwales.co.uk
Each print title has own site accessible from a front page menu
News used from Daily Post, North Wales Weekly News, Caernarfon & Denbigh Herald, Holyhead/Anglesey Mail, Rhyl and Prestatyn Visitor
Online subscriptions available
Similar use of classified advertising to icwales.co.uk
Stories updated at publishing times
Sport information
Blogs/RSS

North Wales Newspapers
Each newspaper title has its own website (newspapername.co.uk)
Live news ticker billed as 'National news/sport/etc' (UK) with stories from the Press

Association news-desk
Other information: Home/News/Sport/Community/Your Say
E-version of newspaper every Thursday
Community section with news story list for local areas
Updated more often than icwales, mainly owing to PA news ticker
External advertising sites (classifieds) as with icwales and icnorthwales (Jobstoday/Propertytoday/Motorstoday)
487 full time equivalent staff in twelve offices (Feb 2006 to CWLS committee)

Newsquest
Each newspaper has a branded website (newspapername.co.uk)
Extensive use of classified advertising
Stories uploaded daily
Newspaper archive with 'selected articles'
Non-traditional content: generic national (UK) news and entertainment videos sourced externally (it appears); also film trailers

South West Wales Publications
Thisissouthwales.co.uk: September 2005 - 10th place in the list of this is websites with 135,978 visits, 71,244 visitors and 982,975 page views (according to this is)
Allows comments on stories
Many sections for classifieds advertising
Information: News/sport/features/going out/agenda
Sub-category under news for: local news/education/environment/health/politics/National news/business/features

Tindle
Website not as sophisticated or as frequently updated as other sites
Infrequent updates: St Davids Chronicle, Brecon and Radnor Express and Abergavenny Chronicle updated monthly and Tenby Observer weekly; Cambrian News site most updated
Some classifieds sections, but small
Selection of newspaper material online

Newswales.co.uk
Part of independent OnlineWales network, launched in 1999 by journalist Dan Whitmore
Operates from Knighton, Powys in Mid Wales
News Wales is a Welsh news aggregator bringing together current information from more than 500 organisations across Wales. Aim is to provide a convenient, constantly updated news resource with a searchable database and archives of all items.
Carries advertising provided by Google
Jobs listings from CareerBuilder website

Other Welsh language sites

Golwg Cyf
- Site supporting weekly Welsh language news magazine, Golwg.
- Magazine content free trial in December 2007, paid for subscription to e-version of magazine available.
- Tight resources have been slowing development of a full web service(according to Bianchi Review of Welsh language press, p.11)

Smaller publications
- Y Faner Newydd and Seren Tan Gwmwl
- Barn: makes magazine available as a PDF three months after publication
- Y Cymro: general manager told Bianchi that given Tindle's priorities - and the costs involved - a website was unlikely (p.9)
- Barn: development of website ongoing; no online subscription yet and no plans to develop website as a separate resource
- Yr Herald: articles on Daily Post website and BBC North-east Wales Lleol i Mi (My local) section; small number of hits on Daily Post website (c.0.5% of icnorthwales traffic, according to Bianchi, page. 16)

Social networking
- Maes-e – Welsh language internet forum created in 2002. It claims 3,000 registered members
- Curiad – the first Welsh music site on the web. Since 2004 in Welsh only.
- Pishyn – Welsh language social networking site.
- Perthyn – Welsh language social networking site – blogs, videos etc.
- Tecstio.com – experimental Welsh language predictive text - supported by WAG and WLB

Blogs/online communities
- Welsh Blog Index: 8 media/political resource links, 8 Welsh language, 21 political blogs, 4 candidates/former candidates, 10 elected MPs/AMs, 9 media
- Aggregators: Blogiadur.com / BlogCymru.com
- Assembly Standards committee, November 21 2007, discussed use of blogs. Richard Penn (Commissioner for standards) and Keith Bush (Chief Legal Adviser and Director of Legal Services) prepared a note on the use of blogs that was circulated to AMs . The note said that the use of blogs was not discouraged but advised caution because laws regarding defamation and also certain Assembly standards codes still applied online.

UK newspapers

Only the Guardian appears to have a discrete 'Wales' section under UK news
Daily Express has a Scottish Daily Express section
Other main UK newspapers do not appear to have Scottish or Welsh sections

Other traditional media providers, such as radio stations, have also made use of the internet to reach wider audiences. Radio websites generally offer news, photographs, schedules, DJ and presenter profiles and other material, while a considerable proportion (including the BBC's national services in Wales) offer live feeds of broadcasts to internet users in the UK.

7. Journalism in Wales

7.1 Introduction

On the face of it the journalism resource in Wales is not insubstantial. The three main employers of journalists are Trinity Mirror, BBC Wales and ITV Wales who, together, employ 551 journalists. To that one would need to add the journalistic staff of weekly newspapers and independent local radio. The BBC is well funded and Trinity Mirror's operations in Wales are richly profitable, though that does not always translate into editorial resources. ITV Wales is in a less happy position, as a sharer in ITV's new penury.

To list newspaper and magazine titles, radio and television programmes and websites can create a misleading impression of a layered cornucopia of editorial activity in Wales. It is true that there is a wide range of journalistic effort from the well-resourced professionalism of the BBC to the refreshingly anarchic manifestations of the new media. But there are always resource questions to be raised when examining journalism in Wales, as well as questions about form, content, impact, purpose and ownership.

7.2 Audiences and content

Fig 1: Three key employers of journalists

	Journalists	**Political**	**Online**
Trinity Mirror*	275	Not available	Not available
BBC Wales	231	Not available	Not available
ITV Wales	45	4	3

**Includes Media Wales in the south and the Daily Post in the north*

Fig 2: Television News and Current Affairs audiences, 2006-2007

	Title (Supplier)	**Average audience**
News (English)		
BBC Wales	Wales Today	260,000
ITV Wales	Wales Tonight	121,000
News (Welsh)		
S4C	Newyddion (BBC)	23,000
S4C (Young people)	Ffeil (BBC)	10,000
Current Affairs (English)		
BBC Wales	Week in Week Out	110,000
ITV Wales	Wales This Week	176,000
Current Affairs (Welsh)		
S4C	Taro Naw (BBC)	Spring 20,000 Autumn 30,000
S4C	Y Byd ar Bedwar (ITVW)	Summer 24,000 Winter 40,000
Politics (English)		
BBC Wales	Dragon's Eye	79,000
BBC Wales	The Politics Show	53,000*
BBC Wales	am:pm	9,000
Politics (Welsh)		
S4C	CF99 (BBC)	11,000**
S4C	Pawb a'i Farn (BBC)	28,000

Other factual		
BBC Wales (Consumer)	X-Ray	142,000
ITV Wales (Consumer)	The Ferret	171,000
S4C (Farming)	Ffermio (Telesgop)	
S4C (Young people)	Hacio (ITVW)	
S4C (Documentary)	O Flaen dy Lygaid (BBC)	24,000

Source: BBC and S4C
* Audience figure is for 20' opt-out for Wales
** Audience figure is for 2007-2008, no 2006-2007 figures exist because the show was launched in 2007

In addition to the above BBC Wales produces and funds the live coverage of the National Assembly and its committee proceedings which are broadcast on S4C2. S4C funds the carriage costs.

Fig 3: Radio News and Current Affairs

	Title (Supplier)
News	
BBC Radio Wales (B'fast)	Good Morning Wales
BBC Radio Wales (Midday)	Richard Evans Show
BBC Radio Wales (Evening)	Good Evening Wales
BBC Radio Cymru (B'fast)	Post Cyntaf
BBC Radio Cymru (Midday)	Taro'r Post
BBC Radio Cymru (Evening)	Post Prynhawn
Mainstream current affairs	
BBC Radio Wales	Eye on Wales
BBC Radio Cymru	Manylu
BBC Radio Cymru	Wythnos Gwilym Owen
Politics	
BBC Radio Wales	Called to Order
BBC Radio Cymru	Dau o'r Bae

The nature of ILR programming is such that discrete current affairs and political programmes do not feature in the schedules, although presenters frequently raise current issues, particularly during the course of phone-in programmes. However, it is incontrovertible that the ILR agenda is much more centred on human interest and entertainment.

We have already shown that in the world of newspapers only 13% of newspaper reading is of newspapers that deal primarily with Wales and that the newspapers that account for the other 87% carry very little material about Wales. Television remains the main source of information for the bulk of the population. The journalism that we see on BBC and ITV channels remains the key ingredient in the Welsh information diet.

Although Ofcom records that the audience share won by BBC Wales's *Wales Today* (6.30pm) has declined from 40% to 35%, BBC Wales retains the highest audience share of any of the BBC's regional news programmes and the second highest when you also take ITV's regional news programmes into account, according to Ofcom. Only UTV's programme in Northern Ireland has a higher share (39%). As Ofcom said, "BBC One at 6.30pm remains the most watched news slot on UK television" – a powerful testimony to the public appetite for news of its nation or region.

HTV's *Wales Tonight* (6.00pm) is one of six ITV early evening regional news programmes to have gained audience share between 2003 and 2007 – from 16% to 18%. The difference in the size of the two audiences does not necessarily stem from the respective merits of each programme, since they inherit very different audiences, BBC Wales's *Wales Today* benefiting from the high audience to the BBC 6 o'clock news. But taking the BBC Wales and ITV Wales's programmes together, between 300,000 and 400,000 people in Wales may watch news of Wales each evening.

Across a week *Wales Today* reaches 575,000 and *Wales Tonight* 250,000, so that one could argue that between 20% and 25% of the Welsh population touch base with news of Wales on television each week.

S4C also claims an average audience of 23,000 and a weekly reach of 76,000 for the Welsh language news programme, *Newyddion*, produced by the BBC and broadcast on S4C at 7.30pm.

The figures for *Wales Today* and *Wales Tonight* also give an indication of the possible loss of audience to Welsh news that would follow an ITV withdrawal from regional news. Although some viewers would no doubt transfer to the BBC Wales programme, there would certainly be a very significant drop in the total audience, since ITV would, in those circumstances, be certain to schedule very aggressively against the BBC's early evening news hour.

Equally concerning is the age distribution of the current audience, which underlines the fear that young people are not engaging with news. Those over 55 represent nearly two-thirds of the BBC Wales programme's audience and nearly 60% of that of the ITV Wales programme. Although those under 35 represent a smaller percentage of the *Wales Today* audience, in absolute terms it is watched by nearly twice as many people under 35 as watch *Wales Tonight.*

Fig 4: Wales Today (BBC) and Wales Tonight (ITV)
Weekly reach by age

	Wales Today	**%**	**Wales Tonight**	**%**
Children	20,000	3.5	9,000	3.6
Age 16-24	15,000	2.6	11,000	4.4
Age 25-34	25,000	4.3	12,000	4.8
Age 35-44	60,000	10.4	36,000	14.4
Age 45-54	80,000	13.9	36,000	14.4
Age 55-64	135,000	23.5	62,000	24.8
Age 65+	240,000	41.7	84,000	33.6
Total	575,000		250,000	

Source: BARB

However, the young may not be lost entirely to news. The above figures are almost a mirror image of the age distribution of readers of online newspapers.

Fig 5: UK online newspaper readers by age

Age	Online readers %
15-24	32
25-34	22
35-44	13
45-54	13
55-64	8
65+	5

Source: BMRB/Mintel

Radio cannot be left out of account when considering the effective dissemination of news, information and opinion. The combined reach of the BBC's two national radio stations in Wales is 576,000 which – making allowances for very different means of measurement – is almost identical to the weekly reach of ITV Wales's output for Wales.

The range of current affairs and political programmes on BBC radio and, in television, across ITV Wales, BBC Wales and S4C television, reflects the dynamic created by the establishment of the National Assembly in 1999. This led to the strengthening of political staff amongst broadcasters and newspapers, although it is a common complaint among politicians, predictably, and among elements in the public, that competitive pressures have changed news agendas excessively both in newspapers and in all television channels to cover a wider range of features and interests, with the possible exception of Channel 4 News.

The validity of Ofcom's case for maintaining a degree of pluralism in the news and current affairs field is attested to by the already declining impact of ITV Wales as a competitor to the BBC, particularly outside news and current affairs, as its financial resources shrink.

Every organisation claims to be under severe cost pressures – the BBC because of a tight licence fee settlement, ITV because the fragmentation of audiences is undermining its business model, local radio and newspapers because of revenue performance and, in many cases, market pressure for share performance. However, the BBC is, arguably, the only news organisation in Wales where the journalistic newsgathering resource has not fallen below a critical mass.

Despite difficult market conditions where advertising markets are splintering, media provision can still be profitable. The Western Mail & Echo group, for example, increased its profit margins between 1996 and 2004 from 25.6 per cent to 35.5 per cent and has since pushed towards 40%. At the same time the group reduced staff levels from 799 to 751. Even experienced newspaper executives have wondered whether these kinds of returns are sustainable, since they also bring into question whether listed public companies are an appropriate form of ownership for newspapers that aspire to a serious purpose of sustained and vigorous reporting.

7.3 Online journalism

The internet has increased spectacularly the store of available knowledge for us all. This particular audit of media in Wales could not have been pulled together within the same time frame even 15 years ago. The internet is a boon. It has a remarkable immediacy and allows and encourages interaction and debate. It can offer healthy challenges to conventional journalism.

This is, in some senses, a more open, more democratic trend. Michael Hill, recently appointed editor of the South Wales Echo, and former Head of Multimedia at Trinity Mirror, said: "journalists must leave the ivory tower and cease viewing journalism as a message handed down on a tablet of stone. They must join the conversation being conducted by bloggers, citizen journalists and readers on the websites and comment posts".[14]

At the same time, there is another side to the coin, which is that a combination of cost pressures and the need to fill more media platforms with material, the appeal of free input and technological capability may combine to focus media development on processing, packaging and personalising, rather than on the more costly business of reporting, investigating and analysing.

Many have seen the free newspaper as undermining the notion of professional, paid for journalism. Although use of free titles in Wales lags behind paid-for dailies, south Wales has a version of Associated Newspaper's *Metro* freesheet, which is actually printed and distributed (with some input into advertising and listings content) by Trinity Mirror.

In 2007 Robert Thomson, then editor of *The Times*, told a House of Lords inquiry that user-generated content and multi-skilled journalists had a significant role "but it will not be of a professional standard…that is the element of journalism that is most threatened in the digital age".[15] A Cardiff University report argued that the increased workload for journalists has brought growing reliance on 'pre-packaged news', such as public relations material and news agency copy.[16]

Blog-readers will attest anecdotally that the majority of bloggers and blog postings derive their subjects from existing media sources, simply adding a point of view or supplementary facts to a story already in the public domain. It is fairly likely, therefore, that the economies of scale will still apply and the best-resourced providers in Wales – the BBC, Trinity Mirror, regional providers and the UK-wide providers – will continue to have the resources needed to set much of the news agenda, for the time being at least.

[14] B. Franklin and A. Williams, Turning Around the Tanker

[15] House of Lords, Communications Committee Inquiry, Media Ownership and the News, uncorrected transcript, July 18 2007

[16] J. Lewis, A. Williams, B. Franklin et al, The Quality and Independence of British Journalism (Cardiff University, 2008)

8. What the audience thinks

Opinion research over the decades has reaffirmed the public's regard and appetite for programming made specifically for their area – whether region, nation or locality. This has been underpinned by the consistently large audiences for regional news both on BBC and ITV channels and for key titles in the wider regional provision.

In 2001 the Independent Television Commission's annual research publication, *The Public's View*, reported that respondents had been asked how important it was that BBC and ITV carried each of a list of 11 different kinds of programmes. 61% thought that regional programmes were essential or very important while 69% were very or fairly interested. This compared with sport (51% and 52%) current affairs (61% and 64%) children's (65% and 31%) education (62% and 57%).

A year later, under pressure from ITV to reduce regional programming, the ITC, together with the Broadcasting Standards Commission, convened a series of citizens' juries across the UK. A two-day event was held in Cardiff's Chapter Arts Centre, where 17 Welsh citizens listened to evidence and responded to a range of scenarios. The research report, entitled *Pride of Place*, summarised the conclusions of the Welsh jury in this way[17]:

> "Most members of the jury felt that the two options to remove regional/national programming from HTV Wales and leave provision up to the BBC, or to remove it from HTV Wales and place it on the digital channel ITV2, were not tenable. Without specific programmes of interest to viewers in Wales, jurors felt it would signal the end of HTV Wales. They also believed that lack of competition for the BBC would mean that quality would slip and potentially these programmes would disappear altogether. They felt that having regional programming on both mainstream terrestrial channels offered choice and that this was being taken away if HTV Wales opted not to do it….
>
> "…They said that they did not know what fewer programmes implied and thought it might be the start of a slippery slope. They wanted to know exactly how the Charter for the Nations and Regions would work. They felt that agreements could change overtime and wondered how the introduction of Ofcom would affect things."

The Welsh jury specifically rejected a trade off between reduced hours and increased investment. The report set out the Welsh jury's recommendation:

> "The Welsh jury reached its own recommendation which was that:
>
> HTV Wales has to screen the current range and diversity of programmes of specific interest to viewers in Wales. But they should be better resourced and more should be screened at or near peak-time. Possibly subsidised by government or European funding. It was felt that this would create a virtuous circle of investment, leading to the development of better skills which in turn would produce better programmes, which would increase sales."

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[17] *Pride of Place*, Independent Television Commission. July 2002

Similar juries in England conceded, albeit reluctantly, that a reduction in hours was inevitable but wanted to see greater investment in those reduced hours. In the event the ITC agreed to reduce the hours of non-news regional programming in England and by a lesser amount in the other three nations, although counterbalanced by an additional investment of £1m (which has long since disappeared) and some guaranteed peak time slots.

In the face of such pressures, which have intensified in the following five years, it is remarkable that the public's stated concern for these programmes has remained so solid.

Despite a reduction in hours of regional output on ITV, despite the fact 70% of ITV Wales's non-news programmes is shown after 10:30pm and only 30% of the BBC Wales output for Wales is scheduled on BBC1 and, perhaps most significantly, despite the reduced commitment of money and craft resource to ITV Wales's programming, the public still rates such programming as important.

The research brought forward by Ofcom in its latest review of public service broadcasting confirms this view. One might even argue that if policy were to be decided on a simple majority view of programming, regional programming would be safe for some time to come. Importantly, as one senior Ofcom officer pointed out during the Cardiff launch of the document, these are not the views of Wales's 'chattering classes', but the properly researched views of the general public.

When asked the simple question - 'Do you want more or less or the same amount of regional programming for your nation or region?' - the result was clear. There may not be much of a demand for more, but there is a negligible demand for less.

Fig 1: Should there be more, less or same amount of this content on the main TV channels?

%

	More	Same	Less
News made for my nation/region	19	72	5
Current Affairs for my nation/region	15	73	6
Other programmes for my nation/region	15	71	6

Ofcom: The Digital Opportunity, 2008, p43

When asked to rank the importance of the following statements about public service broadcasting on a scale of 1 to 10, large majorities gave all kinds of regional programming scores of 7 or more.

Fig 2: Public ranking of statements on public service broadcasting
% ranking statement 7-10 in importance

Statement	**%**
News programmes are trustworthy	86
Helps me understand what's going on in the world	84
Nations/regions news - good quality news about my area	78
Wide range of quality UK programmes for children	78
Covers big national events well	78
Interesting programmes about history/science/arts	69
Shows different kinds of culture/opinions from within UK	69
Programmes that show people from different parts of UK	66
Other quality programmes about and for my nation/region	61
Portrays my nation/region well to rest of UK	61
High quality soaps and dramas made in UK	56

Ofcom: The Digital Opportunity, 2008, p27

The public are also aware of the social value of regional programming, particularly 'news about my nation/region', that they ranked 6th out of 17 programme categories. They are also wise to the importance of plurality of provision. Asked whether it was important that more than one of the main channels provided a particular programme type, the answer was emphatic:

Fig 3: Public attitudes to plurality
% saying provision on more then one main channel is important

Programme type	**%**
News about my nation/region	76
Current affairs about my nation/region	73
Children's programmes that reflect life in UK	70
Dramas that reflect life in the UK	68
Other programmes about my nation/region	65
Programmes that take place in different parts of UK	64
Comedies and sitcoms made in the UK	64

Ofcom: The Digital Opportunity, 2008, p34

In the above table, the figure of 65% saying it was important to provide programmes other than news or current affairs on more than one channel hides a significant difference between England and the other three nations. The figure for England was 63%, for Scotland 73%, for Wales 71% and for Northern Ireland 78%. The strong support for this plurality across all types of programming for the nations was also underlined in the deliberative workshops.[18] This difference was also reflected in answer to many other questions, perhaps reflecting the fact that "those in the devolved nations are more likely to value television as a source of regional or national news".

Fig 4: Public attitudes to plurality by nation
% saying provision on more then one main channel is important

Programme type	**UK**	**Eng**	**Scot**	**Wales**	**NI**
News about my nation/region	76				
Current affairs about my nation/region	73				
Other programmes about my nation/region	65	63	73	71	78

Ofcom: The Digital Opportunity, 2008, p34

[18] PSB Review, Research Annex 6, p153. Ofcom 2008

Fig 5: BBC and ITV regional news

% saying it is important for ITV1 and BBC to provide

	UK	Eng.	Scot.	Wal.	N.I.
News about my nation/region	83	82	94	91	93

Ofcom: The Digital Opportunity, 2008, Research Annex 5, p153

Interestingly, the figure of 83% for the UK is a considerable increase on the 75% recorded in response to the same question in the first Ofcom PSB review.

Fig 6: Representation

% saying it's important to supply

	UK	Eng.	Scot.	Wal.	N.I.
Programmes that take place in different parts of the UK		75	89	87	85

Ofcom: The Digital Opportunity, 2008, Research Annex 5, p154

The research demonstrated a considerable difference between the importance that the public gave to regional programming and their satisfaction with the output, which is not surprising given the reduced spend on regional programming, particularly in ITV, in recent years. It is surely significant that the second largest gap between ranked importance and satisfaction across 12 kinds of programmes is in 'other programmes for my nation/region', three points behind children's programmes.

Fig 7: Importance and satisfaction

% gap between ranked importance and satisfaction with output

	Important	Satisfied	Diff.
News about my nation/region	78	53	-25
Show diff cultures and opinions within UK	69	47	-22
Progs show people from different parts UK	66	51	-15
Portrays my nation well to UK	61	34	-27
Other progs about my nation/region	**61**	**33**	**-28**
Quality UK-made children's programmes	78	47	-31

Ofcom: The Digital Opportunity, 2008, Research Annexe 5

Fig 8: Importance and satisfaction by nation

% gap between ranked importance and satisfaction with output

	UK	Eng.	Scot.	Wal.	N.I.
News about my nation/region	-25				
Other programmes about my nation/region	-28	-28	-33	-31	-37
Portrayal of nations/ regions to rest of UK	-27	-25	-40	-29	-46

Ofcom: The Digital Opportunity, 2008, Research Annexe 5

The satisfaction gap in Wales in relation to the portrayal of the nation to the rest of the UK, is much lower than in Scotland and Northern Ireland, and is probably explained by the impact of BBC Wales's success in achieving high profile network commissions in recent years, dominated by *Doctor Who* and *Torchwood*.

However, the Ipsos MORI team, commissioned by Ofcom, reported that dissatisfaction with the portrayal of the nations and regions on networks was a feature of all the deliberative workshops, except in London:

"….many participants felt that PSB should portray the issues affecting the areas of the UK in which they lived. There was a sense from many of those that participated in the deliberative research outside London that, currently, the UK Network News did not meet this need; many felt the issues portrayed here to be London-centric due to the concentration on Westminster-related stories. Interestingly though, those in London did not feel the same way and instead believed that the UK Network News was very nationally focussed and, while the stories themselves might emanate from Westminster, the ramifications of them affect the whole of the UK. To this end, they also saw the need for regional programming about London.

"This need for regional/national representation extended beyond news programming. It was also considered important that regional/national issues are portrayed in other programme types, in particular soaps and dramas. This view was particularly strongly held in Birmingham."[19]

[19] PSB Review, Annex 5: The audience's view on the future of pubic service broadcasting, Final Report, p44. Ipsos Mori, April 2008.

9. Reflections

This audit of the media in Wales was commissioned by the Assembly Government in order to contribute to public debate by strengthening the publicly available evidence base. The bulk of the work has been undertaken in a very short time – fewer than three months – with limited resources. Nevertheless, it has brought together in one place many strands of information that have not been easily accessible to the public, civil servants or politicians. We do, however, see it as the beginning of a process rather than the end. We believe that further, more detailed studies are warranted in several areas and that more regular monitoring of media activity and trends in Wales is called for if we are to stay ahead of the debate and stand some chance of shaping policy.

It is surprising how much of the information contained in this report is only nominally in the public domain. There is no place in Wales – despite the existence of several academic centres of media study – where this information is drawn together on a continuing basis or commented upon. For instance, there is no trade magazine that scrutinises the industry in Wales or analyses the circulations of newspapers or the ratings of broadcasters contemporaneously. It is possible for considerable change to take place within broadcast services without the public or the politicians noticing. The scale of investment or the mix of broadcast programmes can change, and some genres can disappear altogether without it getting onto the public radar. We need to keep ourselves better and more consistently informed.

In two areas, important information was not even nominally in the public domain at the outset of this study: ITV plc's investment in Wales and the circulation of London newspapers in Wales. The latter was less surprising than the former, given that the ITV output for Wales is a public service obligation. Despite our own requests, it was not until May 12 that the Executive Chairman of ITV, Michael Grade, in evidence to the Assembly's Broadcasting Committee, disclosed that ITV's spend in Wales was "just over £9m" - £3.9m less than the figure implied in Ofcom's 2007 study of the communications market in Wales, which disclosed a spend per head figure for ITV in Wales.

The disclosure of this figure is a beginning. Through Ofcom's statutory review of public service broadcasting (PSB) we have now embarked on an exercise that is of crucial importance for the future of the broadcast dispensation in Wales. It is essential that we know much more about the economics of ITV's presence in Wales, to date a key pillar of our PSB provision.

Although outside any regulatory net and experiencing significant decline, newspapers remain an important part of the Welsh information diet. Nearly 90% of the daily morning newspapers read in Wales originate in London yet there is no current requirement for newspapers to publish their sales figures other than at a UK level. That information should be available, if only to inform organisations and advertisers in Wales who need to communicate with the public.

Perhaps the most startling fact of all to emerge from our researches is that each day only 100,000 readers in Scotland read newspapers with almost no Scottish content, whereas in Wales 1,760,000 are reading papers with virtually no Welsh

content. It seems to us impossible to argue that those figures do not have serious consequences for informed democracy in Wales.

The Ofcom review deals with television, as is required by legislation, but it is our contention that in the present age television, radio, online and print – the complete media landscape – needs to be viewed as a whole and within the specific Welsh context.

Media development has been a live issue in Wales for more than 80 years, but the opening of the National Assembly in 1999 has introduced a new element to the discussion – the information needs of a democracy, especially of a young democratic institution needing to weave itself into the narrative of people's lives and to create an informed democratic engagement between governors and governed. This is now an issue in Wales, Scotland and Northern Ireland, but on any objective test media deficiencies in Wales are – with the exception of provision for the Welsh language – significantly worse than in the other two countries.

Of the three, Wales has the weakest print environment and the weakest commercial radio sector, is the only country where none of its commercial radio stations is indigenously owned, is the only one of the three whose ITV franchise-holder was absorbed into ITV plc, and the country where the BBC is most dominant in both radio and television. It is also the country that has had the lowest population coverage for its analogue terrestrial transmission systems, and will have the lowest population coverage for the successor digital transmission systems in radio and television (DAB and DTT).

On the plus side, it is the only one of the three countries that has a third public broadcaster - S4C, has arguably the strongest independent production sector and, currently, is the most successful of the three nations outside England in penetrating the UK television networks.

In summary, Wales's distinct circumstances in the media field are unmistakable and raise questions about the status quo and future policy. It is complicated by a realisation that while the next set of changes may radically alter the shape of public service provision, it may, even so, be only a transitional phase as broadband technology develops.

Broadcast transmission

In broadcast transmission Wales has endured a long struggle between its terrain and an ill-suited technology. It raises the question as to whether so much of our investment should, in future, be devoted to terrestrial transmission or whether, in the long term, a commitment to universal provision would be more sensibly fulfilled through a combination of satellite transmission – paid for and free-to air – and advanced fibre systems. (The Assembly Government has launched a fibre speed network plan, prioritising specific business sites along the A55 corridor in north Wales – though it has said that households, other businesses and the public sector may benefit in the future).

There is a school of thought that holds that the UK's lead over other countries in broadband – achieved by fully exploiting the existing copper wire network – may soon vanish as other countries leapfrog us by building newer high capacity fibre systems. Others believe that it would be difficult at present to justify the cost of building a universally available fibre network that would be effectively 'future-proof'.

Whichever transmission path Wales takes, a key consideration will the availability of space in which services for Wales in both languages can develop and mature. Much has been made of the way in which the end of spectrum scarcity has undermined our capacity to impose public service obligations on some broadcasters. It would be a painful irony if the new spectrum market place were to create a new form of scarcity that would still deny Wales the space it needs.

There is a strong case for an independent investigation of the physical and financial practicality of the different options and combinations, from a Welsh perspective. A factor to be taken into account will be the impact on overall Welsh competitiveness.

What does Wales need from public service broadcasting?

A major anxiety in the debate so far, and evidenced in Ofcom's Phase 1 report – *The Digital Opportunity* – is to preserve plurality of provision when the traditional business models of ITV and Channel 4 are believed to be broken. Of the four models that Ofcom has proposed for the future, Model 2, in which the BBC (and S4C) would be the sole providers of public service broadcasting, is the least attractive. The BBC needs vital competitors if it is to be at its best.

While some will argue that even a free market would provide the necessary competition for the BBC in some genres, this would only happen at the UK level. Few in Britain's broadcast industry can see any purely commercial basis for regional broadcasting, and it is impossible to foresee circumstances in which programme services that specifically address Welsh audiences will not require considerable public intervention.

Journalism in Wales

News and current affairs provision is undoubtedly of key importance, and uppermost in the public mind. It is where the argument for plurality of provision seems most clear. There is much talk of investment in news today whether from broadcasters or from newspapers as they both converge in the online environment. But we must define our terms carefully. Investment in media development is not necessarily the same thing as investment in journalism. Investment in journalists is not the same thing as investment in newsgathering. The internet has created vast new spaces that media organisations feel they have to colonise. Its wondrous technical capacity to personalise almost demands to be used.

The fear is that much new media investment is an investment in processing rather than in newsgathering. Too often these days this involves the processing of material that, in the main, has been the product of public relations – a sweating of diminishing assets, and often assets that are provided packaged and free for quite different motives, which prioritise the needs of commerce and advertising.

There is a pressing need in Wales for investment in quality journalism: journalism that demands time, talent and space; journalism that can link the local with the national and vice versa, and where opinions derive from trusted, assiduous investigation; journalism whose intelligence and ambition measures up to the new democratic reality in Wales that we now have the capacity to pass laws to govern ourselves. Taking all media together we are still a long way from that goal.

General programming

Much of the debate on plurality has centred, rightly, on the provision of news and current affairs programming, but in view of what has happened to ITV's non-news programming in England – it is now down to little more that 30 minutes a week in English regions - it needs to be stated that **news and current affairs alone cannot provide the necessary rounded reflection of a multi-faceted society that Wales requires.**

There must be room for opinion, occasionally for polemic; space for ideas to be expressed and insights to be conveyed through drama, comedy, documentary, music and arts; opportunities to learn and reflect as well as to smile and cheer. These things have been basic to the mission of PSB in Britain from the very beginning; they should all be just as relevant to the task of defining services for Wales.

Responsibility for delivering such a service cannot be confined to one institution, however good, if the end product is to embrace the diversity that is characteristic of our society and its talents. That much is implicit in the public endorsement, seen in the Ofcom research, of both news and non-news programming and of the need for it to be sustained on more than one channel.

If this argument is accepted then the issues to be settled are

- ❑ The level of investment in PSB for Wales (in both languages)
- ❑ The range and quality of output
- ❑ The accessibility and prominence of the output within a multi-channel environment
- ❑ Plurality of supply.

There would also be two further related issues:

- ❑ Maintaining the momentum of PSB online development, though paying greater attention to socio-economic consequences
- ❑ Independence, control and governance of output for Wales.

In many ways there has been less discussion of these issues in relation to English language output than in the context of the Welsh language. Although S4C has had to face difficult programming issues arising from the need to address very different audiences within the Welsh speaking community, its free-standing spectrum, institutional autonomy and guaranteed funding, are the visible parameters of the

Welsh language settlement.

None of these characteristics is evident in the English language dispensation where the level of investment – and, therefore, the scale of programming ambition - by both the BBC and ITV in Wales has been decided by internal processes within wider organisations. English language television programmes for Wales have also been adjuncts to UK network schedules. As network schedules have become more competitive this has often been a constraint on the volume and mix of programmes, although it has meant that programmes have benefited from the higher audience levels of UK networks.

Given the data contained in the television section of this report, we would argue strongly that safeguarding the current ITV provision from further erosion, or even replacing it with some other provision at the current level, is an insufficient aim for Wales.

The need is

- **i) to safeguard at least the current level of ITV provision for Wales, as well as the level of investment, until long term decisions on the future of the system are ready for implementation, and**
- **ii) in the future to restore a level of investment for Wales that can be truly competitive with the BBC in news and general programming, in terms of range, quality and ambition.**

In many ways the level of investment is more important than the number of hours broadcast, though hours remains relevant if it facilitates a wider range of programmes. Quality and impact for programming for Wales should be the dominant question in a multi-channel world. That means concentrating on our presence on the channels at the top of the electronic programme guides, even while exploring other parts of the digital real estate. On the available data, Ofcom’s regulatory intervention to insist on some peaktime slots for ITV Wales output has been a notable success. There is no reason why the BBC could not respond in kind by increasing the output for Wales in peak on BBC1.

Finally, we should not forget that it is not only provision in the nations and regions that is threatened by the increasing failure of current public service models. Channel 4’s remit to innovate, and the provision of the more expensive types of UK-produced programmes by ITV, Channel 4 and Five, as well as children’s programming are all vulnerable if PSB were to collapse. This would have its own adverse impact on the production sector in Wales, just as it has been gearing for significant advance.

The Ofcom models

Ofcom has put forward four possible models for the future of public service broadcasting. It is important to stress that they represent broadly defined ways forward that, at this stage, do not include the level of detail that would allow for a definitive assessment.

- **Model 1- Evolution**, as the chosen title implies, maintains the present institutional structure, either further reducing ITV's public service obligations or providing additional public support to buttress ITV provision in the nations and regions, but almost certainly concentrating on news and current affairs.

- **Model 2 - BBC only across the UK, plus S4C in Wales**. Under this model ITV, Channel 4 and Five would cease to have any public service obligations. ITV Wales would cease to exist. The whole weight of public service obligations would be centred on the BBC, with S4C continuing to provide the Welsh language service. Plurality at a UK level would be dependent on what commercial broadcasters delivered.

- **Model 3 - BBC/S4C/C4 plus limited competitive funding**. In this model C4, as well as the BBC and S4C, would be retained to provide plurality in the public service. However ITV, as in Model 2, would cease to have any public service obligations and benefits. A new funding agency would be created to subsidise non-BBC provision in the nations and regions through long term, but transferable contracts. This new output would be broadcast on 'gifted access to existing PSB digital spectrum', perhaps within the Channel 3 schedule or, in the evening, on the S4C2 channel currently used during the daytime to broadcast National Assembly proceedings – a space that Ofcom believe could be the basis of a 'mini-licence'. Under this model Ofcom believes that new entrants could emerge to fill the news vacuum at a UK level or in the nations and regions – e.g. Sky News, national newspapers, the Press Association, and local TV providers.

- **Model 4 - Broad competitive funding**. As in Model 2, the BBC remains the only guaranteed cornerstone of PSB, but under this model the government would also make additional funding available for long term contracts, awarded competitively by a funding agency, to provide other public service content. Supply contracts could be awarded on a pan-Wales basis or at a regional/local level, and guaranteed slots might be created within the Channel 3 service. In effect this would, for the first time, create a Channel 3 licence structure for Wales, rather than the Wales and West of England franchise that has existed since the beginning of ITV.

It is not easy to measure the relative benefits these models would bring to PSB in the UK or specifically to Wales, without greater clarity on the funding issues – both in terms of the sources of funds and the total available – all matters for Government decision. But a first appraisal suggests the following:

Model 1 – seems too little and too late. It implicitly sidelines non-news programming and would not cure Wales's current lack of leverage within the ITV system – a weakness that would be particularly felt if ITV were not able to reverse its current decline. Without saying so, it assumes that the Channel 4 model for the UK can survive without additional support. From a narrower Welsh perspective, that may not be a crucial issue but it is important in relation to any calculation of the increased public funding needed by PSB outside the BBC.

Model 2 – seems designed to be rejected. The British public has a hugely high regard for the BBC that even survives those moments when it feels the organisation is too powerful or has let the public down. It is a brand that is of value across the world. But to make it the sole focus of PSB would be to court disaster at all levels. At the level of nations and regions, the market place would not provide any competition for the BBC. The Chairman of the BBC Trust, Sir Michael Lyons, recently argued that too much is currently being made of the argument on plurality, and that the key issue is 'maximising the reach, impact and diversity of high quality public service content'. Whatever the merit of his argument in a UK context, plurality remains a key issue for Wales, *alongside* reach, impact and diversity.

Model 3 – leaves the current institutional framework in place, with the exception of ITV. In fact, it opens up a distinction between ITV (the franchise holder) and Channel 3 (the franchise). As such it opens up the possibility of negotiating a better space for Wales in the Channel 3 system – e.g. Wales as an autonomous affiliate of Channel 3 - although adequate new public funding would be essential to its success. Ofcom suggests that Channel 4's remit might be extended to cover other public service obligations, but falls short of including regional services.

The concept of the evening hours on the current S4C2 digital channel as a mini licence for Wales, might be a useful colonising of space for English language broadcasting for Wales, but it should never be regarded as a replacement for guaranteed space on the main channels that command the first three slots on electronic programme guides. It is also possible that such a mini-licence might hinder the viability of a Channel 3 affiliate for Wales.

Model 4 – In relation to English language broadcasting in Wales, this might, in practice, have much the same effect as Model 3, but it also assumes that S4C's institutional existence would not be guaranteed, just as, across the UK, the main casualty would be the Channel 4 network. This would open up the possibility of radical change within Wales, with only the BBC structure necessarily remaining in place. This would require the re-thinking not only of the Channel 3 arrangements but also the structures, remit and purposes of the fourth channel in Wales. There is room to doubt whether the government will wish to fight battles on so many fronts.

Other options for Wales

Ultimately, Government will make the final decision, so the four Ofcom models are not, of course, the last word in terms of options for Wales, where a strong element in the debate is the desire for greater indigenous control over its own broadcasting environment.

1 Welsh Public Broadcasting Agency

Ron Jones, chairman of Tinopolis, Wales's largest independent producer, has proposed a more radical alternative, whereby all public service provision specifically for Wales, including that of the BBC and S4C is made contestable. This would challenge all the broadcasting institutions in Wales. No one has yet attempted to construct a full model of how such a system would work in Wales, but the more limited production fund proposed by John Geraint of Green Bay TV, is a pointer towards a more ambitious PSB Agency for Wales. Although the intended focus would be on content rather than institutions, some institutional apparatus would still be required for as long as broadcast channels remain.

The benefits of such an approach, it is argued, would create a system that is less tied to the British institutional apparatus, that might be freer and more competitive, more open to change and innovation and which might manage to cross the language divide in a bilingual society more effectively than the current arrangements. A concentration on content rather than institutions might also encourage greater online development. The system might also be more 'future proof', in the sense of having elements that might need to be created if the broadcast environment were to entirely superseded as a result of further technological change.

Others will argue that there are significant risks in such a proposal. These would relate to the abandonment of current institutional strengths and resources – particularly in the case of BBC Wales and S4C - including long term planning and investment, and the guaranteeing of accessibility, reach and impact of output on key channels.

This is an option that warrants fuller examination by Ofcom, since it assumes a model that may become increasingly relevant as technology develops.

2 Wales – the Channel 3 affiliate

A second possible route would be to develop the notion put forward in Ofcom's own consultation document – the creation of a Wales licence for Channel 3, currently ITV. Extending the concept would involve establishing Wales as an American-style affiliate to the Channel 3 network, thus unwinding the bundling of Wales into the consolidated ITV company that currently covers the whole of England and Wales. A new relationship would have to be negotiated between the autonomous affiliate and the Channel 3 provider that would include the terms of participation in the network.

ITV plc has seemed in recent years to want to concentrate on success as a commercial channel and to be out of sympathy with the whole idea of regional broadcasting. Its recent annual reports have contained scarcely any reference to regional services, other than as a financial burden. It raises the question of whether it would be right to offer further public funding to an organisation that is fundamentally out of sympathy with the goal that society would be seeking to achieve.

The network affiliate concept not only keeps open the question of who the Channel 3 provider would be, but would also allow support to be directed to a specific public goal, rather than to a wider corporation whose internal allocations may be more opaque. It would be a more appropriate recipient than ITV plc of Welsh Assembly Government funding, were that ever to be put in place. Even if ITV's decline were to continue, the affiliate model would have established a degree of leverage for Wales in discussing any future arrangements.

Given the speed with which the HTV ball was passed through different owners until ITV's final consolidation and given, too, the financial pressures on listed companies it would be better, if not essential, for such an affiliate to adopt a more benign ownership model that offers flexibility to prioritise public needs even when profit margins are slight.

A further extension of this concept could be the creation of a separate Welsh News Trust that would not only supply news to the affiliate but would also be free to feed more fibre into the news diet of ILR and community radio, or even to local newspapers, as well as having an online presence of its own.

If the network affiliate concept could be made to work, it would have a strong appeal in Wales, as it would create greater autonomy, albeit limited, and greater transparency about programme investment in Wales than has been the case under ITV plc.

Since this option could be of relevance to three of Ofcom's four models – Model 1, 3 and Model 4 – it needs a full economic evaluation before the publication of Ofcom's Phase 2 document in the autumn of 2008. That can be done only by Ofcom itself.

3 A decentralised BBC

A third option, would be the creation of a more decentralised BBC, with greater governance responsibilities devolved to reconstituted BBC Audience Councils in Scotland, Wales and Northern Ireland.

This is not mere Celtic whimsy. Mark Thompson, the BBC's Director General has already committed the BBC to more ambitious targets for network output from the nations, to decentralised commissioning and to having more than half the BBC's estate outside the south east of England. Moreover, Samir Shah, one of the BBC's current non-executive directors, writing in a personal capacity in a recently published book on plurality in public broadcasting, has suggested that 'it's the BBC's monolithic posture that makes it appear anti-competitive'. Admitting only to 'flying a kite', he wondered whether the BBC might be less monolithic if it 'became rather a federation of smaller entities with real power – with devolved air-time as well as money, spread across the nations and regions'. [20]

It is certainly an idea that would chime with the Thompson agenda and, applied to Wales, could create a more sensible symmetry with S4C's autonomy and the autonomy of a Channel 3 affiliate. **The BBC Trust should develop and publish options for such decentralisation and the BBC's Audience Council for Wales should express its view publicly on this matter.**

4 Devolved radio licensing

A fourth option, beyond television, would be the devolution of responsibility for commercial and community radio licensing to Wales, possibly through Ofcom's existing committee for Wales. Given that the nations are not represented on the board of Ofcom as they are on the BBC Trust and as they were on the Radio Authority, it

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[20] The BBC viewed from inside and out. Samir Shah in *The Price of Plurality*, (eds. Tim Gardam and David Levy) Reuters Institute 2008.

seems entirely anomalous that Wales has no representative on Ofcom's radio licensing committee.

Radio is another area where conventional wisdom argues that the financial model is broken, and that local content rather than the ownership model should pay the price. In its separate report on the future of radio, Ofcom seemed to argue that it had no option but to facilitate consolidation in the radio industry, even at the expense of local output. These issues might have been argued out quite differently in a Welsh context, and might have been the means to arrive at a more defined strategy for the development of local radio in Wales.

It is not only a question of generating more forceful competition for the BBC. Wales is going to have to grapple with the technical and commercial limitations of DAB within its borders. It is also seeing an increasing number of community radio stations, some of which will serve populations two or three times greater than the smallest ILR stations. If they succeed they will, inevitably and rightly, seek greater sustainability. People will also ask what is the difference between Radio Ceredigion, serving 55,000, and Radio Pembrokeshire serving 90,000 - both ILR stations - and community radio stations such as Calon FM in Wrexham serving 129,000 or Bro Radio in the Vale of Glamorgan serving 119,000.

At some point in the next 10 years the interests of these two tiers is sure to clash. The result can either be a harmful accident or a planned growing together. But, in the spirit of devolution and in the interests of truly informed decision-making, these matters will need to be addressed by a body that has intimate knowledge of the values and social geography of Wales. Local radio is surely an area where there is room for more than one model in the United Kingdom.

The Assembly Broadcasting Committee might wish to set in train a separate investigation into the future of radio in Wales, including the possibility of devolving radio licensing to Wales.

Funding

Three of the four Ofcom models would require some element of public funding, to provide support for PSB outside the BBC. Ofcom have canvassed the following possible sources:

- **Direct public funding**, including general taxation, lottery funds or income from spectrum awards

- **Licence fee**, either by allocating part of the licence fee to non-BBC services or by 'redeploying BBC assets to other providers' – e.g. divesting the BBC of some radio services or switching part of the licence fee to C4/S4C. One available option would be the redeployment of that part of the licence fee that is currently ring-fenced to pay for Digital Switchover. This amounts to £800m over five years, implying that in 2012, after digital switchover, about £160m a year might be available for non-BBC use without impacting on the BBC's own services.

In his May 2008 lecture the BBC Trust's Sir Michael Lyons sought to convey that this 'excess licence fee' was a mirage, and that there was no guarantee that it would exist. While it is true that there is no guarantee that it will continue to exist, it is undeniable that the current licence fee the public is now used to paying contains an element that is not used for the delivery of BBC services. Its continuation is, therefore, a potentially more palatable option to the Treasury than a wholly new source of funding.

- **Regulatory assets**, that is the bestowable benefits of being a PSB provider in terms of prominence on electronic programme guides, access to spectrum at below market prices or guaranteed access to broadcasting capacity.

- **Industry funding**, as has been recently proposed in France, through levies on non-PSB channels or internet service subscriptions.

- **Assembly Government**. Funding by the Welsh Assembly Government is a final option referred to by Ofcom, not dissimilar to the Welsh production fund proposed by John Geraint of Green Bay TV in evidence to the Assembly's Broadcasting Committee.

It has yet to be seen whether the present Government or the opposition have an appetite to create new sources of funding for public broadcasting from any or all of these sources. Issues that Wales will need to consider are:

Licence fee: If any part of the licence fee, beyond the ring-fenced DSO money, is diverted to other purposes, what impact will this have on the services that the BBC provides in Wales? Given the traditional vulnerability of regional and national services, extensive top-slicing of the licence should require that prior guaranteed commitments to services for the nations, regions and localities are written into the BBC's raison d'etre, constitution, management and governance.

Lottery funding: It is worrying to see lottery funding even mentioned as a possible source of funds. We have seen increasing raids on lottery funds in recent years for all manner of public purposes, most spectacularly for the Olympics. That would not be a proper source of funds for a fundamental public service, least of all if it were to be extracted from Wales's current share of lottery proceeds.

Assembly Government: While it is open to the Assembly Government to fund any cultural purposes, the prime financial burden of providing broadcasting services for Wales should not fall on the Assembly's Barnett-based budget. Calls for the devolution to Wales of responsibility for broadcasting are entirely legitimate, but they should not be pursued without regard for the financial dimension to the issue. Without such devolution the funding of PSB remains a UK responsibility.

The Assembly Government has set a small precedent in the shape of its community radio fund of £100,000, but that has been done in parallel with a similar fund established by the UK's Department of Culture, media and Sport, in pursuit of other social objectives. Other funds might be created to augment a PSB provision in Wales, but that does not do away with the need for central funding to be adequate for the purpose at the outset.

Wales and the networks

The issue of Wales's contribution to the UK networks has been a vexed one for some decades, ameliorated in recent years by the outstanding success of *Doctor Who* and *Torchwood*. But this still falls short of the share of network output that would be required if Scotland, Wales and Northern Ireland are to reach 17% - their combined population share - by 2012. The BBC's Director General proclaimed this target in 2004. Its achievement during the period of a tight licence fee settlement will require many central departments of the BBC to go through a pain barrier. At that point the target itself will be at its most vulnerable.

Progress towards this and other targets that should be set for all remaining PSB channels should be monitored closely both by Ofcom and the Assembly Government. Such targets should specifically include targets for 'production outside England'.

At the same time there should be a regular independent review of the extent to which decentralisation of production in all PSB services also enlarges cultural diversity and representation.

Other issues

This document does not seek to canvass every issue that might be germane to a comprehensive communications policy for Wales. Complex issues around the 'digital dividend' and the opportunities it might offer Wales need further exploration. The seeding of greater journalistic activity in the online environment and the impact of the BBC's more localised online initiatives on similar initiatives by the local press also need to be looked at, in the context of Wales's more fragile press environment. The appropriateness of current cross-media ownership rules to Welsh circumstances also warrants study.

The issue of devolving responsibility for broadcasting also deserves more detailed study than it has received to date. In particular the matter needs to be considered outside a sterile unionist versus nationalist contest. The regulation of broadcasting is already divided between European and British tiers, and within Britain between the BBC Trust, Ofcom and the S4C Authority. There is no reason why further consideration should not be given to enlarging the role of Scotland, Wales and Northern Ireland in the regulation of broadcasting services that are of such direct import to each country, even within an overall British context.

There would be real value in a detailed study of the issues inherent in any future devolution of broadcasting responsibilities – full or partial.

Taken together we hope that the data makes a case for more regular and intensive study of our media environment than has been achieved in Wales to date. It would be best if that were done independently of regulators that are naturally confined by statute.