

Summary

The broadcasting industry is undergoing a period of transformative change, driven by significant technological developments in how content is created, distributed and consumed. The transition from analogue to digital formats, and the rise of high-speed internet, has seen the emergence of on-demand streaming services like Netflix and Amazon Prime Video offering unprecedented choice for consumers and leading to a decline in viewing of traditional linear television channels. The proliferation of smart TVs and connected devices has made it easier for viewers to access online content on their television sets. Increasingly, people watch programmes through digital platforms, listen to radio through Smart Speakers, and consume the content they want rather than following a schedule.

Broadcasting plays a vital role in reflecting and shaping modern Welsh identity through a diverse range of TV and radio content, encompassing news and current affairs, drama, live sport and cultural events in both the Welsh and English languages. Meanwhile, the Welsh broadcasting industry continues to provide a rich pool of talent and expertise that contributes to the growth and success of the sector at a UK and, indeed, international level.

Throughout our inquiry, we identified key themes and issues that need to be addressed to ensure that broadcasting in Wales continues to thrive. Our Report therefore makes the following conclusions and recommendations:

Public Service Broadcasters

The UK's public service broadcasters (PSBs) are fighting for prominence on the first page on any significant device, be it a set-top box, smart TV or games console. Existing regulations are outdated because they are limited to traditional linear electronic TV guides and do not apply to streaming, on-demand and internet-connected TVs. The lack of prominence of PSB content across all devices, particularly digital and streaming platforms, will result in consumers struggling to find much loved content in a format and language that they enjoy. The proposals contained in the Draft Media Bill on prominence are vital to the continued success of public service broadcasters in the twenty-first century. The Government must introduce the Media Bill to Parliament as early as possible in the next Session, which is due to begin in November 2023, and prioritise its passage through both Houses.

Public service broadcasters must modernise to survive in the digital age. We welcome the investment by PSBs in their digital platforms, which is needed given the growing proportion of people in Wales using them to watch PSB programmes. However, accessing Welsh content is not straightforward on these platforms, making it difficult for it to be viewed in Wales and across the UK. We call on PSBs to urgently develop their digital platforms to improve their level of online personalisation and ensure that programmes local to Wales and Welsh language content are prominent and easy to access. We request that public service broadcasters report to us by March 2024 on their progress in this area.

The future of Welsh Language broadcasting

It is vital that Welsh language provision continues to grow amid the changing media landscape, and is a visible part of the television system in the UK. While we welcome the current funding settlement in place for S4C, it is vital that the channel has greater certainty over its long-term funding. We note that the Government has announced a review of the licence fee model. This will have implications for the delivery of Welsh language broadcasting by the BBC, and future funding of S4C. In its response to this Report, the Government must give assurances that the review includes a reference to safeguarding Welsh-language broadcasting.

We welcome the investments that the Government is making in digital provision for S4C, but the scale of investment needed to ensure the sustainability of Welsh language broadcasting in the long-term is daunting. We are concerned that the wider revolution in broadcasting will leave S4C exposed. It is also clear that S4C has a strong relationship with BBC Cymru Wales, and these links have been further enhanced by S4C's reliance on licence fee funding and on BBC iPlayer as the foremost platform for digital content. To ensure the continuing strength of Welsh language broadcasting we recommend an enhanced long-term partnership between S4C and BBC Cymru Wales. This should include safeguards for the branding, editorial and commercial independence of S4C. This partnership should work towards a long-term framework agreement that supports S4C, providing it with the investment to produce digital content to compete with streaming services. The partnership should be overseen by the Secretary of State for Culture, Media and Sport.

Broadcasting live sports in Wales

The broadcasting of sporting events is a matter of considerable public interest. It brings people together for a shared experience, providing a source of pride. The danger of sports coverage going behind a paywall is that any additional short-term injection of money does not reach the grassroots and is offset in the longer term by reduced awareness of and participation in the sport. Therefore, live sports broadcasting should strive to reach the widest possible audience, which is best achieved through free-to-air coverage. This is especially so for Welsh rugby union, which needs to rediscover its soul and aim to reach the maximum number of people in Wales. We believe that maintaining a listed events system is in the public interest as it ensures that free-to-air broadcasters are able to ensure that all licence fee payers have access to nationally important sporting events. However, we do not believe that the listed events regime currently accurately reflects the importance placed by supporters on certain competitions. We recommend that the Government adds the Six Nations to Group A of the Listed Sporting Events, to ensure its status on terrestrial TV.

The use of Welsh in sport is a vital expression of identity for many. Whilst we understand concerns that a Welsh language requirement could reduce the value of broadcasting contracts, we believe that the provision of Welsh commentary is extremely important to the vitality of the Welsh language. We note that Viaplay successfully negotiated for S4C to provide Welsh language broadcasting. Amazon Prime Video was able to provide a Welsh language commentary of the rugby union autumn internationals. Therefore, streaming services are willing to ensure Welsh language provision. The

current Ofcom code does not empower it to protect this Welsh language provision and ensure it continues. We recommend that Ofcom's remit be amended to ensure that it can designate events in Group A and Group B of the Listed Events Regime and specified non-listed events as requiring live Welsh language commentary.

Radio

We are extremely concerned at the apparent decline in the use of Welsh language on commercial radio. The ability to listen to the Welsh language on a daily basis is vital to maintaining the Welsh language and to encouraging new learners. The current regulatory framework is not strong enough to support the Welsh Language on commercial radio. We ask the Government to consider the adequacy of Ofcom's remit in relation to Welsh language content on commercial radio stations in Wales.

Ofcom's decision to prioritise DAB licenses overlooks the high levels of AM/FM listening in Wales, and does not take into account the difficulties in digital transmission across parts of Wales. Community radio stations believe that FM licences will enable them to reach a wider audience. There is a clear demand, and continuing need, for FM radio licences. We recommend that Ofcom resume offering FM licences, particularly targeting local and community radio stations.

Developing the skills pipeline into Welsh broadcasting

We are concerned that the introduction of in-house commissioning at Channel 4 could harm independent production companies in Wales. In its response to this Report, the Government must outline the steps it will take to ensure that the introduction of in-house commissioning by Channel 4 will help rather than harm the independent production sector in Wales. We call on the Government to make changes to the Draft Media Bill to reflect our concerns. We also call on Channel 4, in response to this Report, to outline their commitment to commissioning work from Welsh production companies.

Apprenticeships can be an effective and powerful way of developing a diverse and skilled workforce. However, the current system of apprenticeships within the broadcasting sector is inflexible, and does not reflect the needs of a freelance, project-based sector. There must be a fundamental reform of the Apprenticeship Levy in the UK. We call on the UK and Welsh Governments to review the Apprenticeship Levy and to increase the roll-out of the shared apprenticeship system in Wales to ensure that they can benefit the creative industries sector in Wales.