



Government Response to the
Welsh Affairs Committee
English Language Television
Broadcasting in Wales

*Presented to Parliament by the
Secretary of State for Culture, Media and Sport
by Command of Her Majesty
September 2009*



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ISBN: 9780101771320

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID P002324079 09/09 448 19585

Printed on paper containing 75% recycled fibre content minimum.

GOVERNMENT RESPONSE TO THE WELSH AFFAIRS COMMITTEE ENGLISH LANGUAGE TELEVISION BROADCASTING IN WALES

The Government welcomes the report by the Welsh Affairs Committee on current issues affecting English language broadcasting in Wales.

One of the key themes of the Digital Britain White paper published on 16 June 2009 is how to sustain and strengthen plurality of public service content, in particular nations, local and regional news, in the digital age. The Committee's findings are an important contribution to this debate and the implementation of Digital Britain.

Plurality in the provision of news

- **(1) The rapid downward trend in English language broadcasting in Wales and in particular the difficulties facing ITV mean that the BBC will soon become the only provider of television programmes for an English-speaking audience in Wales. S4C provides a comparable alternative service for the 20% of the population who speak Welsh and English but there is a serious threat to the range of programming available to the 80% who speak only English. (Paragraph 8)**

The Digital Britain White Paper makes clear that plurality of news in the nations, locally and in the regions is a priority and proposes the creation of independently funded news consortia (IFNCs) to ensure continued high quality independent news at this level in addition to the BBC's provision.

The White Paper says the Government intends to pilot IFNC's in Wales, Scotland, and one English region. The emphasis will be on quality and independence. Such consortia will be more than just a replacement for regional television news. However, while multiplatform news will be a crucial feature, it makes sense to continue to take advantage of the Channel 3 licence schedule for news across each nation, locally and regionally to build on the existing reach and scale of access to audiences.

The Government is currently consulting on funding options which also looks at the possibility of a contained contestable element of the television licence fee to fund IFNC's in the longer term. This consultation closes on 22 September 2009.

Partnership between ITV and the BBC

- **(2) We appreciate that editorial independence could well be compromised by any substantial sharing of facilities by ITV with the BBC, unless careful and sophisticated arrangements can be designed in order to separate news-gathering and operational considerations from the commissioning of programming and editorial responsibilities. However, there has been little real evidence of competition between ITV News and BBC News in Wales, leading to serious differences or diversity in news coverage. The proposed partnership between ITV and BBC may have some merit, but would not necessarily guarantee genuine plurality and diversity for the long term. (Paragraph 11)**

The Government welcomed the BBC and ITV announcement of regional news partnerships in March 2009. However, ITV have said that the scale of savings is likely to be modest. Therefore, BBC and ITV partnerships on regional news are not the full solution which is why the Government intends to introduce IFNCs to deliver plurality and choice. The Government is proposing to pilot an IFNC in Wales as part of the first phase which will replace the current ITV regional news.

S4C

- **(3) A proposal which would involve S4C becoming the recipient of additional public funding needs to be subject to public scrutiny and examination by this Committee in particular. We cannot accept a situation in which proposals of such significance are kept secret and we strongly recommend that the Department for Culture, Media and Sport require their publication in full. Such proposals have the potential to affect adversely the current arrangements between the BBC and S4C. Indeed, any such arrangement would require a significant change in S4C's governance arrangements. These issues are therefore not matters for S4C to address alone. It follows that any new partnership between ITV and S4C would require serious public debate and scrutiny. (Paragraph 16)**

S4C's initial proposal was put to Ofcom in response to their second PSB review.

During the interim Digital Britain report phase, the Government and S4C discussed their proposals which was about setting up a contestable process for English language news. The Government is looking at the right governance model for the pilots as a whole and eventual roll out beyond the pilot phase. This is contingent on funding and the Government is currently out to consultation on this and the idea of a contained contestable element within the television licence fee would fund the plural provision of local and regional news. Responses to the interim Digital Britain report have been published on the DCMS website.

- **(4) The problem of plurality of news services in English for the English-speaking audience in Wales is immediate but we recognise that existing plurality has not generally delivered competition in news coverage, nor helped to drive up news quality although it may have prevented standards slipping. S4C's experience and established history in Wales, together with its practical propositions, may be the way forward but any involvement in English-language broadcasting could well compromise S4C's core Welsh language role and cannot be supported in advance of a review of S4C's governance which fully takes account of such a proposal. On the other hand, additional Government support for the public service broadcasting to the English speaking majority should not be jeopardised because of the public funding already directed to Wales through S4C. (Paragraph 18)**

The Government supports a strong Welsh language broadcaster and recognises the contribution S4C makes to the Welsh broadcasting landscape. The Government supports the plurality of nations, local and regional news and proposes to introduce an IFNC pilot in Wales as well as in Scotland and one English region. Supporting a Welsh IFNC is not contingent on the public funding that S4C receives.

- **(5) In *Digital Britain Final Report* the Government noted that "convergence is blurring the distinction between audio-visual and text in broadcasting, print, online and cross different platforms". The availability of news from these diverse sources, together with the news provided by local radio stations, should be seen as potential providers of plurality in news provision, rather than considering the S4C proposal to be the only option. (Paragraph 19)**

The Government agrees that the multiplatform provision of news is crucial as technology and distribution converge. A key aspect of the IFNC proposal is that the news content will be available on platforms beyond television.

Democratic deficit and devolution

- **(6) Whatever the solution, it is essential that the 'information gap' in Wales is addressed promptly, and the people of Wales given access to a range of news sources. We believe that much of the coverage of political debate in Wales by both ITV Wales and BBC is**

of relatively poor quality. This will not be addressed merely by maintaining plurality of service, but the loss of television news and current affairs programming on ITV Wales could make the situation even worse. (Paragraph 24)

The Government believes that plural, impartial and authoritative sources of news are vital for democracy in the nations, locally and regionally. IFNC's with the emphasis on quality and independence will be significantly more than a replacement for regional television news.

Funding

- **(7) It is beyond the scope of our inquiry to comment on plans for the use of the licence fee, but we note that the Government has acknowledged that the issue of funding for plurality in news and non-news provision in the nations must be addressed, and we hope this will be the subject of widespread debate. (Paragraph 28)**

The Government has proposed using some of the underspend from the Digital Switchover Help Scheme to fund the IFNC pilots. The Government is currently consulting on a "contained contestable element" within the television licence fee to provide top-up funding for IFNCs in the longer term. At the same time, the Government has commissioned independent consumer research to investigate how far people value plurality in nations, local and regional news and how they feel about using the licence fee to support the provision of this content. The Government expects to publish this information following the end of the consultation.

- **(8) Listeners in Wales who speak both Welsh and English have access to a range of news sources in both languages on radio and television, but it is clear that the options available to the English-language audience will be seriously limited if ITV Wales' news services are curtailed. We are greatly encouraged by the fact that the *Digital Britain Final Report* addresses the broader issues of lack of plurality in the provision of news and current affairs at the level of the nations and regions as well as making reference to the issues in terms of local broadcast news and information. While the report does not address the specific problems of Wales in terms of the Welsh and English languages, it does provide a way forward in terms of plurality of television news provision. The same is true of the Department for Culture, Media and Sport's consultation document. We therefore recommend that the Government urgently considers the growing information gap for the English speaking audience in Wales and identifies the necessary sources of funding to provide a second high quality English news service in Wales should ITV prove unable to maintain its service, as seems likely. (Paragraph 29)**

The Government is currently consulting on funding options for sustainable independent and impartial news in the nations, locally and in the regions and will publish the findings following the end of the consultation exercise.

Cultural deficit

- **(9) We believe that it is important to address quite explicitly the need to protect the provision, range and development of non-news broadcasting for those in Wales who are not Welsh-speaking rather than to assume that they are catered for adequately. (Paragraph 38)**

The Government has had to distinguish between where plurality is desirable and where it is essential. The priority for the Government is to focus on what is essential and evidence shows that people care most about news and that is where the government is specifically intervening. For a significant, but smaller group, plural provision of original UK or nations content for children is also seen as important.

In the Digital Britain White Paper, the Government made clear its belief that the Channel 4 Corporation (C4C), with an updated remit for the digital age, has a key role to play in providing a balancing mix of public service content alongside the BBC. Our intention is that the new remit will include a strong commitment to national and international news and current affairs, and content for older children and younger audiences. The Channel 4 service is already available to the great majority of Welsh households who have access to digital TV, and will be available to all viewers in Wales on digital switchover.

The geographical imbalance in TV production in the UK

- **(10) We hope to see further movement of TV production for all channels from the south east of England to the regions and nations, but we also hope not to see a concentration of activity in south east Wales, at the expense of the rest of Wales. We welcome the BBC's commitment that "we will endeavour to commission as much as we possibly can from areas outside Cardiff if the ideas are there and if the companies are there to make them". We encourage all commissioners of programmes to consider the whole of Wales when planning their production activities. (Paragraph 50)**

The Communications Act 2003 requires ITV as the Channel 3 licence holder for Wales to provide a wide range of programmes and services for each UK region. The Act also requires that a suitable proportion of those programmes are made outside the M25. The aim behind these conditions is to retain a strong regional dimension to public service broadcasting, reflecting UK cultural traditions and meeting the needs of diverse communities. The quotas are established and reviewed by Ofcom under Section 3 of the Communications Act 2003 but these quotas must balance the cost and benefits of holding a public service broadcasting licence.

The Government welcomes the BBC Trusts commitment to increasing the amount of production commissioned from/made within Wales that is equivalent to Wales' proportion of the UK population.

Conclusion

- **(11) We are deeply concerned about the current and future status of English-language television broadcasting in Wales, particularly in the provision of news. It is clear to us that plurality is under serious threat and that unless the outlook for ITV's finances changes viewers will effectively have no choice in English-language news broadcasting in Wales from 2010. The Government must urgently consider the lack of services for English-speakers in Wales and identify sources of funding to address the shortfall. We are disappointed that the lack of diversity provided for the English speaking Welsh audience has not been identified by the Government, and that there were no concrete proposals along with funding options in the *Digital Britain Final Report* to meet the short term identified need. (Conclusion)**

Devolution makes plural, impartial and authoritative sources of news more vital than ever for democracy in the nations. Right across all media the changes in the advertising market are putting commercial news provision under real, possibly terminal, pressure, leaving only the BBC as the guaranteed source of impartial news.

The Government's support for IFNCs in the nations, locally and regionally will provide commercially-based multimedia consortia with an emphasis on quality and independence. The obligations of news consortia in return for top-up funding will be straightforward; to guarantee impartial news and to syndicate news video and other material to other local and regional media and this will secure plurality for Wales. Affordability is a key consideration and as the Government said in its White Paper it remains open to other ideas and proposals in the consultation period which meet the objectives of maintaining a strong, independent BBC, while providing a sufficiency of sustainable contestable funding to support public service content, particularly in local, regional and nations news.



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ISBN 978-0-10-177132-0



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