

## **Ofcom's Review of Public Service Broadcasting: Welsh Assembly Government Response**

### **Introduction**

This document sets out the response of the Welsh Assembly Government to Phase 2 of Ofcom's Review of Public Service Broadcasting as set out in the consultation document published in September 2008. Since it is intended to reflect the needs of viewers in Wales this response focuses in the main on those aspects of Ofcom's consultation which relate to television services in the nations and regions.

The Welsh Assembly Government has previously made clear the overriding importance it attaches to the development of public service broadcasting (PSB) which meets the needs of viewers in Wales. Historically the Welsh public gets far less of its news and current affairs coverage from Welsh-based print media than in Scotland (16% compared with 70%). The two main television networks have done much to promote and strengthen the cultural life of Wales. In a multi channel world we believe that it is even more important that public service television should continue to play this role. Ofcom's review provides a crucial opportunity to determine how best this might be achieved in the nations of the UK as well as at the level of the UK as a whole.

Public service broadcasting needs to inform as well as entertain. Historically the print media has been relatively weak in Wales. This remains the case today. Television news, therefore, carries a disproportionate burden as a means of informing Welsh citizens about the system of government which has responsibility for the vast majority of the public services which impact upon their lives. The Welsh Assembly Government has already made clear that we see plurality in television news as an essential element of the PSB framework in Wales as well as in the rest of the UK.

### **Broadcasting Advisory Group**

In recognition of the key role played by PSB in Wales the Welsh Assembly Government established an expert advisory group to consider Ofcom's proposals in greater detail and to inform our response to those proposals. The Advisory Group's report is published in full alongside this response. The Group's conclusions are reflected in each of the main elements of this response.

The Welsh Assembly Government welcomes and warmly endorses the Advisory Group's report. We believe that its conclusions provide a compelling rationale for maintaining and strengthening English language PSB in Wales. This response is informed by the Group's conclusions. The Group's work also provides a solid foundation on which to base policy in this area moving forward. The Advisory Group has highlighted the essential role played by English language PSB in Wales. The Group's report also draws attention to the combination of factors which highlight the need for urgent action in relation

to the regulatory framework governing PSB in the nations and regions of the UK.

## **English Language PSB in Wales**

### **i. Financial Support for PSB**

The Advisory Group confirms Ofcom's emerging conclusions that additional financial support will be required to maintain news and current affairs as part of the ITV service in Wales. The Advisory Group report also highlights the importance of maximising audience reach for regional news services. The Group's proposals focus in the first instance, therefore, on maintaining regional news and current affairs on ITV1. The Group's conclusions suggest a mechanism for channelling any such funding which could also be used to support a wider range of public service programming. These could include the development of on line services.

The Welsh Assembly Government believes that the challenge of maintaining plurality in news and current affairs in the UK's nations and regions should be a central objective for broadcasting policy in the UK. To the extent that this gives rise to financial consequences, these need to be addressed alongside any other public service objectives with financial implications emerging from Ofcom's review.

In line with the Advisory Group's recommendations, and given the need to ensure maximum reach for Wales-based news gathering and publications, the Welsh Assembly Government believes that the immediate priority for Ofcom and the UK Government should be to provide a financial incentive to ensure the continued provision of news and current affairs on ITV1. We therefore support Ofcom's option that would see an evolution of the existing PSB framework. In so far as Ofcom are satisfied that it offers value for money, the Welsh Assembly Government would support any proposals to provide financial incentives to ITV to maintain slots for news and current affairs provision in the nations and regions. The Group suggests that news and current affairs programmes could be produced by a third party and channelled via a funding organisation based in Wales. We support the proposal of the Advisory Group that the funding for this should be provided as part of the UK settlement for PSB. . The funding organisation would be able to keep these arrangements under review. Should it no longer become possible or desirable to fund the provision of news and current affairs on ITV1 or its successor then the funding organisation could ensure the provision of these services via alternative means. The Group highlights the possibility of this being on a separate channel, and the Welsh Assembly Government agrees with the group's view and urges Ofcom to ensure the availability of digital capacity. \*

### **ii. Range of PSB provision**

The Welsh Assembly Government also agrees with the Advisory Group's view that the future consideration of PSB in Wales needs to look beyond news and current affairs alone. Taken in the round, English language PSB should provide viewers in Wales with a range of programmes specifically directed at their distinctive interests. If PSB is to bring the range of benefits to citizens highlighted in the Advisory Group's report it needs to be able to offer entertainment and information across a wide range of programmes including drama, comedy and other programmes reflecting distinctive aspects of Welsh culture. We also endorse the Group's view that plurality of supply should be a key characteristic of this non news programming. This plurality is an important ingredient in ensuring high standards as a consequence of competition amongst commissioners and the producers of content. The Welsh Assembly Government also supports the recommendation that a mechanism is required to secure this range of programmes in the round and to ensure that this breadth is maintained.

### **iii. Role of Independent Producers**

The Welsh Assembly Government also believes that it is imperative to ensure that the development of PSB in Wales should cover independent producers as well as the main networks. The reduction in programmes commissioned over recent years had had a significant impact on the independent sector in Wales. In line with the Group's recommendations, every opportunity should be taken to maximise the role of independent producers in strengthening PSB in Wales. Financial support for English language PSB should cover the independent sector as well as the main networks.

### **iv. Online Services**

The Welsh Assembly Government has itself provided financial support to ensure the strengthening of the Welsh language print media. The proposals set out above should be sufficiently flexible to enable the development of online news services alongside those provided for linear television services. In line with the Advisory Group's recommendations we do not believe that Wales is yet at a stage where it would be appropriate to only provide news services via new digital platforms. Welsh viewers need to continue to be provided with services which reflect a plurality of news providers on linear television for the immediate future.

## **S4C**

The Welsh Assembly Government is clear that the development of English language television services needs to be seen as complimentary to and not an alternative to continued public provision in support of S4C. S4C continues to be the only television services provided for Welsh speakers. This compares with the more than £3 billion of English language content generated each year in the UK alone. As S4C approaches the challenge of digital

switchover, there is a need to maintain and strengthen the financial support framework for S4C alongside the need to strengthen the English language services made available to viewers in Wales.

## **BBC Services**

The Welsh Assembly Government's commitment to strengthening English language public service programmes takes as a starting point the continuing need for the BBC in Wales to be able to provide a wide ranging service aimed at Welsh viewers. The Welsh Assembly Government has previously made clear its support for a strong BBC, funded by the licence fee and which reflects the interest of Welsh citizens. We continue to believe that the licence fee remains the best means of ensuring continuation of the important range of services which the BBC provides in Wales. If any new source of targeted funding to support English language television programmes is to have any impact it is essential that this should be in addition to rather than in place of the current range of programmes targeted at Welsh viewers by the BBC in Wales.

We endorse the group's view that the BBC's commitment to deliver 17% of network programming by 2016 should be brought forward to 2012. We welcome BBC's recent announcement that production of *Crimewatch* and possibly *Casualty* will move to Cardiff. We will work closely with the BBC to deliver that commitment for the benefit of Welsh companies, including helping to ensure that Wales' infrastructure and specialist skills provision can accommodate the move of *Casualty* and other productions to Wales. We also welcome the announcement that the BBC is considering establishing a "drama village" in Wales. A major production centre such as this would help to develop a sustainable critical mass in Wales. The Welsh Assembly Government is already providing technical assistance to this project, and will continue to do so.

The Welsh Assembly Government has also made clear the importance it attaches to appropriate coverage of Wales on the main television networks, and will expect the BBC Trust and Audience Council for Wales to publish its assessment of the effectiveness of the BBC's response to the King report on broadcasting in due course. Ministers will discuss this assessment with the BBC Trust and the Audience Council for Wales. The recommendations of the King report are also relevant to ITV news and Channel 4 news and it is obvious that these channels have not yet implemented these. We urge Ofcom to reflect this in their analysis of PSB.

## **Channel 4**

It is equally important that Channel 4 also plays its role in portraying Wales to the UK audience, alongside the BBC networks. The Welsh Assembly Government was concerned to see Ofcom's proposals requiring Channel 4 to produce just 3% of its network commissions in the nations and regions. We

would like to reiterate our view that if it is to be in receipt of public funding Channel 4 should be required to produce at least a population share of network commissions in the nations and regions. We believe that this is fully in conformity with Channel 4's role in developing new talent throughout the UK. In pursuit of these wider objectives, the Welsh Assembly Government would be pleased to enter into discussions with Channel 4 on how it might establish a presence in Wales for the first time. The Welsh Assembly Government also believes there would be important economic benefits to be gained by Channel 4 through increasing the share of network commissions originated outside the M25 and in areas such as Wales where the ancillary costs involved in TV productions tend to be much lower than in London.