

Welsh Government response to the Culture, Welsh Language and Communication Committee report, ‘Exploring the devolution of broadcasting: How can Wales get the media it needs?’

The Welsh Government welcomes the findings of the report and offers the following response to the ten recommendations contained within.

Recommendation 1

The Committee’s view is that enhanced broadcasting responsibilities for the Senedd and Welsh Government would materially improve media provision in Wales. The Welsh Government, UK Government and Ofcom should set out how the provision of media content for audiences in Wales can be improved.

Response: Accept

The Welsh Government’s response to the Ofcom ‘*Small Screen: Big Debate*’ consultation on the future of public service broadcasting notes the limited coverage of Welsh public life and society in UK newspapers and on UK broadcast services. In addition, it notes that the portrayal of Wales in UK media insufficiently reflects the cultural diversity and richness of the nation. We have repeatedly called for greater accountability to Wales on media issues to ensure media provision remains fit-for-purpose in a devolved context and in view of the unique and distinct situation in Wales.

The Welsh Government is keen to work with the UK Government and Ofcom to identify opportunities to support improvements in the provision of media content for audiences in Wales. Given the rapidly changing broadcasting and media landscape and ongoing evolution of digital innovations this is a critical time in the broadcasting debate. It is essential that we work in partnerships as changes to the regulatory framework are being considered to ensure our media serves the needs of audiences in Wales.

The Welsh Government recognises the importance of media independence from government and, ultimately, the provision of media content and services in Wales is a matter for media organisations and broadcasters. As such, broadcasters and media organisation are key partners in these discussions and play a vital role in the provision of media content that is fit for purpose. Creative Wales will build on the positive relationships it has developed with stakeholders including media organisations and public service broadcasters in Wales to support improvements in media provision.

Financial implications: No financial implications.

Recommendation 2

The Welsh Government should establish an ongoing central fund to support news journalism, with arms-length delivery and accountability to secure impartiality.

Response: Accept

The Welsh Government has supported news journalism through the Independent Community Journalism Fund. The Welsh Government has been exploring options to strengthen and diversify the provision of news in Wales in response to concerns regarding weaknesses in the indigenous media infrastructure and plurality of news on matters of public interest. A number of discussions have been held with stakeholders over recent months.

These discussions have reflected the view of the Committee that the supply of media content for Wales is inadequate, including the report's findings of dissatisfaction with the supply of media content for Welsh audiences, in particular news and current affairs content.

The Welsh Government recognises the impact of this on scrutiny of government decisions and democratic accountability, and is exploring options to fund an increase in coverage of news, on an arms-length basis. A financial commitment of £100,000 has been set aside in the Creative Wales budget and business plan for 2021/22 to support this. The Welsh Government is keen to work with stakeholders, including the Senedd, as a proposal is developed to explore the potential to secure additional financial support and ensure the agreed approach meets audience needs in Wales. The approach will be reviewed at the end of the financial year.

Financial implications: £100k revenue funding commitment in the Creative Wales budget in 2021/22 to contribute to this.

Recommendation 3

Within current arrangements, we would like to see an independent funding commission established with distinct Welsh representation. Decisions made by such a body should seek consent from representatives of all UK nations. Welsh appointees to this Committee should be made by the Welsh Government and subject to a confirmation hearing in front of an appropriate Senedd committee.

Response: Not a recommendation for the Welsh Government.

The Welsh Government agrees the nations should have a role in important funding decisions, in the context of broadcasting's independence from government. We note a lack of transparency and engagement by UK Government in respect of historic funding decisions, for example decisions on the TV licence fee in 2010 and 2015. The Welsh Government notes important decisions in coming months on funding, including the process to agree the level of the TV licence fee from 2022, and its particular impact on funding for S4C which will receive all of its public funding from the licence fee from next year. In addition, the debate on the future of public service broadcasting, which may lead to changes to funding models. We would welcome a formal mechanism that ensures these and other decisions are made in full and effective consultation with key stakeholders across all four nations, recognising the impact of those decisions on those who live in different parts of the UK.

Financial implications: No financial implications.

Recommendation 4

The UK Government should devolve powers over S4C and other public service Welsh language broadcasting matters to Wales.

Response: Not a recommendation for the Welsh Government.

The UK Government has not offered to devolve policy or funding responsibility for S4C and other public service Welsh language broadcasting matters to Wales. At present, it remains the Welsh Government's view that broadcasting or elements of broadcasting should not be devolved. There could be significant financial risks to devolving these powers to Wales, with no guarantee that budgets would be transferred as well.

The Welsh Government has been clear, however, that although overall regulation of broadcasting should remain with the UK Government, this does not mean that there should not be greater accountability to Wales. The Welsh Government recognises the hugely important role S4C and Welsh language broadcasting plays in supporting our ambitions for the Welsh language as set out in Cymraeg 2050. This includes a role in the provision of public interest information and news and creative content in the Welsh language and educational resources to support Welsh language learners and speakers, which has been particularly important during the current COVID-19 crisis. It is essential that Welsh language has adequate status in discussions and decisions on broadcasting and that services meet the needs of people in Wales, including Welsh language speakers. This is of particular importance as broadcasting structures evolve to ensure the interests of Wales as they relate to the Welsh language are debated, understood and reflected in any changes to the broadcasting frameworks.

Financial implications: No financial implications.

Recommendation 5

There should be a requirement for the Channel 3 licence in Wales to produce a greater proportion of network content in Wales. The Welsh Government should have a formal role in this process.

Response: Not a recommendation for the Welsh Government.

The Welsh Government recognises the importance of the Channel 3 licence in supporting plurality of content and to the sustainability and growth of the creative industries in Wales. ITV Cymru Wales continues to play a vital role as an alternative to the BBC for both news and non-news programming, and provides an essential democratic news service for the people of Wales.

The Welsh Government has expressed concern regarding the decline in ITV Cymru Wales spend on first-run content for Wales during the period of this administration. The Welsh Government works closely with Ofcom as the independent regulator to help to ensure provision reflects the cultural diversity and richness of Wales and its people. This includes regular engagement with Ofcom, the Ofcom Board member for

Wales, and through Ofcom consultations to support a greater proportion of network content in Wales.

Creative Wales has developed a positive working relationship with ITV Cymru Wales and ITV Studios since its launch. Creative Wales supported The Pembrokeshire Murders which aired on ITV in January 2021, and provided a high level of logistical support for I'm A Celebrity Get Me Out Of Here in 2020. We will be developing a memorandum of understanding between ITV and Creative Wales in 2021/22 which will explore opportunities to build on this positive relationship and support a wider array of content for Wales across genres.

Financial implications: No financial implications.

Recommendation 6

The UK Government should legislate to enable an appropriate regulatory body to require Welsh language content as part of commercial radio licences in Wales, alongside introducing a regulatory category of "all-Wales news". The Welsh Government should have a formal role in setting these requirements.

Response: Not a recommendation for the Welsh Government.

Commercial radio stations play an important role in the provision of media services in Wales, in particular the provision of Welsh news, considering the weakness of the print media in Wales and the lack of coverage of Welsh affairs in UK newspapers. The Welsh Government has emphasised to Ofcom and the UK Government that we would not wish to see further relaxation or removal of the current localness rules on commercial radio and has called for due consideration to the bilingual nature of Wales and the importance of the Welsh language when radio licenses for stations in Wales are awarded or reviewed.

The Welsh Government will continue to raise the matter of sufficient provision of Welsh and Welsh language content on radio in our discussions with the UK Government and with Ofcom.

Financial implications: No financial implications.

Recommendation 7

The UK Government should regulate global streaming services to strengthen the public service media ecosystem. Such regulation could include levies to fund public service content, or requirements to carry public service content. The UK government should consider extending levies to include other large online companies, such as search engines and social networking sites.

Response: Not a recommendation for the Welsh Government.

The Welsh Government's response to '*Small Screen: Big Debate*' notes the impact of global platforms and streaming services on public service broadcasting across the UK. We agree that any future regulatory framework introduced to meet the needs of

the changing media landscape must reflect this impact and ensure that changes are made so that the universal availability of public service content is protected and public service broadcasting can be carried on digital platforms on fair terms. We call on the UK Government to take urgent action in response to any recommendations set out by Ofcom as part of its '*Small Screen: Big Debate*' review.

Financial implications: No financial implications.

Recommendation 8

The Sixth Senedd should include a committee with media policy as a central part of its remit. This Committee should conduct confirmation hearings, if necessary in joint meetings with a relevant Westminster committee, with the Ofcom board member for Wales, the BBC board member for Wales and the chair of the S4C board. Ongoing scrutiny of these bodies, as well as other broadcasters, including the holder of the Channel 3 licence, should be part of its work programme. In the advent of further devolution of broadcasting powers to the Senedd, this Committee could play a further role in the regulation and financing of media provision.

Response: Not a recommendation for the Welsh Government.

The media plays a crucial role in informing, entertaining, educating and creating a common cultural citizenship. The importance of this role has been particularly apparent during the COVID-19 pandemic. It is a vital contributor to the growth of the creative industries and the economy of Wales, sustaining the development of content from independent production companies, and supporting diversity and future sustainability in the sector through skills and talent development. In addition, a strong and effective media is essential to devolution and sustaining and growing the Welsh language.

The Welsh Government notes the rapidly changing media landscape; changes that have been accelerated by the global COVID-19 pandemic. Urgent action is needed as the pace of this change increases, to ensure a fit for purpose media that is serving the needs of Wales.

Financial implications: No financial implications.

Recommendation 9

The Welsh Government should have an enhanced role in setting the terms of the next Channel 3 licence for Wales.

Response: Not a recommendation for the Welsh Government.

As noted in the response to recommendation 5, the Welsh Government recognises the importance of the Channel 3 licence in supporting plurality of content and to the sustainability and growth of the creative industries in Wales.

The current licensing period for the Channel 3 services will expire at the end of 2024. We have regularly stressed that a new licence provides an opportunity to address

any imbalance in content provision and ensure an appropriate level of provision, protected for the future. The Welsh Government will work closely with Ofcom as the independent regulator to raise matters of importance to Wales in respect of the Channel 3 license to ensure provision meets the needs of Welsh audiences.

Financial implications: No financial implications.

Recommendation 10

The BBC should provide an improved successor forum to the Audience Councils, where the views of audiences in Wales can be gathered and contribute to the development of BBC policy.

Response: Not a recommendation for the Welsh Government.

The Audience Council for Wales played an important role scrutinising the BBC's performance and assessing its programmes and services on behalf of audiences in Wales. It provided valuable advice to the BBC on issues relating to its audiences and services at a Wales level and a clear mechanism to support the development of output and activities that deliver for Welsh audiences, which has not been fully replicated by the BBC Board Wales Committee.

The Welsh Government would welcome any developments that strengthen the current arrangements and provide a more effective voice for the Welsh audience in the development and delivery of BBC services in Wales.

Financial implications: No financial implications.

Lord Elis-Thomas MS
Deputy Minister for Culture, Sport and Tourism