

OFCOM REVIEW OF PUBLIC SERVICE BROADCASTING:

WELSH ASSEMBLY GOVERNMENT RESPONSE

Introduction

1. Public service broadcasting – on television, radio and on line - makes a very important contribution to the cultural, economic and political life of Wales. Both within Wales and across the rest of the UK it helps to define a sense of cultural identity. It also plays a crucial role in informing citizens about and promoting engagement with politics and government at both local and national level. The Welsh Assembly Government is, however, aware of the impact which technological change and digital switchover are having on broadcasting in the round and on public service broadcasting in particular. We therefore welcome Ofcom's decision to conduct a second major review of public service broadcasting.

2. The Welsh Assembly Government broadly endorses Ofcom's analysis of the challenges facing public service television set out in phase one of its review. Key elements of the PSB infrastructure in the UK – especially the licence arrangements for ITV1 – need to evolve if public service broadcasting is to continue to deliver the public benefits it has to date. This is a reflection both of the competitive pressures arising from the growth in the number of channels and of the new forms of digital content becoming available. But exciting though the new developments are the Welsh Assembly Government agrees that the new forms of digital services are not yet at a point where they can offer an effective alternative delivery model to the traditional means of delivering broadcast content in terms of influencing viewers. The Welsh Assembly Government therefore believes that the delivery of public service content on what are currently the main terrestrial channels needs to evolve and strengthen if we are to continue to safeguard the interest of viewers and citizens in Wales.

3. The Welsh Assembly Government's response has taken into account the four alternative models proposed by Ofcom but we do not believe that Ofcom's considerations or that of government should be constrained at this stage of the review. Welsh Ministers have indicated that their overriding priority is to protect the interests of Welsh citizens and they are prepared to consider other proposals which would achieve this. This response is being submitted in advance of the publication of the report from the ad hoc committee on broadcasting established by the National Assembly for Wales. We have made it clear that we will look very carefully at the committee's recommendations, many of which are likely to impact directly on the issues being considered by Ofcom in its review. We will pass on our response to the Committee's report to Ofcom once it is available.

Background

4. The 'One Wales' coalition agreement commits the Welsh Assembly Government to a citizen centred system of Government. We value active citizenship. But active citizens need access to a thriving news media. Traditionally the print media in Wales has been weaker than in other nations and regions of the UK. This has only served to underline the importance of broadcast news services and in particular the television news broadcast in English on ITV and BBC and in Welsh on S4C.

5. The Welsh Assembly Government takes a close interest in developments relating to public service broadcasting. Even though citizens now have a greater choice of news media, Ofcom's evidence suggests that viewers continue to place considerable store on programmes about the communities where they live including the provision of impartial of television news services. We are, therefore, anxious to ensure that public service broadcasters continue to deliver and indeed strengthen these crucial services in Wales.

6. Viewers in Wales should be able to develop a better understanding of events in Wales from the news services offered at network as well as at regional level. Professor Anthony King's recent report for the BBC Trust indicates that there is considerable scope to improve the coverage given to devolved governments by network news services. We welcome the clear commitment of the Trust to ensure that the BBC responds to this challenge. We believe that the objective evidence provided by Professor King's report highlights the continuing importance of effective regional television services and should be formally taken into account by Ofcom in concluding its review.

7. If it is to be true to its mission, public service broadcasting must entertain as well as inform. Drama, factual and comedy programmes also reflect the world in which we live. A key challenge for all public service broadcasters is to ensure that their programmes more generally reflect the diversity of communities across the UK. The Welsh Assembly Government believes that a key element of Ofcom's review should be to examine the extent to which viewers are presented with a rounded view of the lives of people throughout the UK.

8. Public service television generates economic as well as cultural benefits. Wales is fortunate to have a strong independent production base. Welsh producers have not always, however, enjoyed ready access to network commissions. We believe that the success of Dr Who and associated series have underlined the depth of talent available in Wales. The challenge for the Assembly Government and the industry now is to build on this and to establish a sustainable production base. We will, therefore, continue to support the creative industries sector more generally including targeted support aimed at rectifying market failure in the independent television production sector and generating a critical mass of production business for Welsh based companies.

9. But our support for the industry needs to be reinforced by a strengthened regulatory structure. The Welsh Assembly Government believes that if we are to achieve Ofcom's vision of generating high quality broadcast content which reflects the diversity within the UK then we need a diversity of production centres and commissioning models. Our proposal is that the regulatory structures for broadcasting in the UK should require broadcasters to commission at least 5% (Wales' population share) of network commissions from Wales. We believe that reinforcing the commitment to diversity will be a key element in securing continued public support for the regulatory interventions in the UK television market that aim to deliver public service benefits.

10. The future development of public service broadcasting in Wales is inextricably linked with the systems available for transmitting television content. The Welsh Assembly Government is committed to developing our communications infrastructure and to improving the availability of broadband services to rural areas. We are also committed to developing policies in this area which recognise the crucial linkages between the development of broadcast content and the means available for transmitting that content.

11. We welcome Ofcom's attempts to place the challenges faced by public service broadcasting within a context which includes the pressures generated by rapid technological change. This highlights the need for any models that emerge from the current review to be sufficiently flexible so as to respond to the still more significant changes which we can expect to affect broadcasting over the period of digital switchover and beyond.

Welsh Assembly Government Response

12. The Welsh Assembly Government believes that the central aim of government policy in this area should be to ensure that digital public service broadcasting post switchover continues to make the cultural, economic and political contribution which public service broadcasting has made in the analogue world. With this aim in sight we recommend that the following key policy ingredients should be incorporated into Ofcom's recommendations governing the future of public service broadcasting:

- i. **a continuation of the BBC Licence Fee** – a strong BBC funded by the licence fee should remain at the heart of UK public service broadcasting. The licence fee continues to be an effective intervention in the UK broadcast marketplace which delivers proven public benefits. The Welsh Assembly Government does not believe that the arguments in support of the licence fee become any less powerful following switchover. Indeed we believe that it will become more rather than less important as broadcast competition increases. The BBC makes a crucial contribution towards ensuring that distinctive and compelling programmes are available to viewers throughout the UK. Crucially from the perspective of Welsh citizens and

viewers this includes a range of programmes produced in and for Wales. We believe that there is scope to strengthen the representation of Wales on the main networks, including those of the BBC, but that should be in addition to the level of service currently provided to viewers in Wales through the licence fee. If the BBC is to succeed in representing the growing diversity of the UK it will be important for the BBC in Wales to have the necessary degree of autonomy and flexibility which it needs to reflect its role as a national broadcaster in Wales. The Welsh Assembly Government's support for the BBC to be provided with a sustainable source of funding through the licence fee extends across content broadcast in English and Welsh.

- ii. **plurality in news and current affairs** –important though the BBC's services are, Welsh Ministers would be very concerned if the BBC were the only provider of broadcast news and other content specific to Wales. The arguments in favour of ensuring plurality of broadcast content at the UK level apply also at the level of broadcasting targeted at the nations within the UK. As devolved governments acquire greater powers, the need for citizens to have access to a range of viewpoints on the way in which those powers are used becomes more rather than less important. We believe that this points to a continuing role for ITV in Wales. The requirement on ITV to broadcast Wales specific content and to accord this content due prominence should be maintained- not only in terms of news and current affairs but also in non-news provision. In the longer term it might also be feasible to consider other means and other channels for communicating such content. At the moment, however, none offer the impact and reach of ITV1. The Welsh Assembly Government therefore believes that this content should continue to be made available on the main commercial channel and wherever possible scheduled during peak hours. The policy aim should be to ensure that plurality of psb provision continues to be a key characteristic of broadcasting in the nations served by devolved governments in the UK.
- iii. **continued support for S4C** – public service broadcasting has played an important role in promoting the minority languages spoken in different parts of the UK. Broadcasting in the Welsh language in particular has generated a range of public benefits which complement and reinforce the Welsh Assembly Government's commitment to a bilingual Wales. As the Welsh language evolves to meet the challenges of an increasingly globalised society, vibrant and diverse Welsh language broadcasting needs to remain at the heart of our broader commitment to public service broadcasting in Wales. S4C's public funding is secure but digital switchover and moving away from the bilingual analogue service represents significant challenges to the channel's commercial income which need to be kept under review. Welsh language television needs to be

enabled to evolve to meet the challenges of digital convergence as does broadcasting in English. The recent launch by S4C of its new children's service is hugely exciting and important. We welcome Ofcom's suggestion that the scope for S4C to play a still stronger role in support of children's television in other languages should be investigated.

- iv. **a strengthened production sector** – important steps have been taken over recent years to demonstrate that Wales has the production and technical talent to generate compelling world class television. If we are to maximise the creative and economic opportunities associated with this talent, production in Wales needs to be placed on a more sustainable footing. This should include production targets which provide a degree of certainty for the industry moving forward. Our aim will be to ensure that between them the broadcasters and independent producers account for at least our population share (a little over 5%) of main network television commissioning. If we are to maximise the economic impact of this development it will be important that this is split between work for the independent production sector and that produced in house by the broadcasters. The Welsh Assembly Government recognises that it has a role to play in continuing to work with the broadcasters and Skillset to offer support for the independent production sector so that it is better able to respond to this challenge.
- v. **Wales on screen** – Wales must be more than a place where great programmes get made. Public service broadcasters must also hold up a mirror to the lives of the people of Wales. Television needs to represent Wales – its sporting achievements and culture as well as news and politics. Content specific to Wales, be that drama comedy or any other non news genre, should be part of the diverse offering made available to viewers throughout the UK. Just as programmes about the rest of the UK should continue to be an essential part of broadcasting to viewers in Wales. Gavin and Stacey needs to be just the beginning of a more prominent and imaginative representation of Wales across each of the main networks. We invite Ofcom to consider the sort of flexible but effective regulatory structures that would enable this to be achieved
- vi **Channel 4** – following digital switchover Channel 4 and its distinctive brand of public service broadcasting will become available to all Welsh viewers for the first time. We look forward to Welsh based content and production talent making an even stronger contribution to this distinctive aspect of the UK PSB landscape. The aim as with the other public sector broadcasters should be to ensure that Wales contributes at least its population share of network commissions. We look forward to exploring

with Channel 4 how this historic development might be reinforced by new forms of creative partnerships that it might establish with organisations in Wales. The existence of S4C in Wales should certainly not absolve Channel 4 of its obligation to work with the independent production sector in Wales as it does in the rest of the UK.

- vii. **universal broadcast coverage** – even after switchover terrestrial broadcast coverage will not be available in the whole of Wales. A worrying number of homes will only have access to certain television services. There are similar difficulties with regard to digital radio. Viewers and listeners in Wales should have access to the full range of national networks on both television and radio. Networks subject to the universal coverage obligation should include distinctively Welsh services such as BBC Wales, Radio Cymru and S4C. In order to ensure equal prominence for these alongside other national networks, they should also be associated with the same level of ancillary services as are available on the main networks. Developments such as High Definition television and interactive services should be as much a feature of national television services as they are of the main networks. Ofcom and the BBC Trust should factor this into their future plans in order to protect the interests of Welsh citizens.
- viii. **comprehensive broadband infrastructure** – an advanced communications infrastructure is a crucial ingredient in the distribution of public service broadcasting and of the interactive services which are an increasingly mainstream part of the public service offering. Welsh citizens will not be able to take advantage of all that public service broadcasting has to offer unless they also have access to high speed broadband links. We will continue with our efforts to ensure that the broadband infrastructure in Wales stands comparison with that available elsewhere in the UK. But Ofcom too has a crucial role to play in ensuring that its oversight of the UK's advanced telecommunications infrastructure. Regulatory interventions need to be structured in such a way so as to ensure that the technological developments that are such a prominent feature of broadcast and related services offer equal benefits or potential benefits throughout the UK.
- ix. **stronger voice for citizens** – at its best public service broadcasting is one of the most powerful factors able to promote good citizenship. We believe that the future of broadcasting should be a matter of concern to viewers and citizens throughout the UK. The Welsh Assembly Government would urge Ofcom working in conjunction with the BBC Trust and the broadcasters to explore how jointly how they might ensure that citizen voices can feature prominently in this debate. This should not only be a matter of holding broadcasters to account. It should be a key

aspect of ensuring plurality and reflecting the interest of citizens both through local and network programmes. The Welsh Assembly Government may have more to say on this matter once it receives the report from the National Assembly Committee set up to consider broadcasting matters in greater detail.

Welsh Assembly Government
July 2008