

National Assembly for Wales
Communities, Equality and
Local Government Committee

Report by the Task and Finish Group on the
future outlook for the media in Wales

May 2012



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Communities, Equality and Local Government Committee

The Committee was established on 22 June 2011 with a remit to examine legislation and hold the Welsh Government to account by scrutinising expenditure, administration and policy matters encompassing: Wales's culture; languages; communities and heritage, including sport and the arts; local government in Wales, including all housing matters; and equality of opportunity for all.

Task and Finish Group

The Communities, Equality and Local Government Committee established a task and finish group of four Members to consider and report on the future outlook for various media platforms in Wales. The group members were Ken Skates (Chair), Peter Black, Janet Finch-Saunders and Bethan Jenkins. The group met from October 2011 until January 2012.

Task and Finish Group membership



Ken Skates (Chair)
Welsh Labour
Clwyd South



Peter Black
Welsh Liberal Democrats
South Wales West



Janet Finch-Saunders
Welsh Conservatives
Aberconwy



Bethan Jenkins
Plaid Cymru
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Recommendations

Recommendation 1. The Welsh Government should establish an independent forum to advise on policy in relation to the media in Wales. The forum should draw on expertise from across the media sectors. Its purpose should be to look to the future and to advise on matters across all sections of the media. (Page 25)

Recommendation 2. The Welsh Government should commission a review to map the media needs of the people of Wales. This review should inform media policy across all sectors, including existing and developing technologies. (Page 25)

Recommendation 3. The Welsh Government should ensure that it engages fully and proactively in the Communications Bill process, to ensure that the Bill reflects the needs of Wales (Page 25)

Recommendation 4. The Welsh Government should continue to strengthen linkages across Government departments to ensure that the maximum benefit, economic and cultural, can be drawn from the media sectors. (Page 25)

Recommendation 5. As part of its role, the independent forum should keep under review the issue of the devolution of broadcasting in Wales and advise the Welsh Government as appropriate. (Page 26)

Recommendation 6. The Welsh Government should develop a protocol with the UK Government for dealing with broadcasting issues which are not devolved. (Page 26)

Recommendation 7. A relevant Assembly committee should, on an annual basis, invite Ofcom, public service broadcasters, and other key providers in the media, to report to the committee on their responsibilities and commitments to Wales. (Page 26)

Recommendation 8. The Assembly Committee should keep under review the amount of political coverage provided by BBC Wales, particularly in the light of budget cuts in relevant departments. (Page 29)

Recommendation 9. The Assembly Committee should keep under review arrangements for funding S4C to ensure that the funding settlement is appropriate; and keep under review any future proposals to change the nature of the settlement. (Page 31)

Recommendation 10. The Welsh Government should make representations to the UK Government and Ofcom for the current Channel 3 licence provisions to be the minimum requirement for renewal of the licence. (Page 36)

Recommendation 11. The Welsh Government should explore opportunities, at an appropriate time, for the introduction of a Wales-specific Channel 3 licence. (Page 36)

Recommendation 12. The Welsh Government should explore ways to work more effectively with Channel 4 to support Welsh companies. (Page 38)

Recommendation 13. The Welsh Government should keep under review the impact of budget cuts on the independent television production sector and identify new ways of providing the sector with advice and support. (Page 39)

Recommendation 14. The Welsh Government should continue to make representations to the UK Government to ensure 97% coverage in Wales before digital switchover. (Page 45)

Recommendation 15. The Welsh Government should explore all opportunities to continue to support community radio in Wales. (Page 45)

Recommendation 16. The Welsh Government should make representations to the UK Government to include specific Welsh language duties for Ofcom in the Communications Bill. (Page 45)

Recommendation 17. The independent forum should, as part of its role, investigate sustainable business models for the print media in Wales. (Page 53)

Recommendation 18. The Welsh Government should ensure that it is in a position to engage with newspaper companies so that viable measures can be put in place when it becomes apparent that either significant numbers of jobs are to be lost, or newspapers are going to be closed. (Page 54)

Recommendation 19. The Welsh Government should continue to progress the recommendations of the Hargreaves review, and report back to the Communities, Equality and Local Government Committee regularly on progress. (Page 76)

Recommendation 20. The Welsh Government should do more to communicate to stakeholders the purpose and role of its Creative Industries Sector panel. (Page 76)

Recommendation 21. The Welsh Government should explore opportunities, including working with higher education institutions, to encourage innovation and foster new business models. (Page 76)

Recommendation 22. The Welsh Government should monitor proposals by the UK Government to change laws relating to intellectual property rights and should make representations to the UK Government that any changes should be suitable to the needs of Wales. (Page 76)

Recommendation 23. The Welsh Government should develop a strategic approach to the provision of training, to sit alongside its other policies, including the Digital Wales Delivery Plan. (Page 76)

A number of the Group's recommendations to the Welsh Government relate to the establishment of an independent forum and its work.

Should the Welsh Government choose not to accept the recommendation to establish the independent forum, references to the forum in subsequent recommendations should be interpreted, where appropriate, as a reference to the Welsh Government.

In these circumstances, we would expect the Welsh Government to take forward the recommendations and to report back to the Assembly on progress at the earliest opportunity.

1. Introduction

1. On 29 September 2011, the Communities, Equalities and Local Government Committee established a Task and Finish Group to conduct an inquiry into the future of the media in Wales.

Terms of Reference for the inquiry

2. It was agreed that the terms of reference of the inquiry would be:

“To look at the future outlook for various media platforms in Wales by exploring:

- the current state of the media in Wales and how new technology and other developments are impacting on this, in the context of continuing concerns about the future of the Welsh broadcast and print media;
- what the priorities should be from a Welsh perspective as the UK Government brings forward proposals for its *Communications Bill*;
- the opportunities for new media business models to be built in Wales;
- what the Welsh Government is doing to implement the Hargreaves report recommendations and what other steps could be taken to strengthen the media in Wales in terms of content and plurality of provision.”

Method

3. We issued a call for evidence on 29 September 2011. 45 written submissions were received. The written submissions can be accessed here.¹

4. Witnesses were invited to give oral evidence over 5 meetings. Details of the witnesses who appeared, transcripts and consultation responses are provided in Annexes A, B and C respectively.

5. On 28 November, members of the Group held an online discussion with bloggers and representatives of hyperlocal news websites.

6. Agendas, papers and transcripts for each meeting are available in full on the Task and Finish Group’s pages on the National Assembly for Wales’ website, which can be accessed here.²

¹ <http://www.senedd.assemblywales.org/mglIssueHistoryHome.aspx?Ild=1787>

2. Strategic direction and accountability

Introduction

7. In this chapter, we will address one of the key issues that was raised with the group in written and oral evidence, that of strategic direction and accountability in relation to the media in Wales. Subsequent chapters will deal with issues specific to each media sector.

8. The issues that this chapter will address are:

- The Welsh Government's role and involvement in media policy;
- The Welsh Government's coordination of media policy;
- The Welsh Government's capacity to deal with media policy;
- The impact of the Communications Bill;
- Accountability issues; and
- The need to monitor and map the media.

Welsh Government's role and involvement in media policy

9. During our inquiry, several witnesses raised concerns about the extent to which the Welsh Government was involved in media policy. Professor Steve Blandford said:

“I should say very clearly that I have been in favour of the Welsh Government involving itself in ways that go well beyond the existing framework for the regulation of broadcasting.”³

10. The Institute of Welsh Affairs (IWA) emphasised the urgency of the issue and its relevance to the Assembly as well as Welsh civic society more widely:

“The point is that we can no longer afford to stand back. We have substantial amounts to gain, in cultural and economic development terms, in getting involved now.

² <http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?IId=1787>

³ Oral Evidence, 13.10.2011, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

“The issue there is that unless there is a serious effort to create some locus for the Assembly and the Welsh Government on media issues, Wales will not be part of the debate and will not be listened to.”⁴

11. The Minister for Housing, Regeneration and Heritage outlined how the Welsh Government views these issues:

“The First Minister has been at the forefront of co-ordinating those inter-ministerial conversations and all that communication. Since the last Assembly elections there has been such turmoil on this agenda, particularly surrounding the BBC and S4C, that the priority has been to get through this difficult period and to break into a period of stability, and to do everything that we can to make that happen. I would like to think that the Welsh Government punched above its weight in terms of the contribution that it made towards getting a final, stable situation. We are there now. It is not a pretty situation, but it is a stable one. We have stability of management and predictability of funding, at least for a few years. We are now in a position to truly start to construct consensus around what we are asking for, as a Welsh public community. I must emphasise that this is not a devolved matter. My relationship with your inquiry, in that regard, is not as it normally might be. I am a part of the consensus building, and I am not in a position to be responding to a list of wants and needs presented to me. I am a part of the lobby on broadcasting that Wales needs to construct.”⁵

Welsh Government coordination of media policy

12. A number of commentators expressed concerns that the Welsh Government is not viewing the media industries as a sector that has both economic and cultural benefits. According to Richie Turner:

“Welsh Government must not retreat to an over simplified position where our media industry is only supported as an economic driver. We need to be clear that some; if not a majority of our media content should be provided to enhance our culture, our heritage and our place in the world. The Hargreaves Report sort to bridge to divide between economically driven

⁴ Oral Evidence, 01.12.2011, <http://www.senedd.assemblywales.org/documents/s4635/1%20December%202011.pdf>

⁵ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

creative industries and culturally focused providers yet recently it appears Welsh Government is again treating the two parts separately.”⁶

13. The IWA suggested that there should be better joint working within the Welsh Government, and that arrangements needed to be put in place to facilitate this in order to secure maximum economic benefit from media policy:

“The former Broadcasting Committee report highlighted the lack of collaboration and joined-up thinking across two, if not more, of the Government’s departments, including economy and heritage. As far as we can see, that essential issue has not really been addressed. Broadcasting is still the responsibility of heritage, without the responsibility of economic development.”⁷

14. The Group also heard some criticism that the Creative Industries Sector Panel, set up following the Hargreaves Review, seemed to be too focused on securing purely economic rather than cultural benefits. Green Bay said:

“Put simply, the Creative Industries have the potential to ‘make the weather for Wales’ – they can help determine both how we see ourselves in the world and how the world sees us. Regarding them simply in economic terms underplays their importance and is likely to lead to missed opportunities.”⁸

15. Ron Jones acknowledged that the Creative Industries Sector Panel’s influence is limited when focusing specifically on the media. As broadcasting is not devolved and is the responsibility of the Department for Housing, Regeneration and Heritage, the Panel’s primary remit revolves around the economic impact of the media in Wales. The Minister for Business, Enterprise, Technology and Science reiterated this point:

“A lot of people are focused on cultural issues across Wales. My panel is the only panel that has really focused on issues to do with economic development within the sector, which you would expect it to do [...] We work well with culture officials and other organisations, but our aim is to

⁶ Media 29,
<http://www.senedd.assemblywales.org/documents/s4715/Consultation%20Response%20-%20Media%2029%20-%20University%20of%20Wales%20Global%20Academy.pdf>

⁷ Oral Evidence, 01.12.2011,
<http://www.senedd.assemblywales.org/documents/s4635/1%20December%202011.pdf>

⁸ Media 23,
<http://www.senedd.assemblywales.org/documents/s4709/Consultation%20Response%20-%20Media%2023%20-%20Green%20Bay.pdf>

create jobs, future investment and sustainability in all the creative industries sectors that we cover.”⁹

16. Ron Jones also said that coordination within the Welsh Government was better now than it had been in the past:

“To some extent, we find ourselves prisoners of history on this one. In the days before devolution, there was a linkage between the local department and DCMS. That linkage remains, because it is a reserved matter. Refreshingly, in the last six to nine months, the two Welsh Ministers involved have really taken the issue on board, partly as a result of a lack of co-ordination in dealing with the obvious problems of S4C. There is a realisation that the two departments need to work together closely. Clearly, there is the whole content issue: we need the content that serves Wales but then we need to ensure that we get the maximum economic value from it. The reality is that the expertise to handle both issues sits across the departments. The Ministers have come together and agreed that a subpanel will now be available to advise both departments on broadcasting, both on the content and economic side, and that seems to make sense. I genuinely think that it is an accident of history that no-one ever bothered to put right. However, I sense that, with the present Ministers, we are well on the way to getting that sorted. I am seeing, for the first time, much more co-operation between Natasha on behalf of the Department for Business, Enterprise, Technology and Science and John Howells in heritage as we begin to try to develop a Team Wales approach to it.”¹⁰

Welsh Government capacity to deal with media policy

17. The IWA emphasised that there are significant legislative and regulatory changes on the horizon for the media in Wales, namely the renewal of the Channel 3 licences in 2013; a new *Communications Act* by 2015; and the renewal of the BBC Charter in 2016-17. Technology and media policy is moving quickly, yet the IWA expressed concern that there is insufficient capacity in Wales to keep pace with events.

18. The IWA was particularly concerned about the lack of capacity amongst the Welsh civil service and said that this makes it difficult for the Welsh Government to analyse changes and to develop the necessary foresight to anticipate and shape

⁹ Oral Evidence, 07.12.2011, <http://www.senedd.assemblywales.org/documents/s4634/7%20December%202011.pdf>

¹⁰ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

developments in the Welsh media. As such, the Welsh Government's heritage department's capacity to provide expert advice to Ministers on media policy should be strengthened. In oral evidence, Hywel Wiliam of the IWA said:

"I strongly believe that the Government needs to look carefully at the whole range of questions surrounding the media in Wales and the industry more generally. Otherwise, it will miss out on the opportunity to be part of that discussion and part of the opportunity to develop Wales specific policies. That is vitally important, not only from a heritage perspective, but also from the perspective of developing strong economic policies for the future.

"We believe that the civil service resources need to be strengthened.

"We want to see a greater capacity to look at these areas independently and to assess them, with more monitoring work being carried out by the Government and its officials."¹¹

19. Cube Interactive referred to the growth of 'connected television' such as *YouView* and questioned whether the response from the Welsh Government was sufficient in this context:

"We can expect this to generate another impetus to audience fragmentation, as occurred with the introduction of digital TV. Without regulatory preference to help build awareness and audience share, should we therefore anticipate a further marginalisation of content from and about Wales; and if so, is there any suitable policy response from the Welsh Government?"¹²

20. When asked about the Welsh Government's capacity to deal with media policy, the Minister for Housing, Regeneration and Heritage said:

"In terms of capacity, it would be difficult, given that broadcasting is not devolved, to justify to the Welsh public purse a broadcasting department within the Welsh Government. Expertise and personnel are brought in as and when they are needed, but I would not judge, as the Minister responsible for that activity, that we have had a capacity problem. The

¹¹ Oral Evidence, 01.12.2011, <http://www.senedd.assemblywales.org/documents/s4635/1%20December%202011.pdf>

¹² Media 35, <http://www.senedd.assemblywales.org/documents/s4721/Consultation%20Response%20-%20Media%2035%20-%20Cube%20Interactive.pdf>

capacity has been fine, but I do not have a broadcasting department with dozens of civil servants, and nor should I.”¹³

The Welsh Government’s response to the Communications Review process

21. A number of witnesses referred to the impact the forthcoming UK Communications Bill could have on the media in Wales. The IWA emphasised that the Bill could have a ‘capacity to alter our media and cultural landscape in fundamental ways’. Issues raised with the group that will affect Wales directly included: the future of the Channel 3 licences; the statutory foundations of S4C; television production quotas for the public service broadcasters; radio licensing, localism and the ability to impose language requirements; the future shape of community radio; cross-media ownership rules; a regulatory framework that acknowledges the convergence of television and the internet; and future requirements for impartiality and balance.

22. Some witnesses raised questions about the steps the Welsh Government’s approach to the UK Government’s proposals. Professor Ian Hargreaves said:

“The communications Bill represents an opportunity for the Welsh Government to propose a revision of the settlement with regard to broadcasting. I am, and have been for a long time, an unapologetic advocate of the Welsh Assembly Government—now the Welsh Government—involving itself more in these matters.

“It is time for the Welsh Government, carefully, and in a very considered manner, to work out what the next stage of the game is here. In my view, the next stage of the game must involve the Welsh Government more than it currently does. That is for two reasons. One is because of the democratic importance of the media, which needs no further explanation. The other is that the media is a hugely important part of the creative economy of Wales.”¹⁴

23. Ron Jones said that ‘if Wales doesn’t make its case we will lose out’ and that the Welsh Government ‘should be able to find an intellectually coherent approach to demanding its involvement’. The IWA also raised concerns about this:

¹³ Oral evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

¹⁴ Oral Evidence, 13.10.2012, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

“Fundamental to the whole issue is the Welsh requirements. Unless we, this group and the Welsh Government strongly feed in a view about what those requirements might be, we are going to be by-passed.

“One of the fundamental things that we highlighted is the lack of capacity within Government to deal with this. We highlighted the fact that Ofcom had 140 consultations in the last year to 18 months, and I think that the Welsh Government responded to no more than four or five of them [...] that reflects the lack of capacity [...] Partly because it is not clearly devolved, people do not think, perhaps, that it is their responsibility. However, it has a huge impact on what we do. I go back to the fundamental issue that one of the problems is the divorce between responsibility for broadcasting and economic development. It is fundamentally naive and misguided to sustain that separation.”¹⁵

24. Professor O’Malley suggested that the Welsh Government, to counter the deregulatory thrust of policy expected in the Communications Bill, could establish a Communications Bill Research Unit, whose job would be to shadow the developments in the Bill, advise the Welsh Government, support Welsh MPs and peers during the passage of the Bill and to conduct the necessary research to ensure the UK Government gets full and detailed input from Wales.

25. When asked about the Welsh Government’s strategic response to the UK Government’s Communications Bill process, the Minister for Housing, Regeneration and Heritage said:

“The Welsh Government will also engage closely with DCMS on a number of these key issues and will continue to contribute constructively to ensure that the new Communication Act meets the needs of Wales.”¹⁶

26. He went on:

“All of the appropriate steps have been taken. There was the response to the consultation process last summer, and officials have had ongoing contact with DCMS since then.”¹⁷

¹⁵ Oral Evidence, 01.12.2011, <http://www.senedd.assemblywales.org/documents/s4635/1%20December%202011.pdf>

¹⁶ Media 43, <http://www.senedd.assemblywales.org/documents/s4729/Consultation%20Response%20-%20Media%2043%20-%20Huw%20Lewis%20AM,%20Minister%20for%20Housing,%20Regeneration%20and%20Heritage.pdf>

¹⁷ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

27. An accompanying official said:

“We think that we put forward a comprehensive response to the initial consultation, but as has been said, this is a process, not an event. The challenge for us is to remain alongside all of the work streams as they develop. It may be that we could be making more of a public noise. We are represented on the digital radio work stream because of our concern about the digital switchover. I do not think that this panel has given much consideration to our heavy involvement in the discussions around broadband roll out, because that is a key priority of the communications Bill and of the Welsh Government. We have been actively involved there. We have not been that active on the public service broadcasting side. We are not aware of there being a distinct agenda there yet, but we are in touch with DCMS officials, who keep us in touch with the developments as they come through.”¹⁸

Accountability, scrutiny and governance in general

28. A number of witnesses raised the issue of some form of devolution of broadcasting or media policy. The NUJ said that there is an urgent need to look at the whole issue of where powers over broadcasting lie:

“Drastic decisions relating to the future of the media in Wales have taken place recently without any consultation or consent among the Welsh people. How and by whom can the Welsh media be called to account? Issues of governance and scrutiny must be addressed as a matter of extreme urgency in order to protect the Welsh economy, Welsh livelihoods, cultural identity and to address the worsening democratic deficit in the country’s media.”¹⁹

29. Professor O’Malley said:

“It is now time that communications policy be devolved in large part to the Welsh Assembly Government acting through the National Assembly. It is perfectly possible to maintain essential economies of scale across the UK, and to allow for the proper implementation of any cross UK frequency and

¹⁸ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

¹⁹ Media 31,
<http://www.senedd.assemblywales.org/documents/s4717/Consultation%20Response%20-%20Media%2031%20-%20NUJ%20Wales.pdf>

funding issues, whilst at the same time allowing WAG and the NAFW a greater say in key issues.”²⁰

30. Professor Ian Hargreaves said:

“There is some enhanced federal opportunity available here [...] Devolution demands that the governance of public service broadcasting reflects, to a greater extent than perhaps was appropriate 10 years ago, the fact of the devolved Governments in Scotland, Wales and Northern Ireland.”²¹

31. Ron Jones emphasised that one of the main problems facing the Welsh media is a ‘lack of accountability to Wales’, which he said was unsustainable. With regard to the devolution of powers in this field, he said in written evidence:

“Whether broadcasting should be a devolved issue is a political judgment. However, there is a compelling case that the common interests of WG, the Assembly, our local broadcasters and the audience suggest that meaningful and effective scrutiny is better achieved at local level. In the case of Welsh-language broadcasting there are constitutional complications that make the argument even more compelling.”²²

32. He expanded on this in oral evidence to the Group:

“Realistically, it is not going to be politically deliverable. That is what I am saying on the devolution of broadcasting. Having said that, we have to accept that Wales, potentially, has huge advantages from a UK structure for public service broadcasting. Our people benefit enormously from public service broadcasting provided across the UK. So, there is always going to be that interconnection. My view is that we need to look at a structure that works for the whole series of significant rearrangements of broadcasting over the next several years, and that includes ITV’s licence, the future of S4C, the charter for the BBC and local television. Constitutionally—this will start with law and end up with politics—it is up to you as an Assembly and the Welsh Government to come up with a way that works for you. As a panel, with the help of the Ministers, we will shortly be looking at the present arrangement, and how they can be made to work better. This will only be possible by political good will from

²⁰ Media 08,
<http://www.senedd.assemblywales.org/documents/s4155/Consultation%20Response%20-%20Media%2008%20-%20Professor%20T%20P%20Malley.pdf>

²¹ Oral Evidence, 13.10.2011,
<http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

²² <http://www.senedd.assemblywales.org/documents/s4747/Media4-06-12p2.pdf>

London and Cardiff. It is not something that you or we have the power to impose. However, I sense that there will be no better time to try to get these arrangements in place.”²³

33. Ron Jones went on to say that recent developments with regard to S4C were an ‘interesting case study in how the present arrangements do not work for Wales and there are comparable narratives for ITV and the BBC as well’. For this reason, Ron Jones said that there is a ‘need to have in place robust agreement between London and Cardiff on a matter, not devolved but of central interest to the WG’. TAC similarly said:

“Although it is clear for now that the UK government will continue to have a role in S4C’s future, TAC would welcome the establishment of a more formal relationship between the DCMS and the WAG over S4C and Welsh broadcasting in general, in order to inform DCMS and keep regular review on the agenda [...] This relationship would also allow the Welsh Assembly Government to have a context in which to ask some important question [...]”²⁴

34. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that, while the Welsh Government does not think that responsibility for broadcasting should be devolved, the Government will ‘wish to raise with the UK Government how we can establish stronger links between S4C – and indeed the other broadcasters in Wales – and the National Assembly’. He also pointed out that there is a commitment in the *Programme for Government* to ‘press the broadcasters and the regulator to report on an annual basis to the National Assembly for Wales, with Ofcom, BBC/S4C, ITV, and Channel 4 reporting annually to a National Assembly for Wales committee’. With specific regard to devolving powers, he said:

“There has been much discussion recently about whether S4C and broadcasting in general should be devolved. The UK Government has not offered to devolve S4C from the UK Government. It would not make sense for us as a Government to be responsible for S4C without assurance that the appropriate funding was transferred as well from the UK Government.

²³ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

²⁴ Media 28,
<http://www.senedd.assemblywales.org/documents/s4714/Consultation%20Response%20-%20Media%2028%20-%20Teledwyr%20Annibynnol%20Cymu%20TAC.pdf>

However, the broadcasting landscape is changing rapidly and there is no guarantee that the structures currently in place will remain in the future.”²⁵

35. He elaborated on this in his oral evidence:

“We are very clear as a Welsh Government that we want to see better lines of accountability in terms of Welsh-based broadcasting, but this is not purely a question for the Welsh Government—this is a question for the Assembly as a whole. While broadcasting remains non-devolved, although I may be the Welsh Government Minister with responsibility for broadcasting issues, I have none of the levers of budgeting and control over those policies. So, it is a question of us as a Welsh public community—the Assembly, the Welsh Government, those partners out there, as well as the regulator—to start discussing how we can make a reality out of what is a cross-party commitment to better lines of communication and accountability—particularly with regards to S4C, but also with regard to the other broadcasters—and to put some flesh on those bones.

“That is what it boils down to: what do we want here in Wales? If we are talking about devolution, devolution of what exactly? If we are talking about accountability, accountability to whom and accountability of whom? There is not clarity. I will not pretend that there is a fixed Welsh Government view that has fallen out of the sky in the past couple of weeks that answers these issues. Again, that is why the group’s work is so important.”²⁶

Accountability with regard to the major broadcasting institutions

36. One criticism of the major broadcasting institutions in the UK was that they have not responded to devolution in terms of their structures and approach to the nations. Eurnyn Ogwen Williams said:

“One of the problems with the traditional institutions that are responsible for the media in Wales at the moment is that they have not lived through devolution yet. They are still living in the early 1990s, and the early 1980s,

²⁵ Media 43,
<http://www.senedd.assemblywales.org/documents/s4729/Consultation%20Response%20-%20Media%2043%20-%20Huw%20Lewis%20AM,%20Minister%20for%20Housing,%20Regeneration%20and%20Heritage.pdf>

²⁶ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

in some cases. They certainly have not come through 1999 yet. Realising that is vital.”²⁷

37. Professor Steve Blandford said:

“There are ways within existing structures, such as exploring the question of the BBC Trust having a Welsh sub-committee, and there being a requirement for a Welsh member of the Ofcom board and so on. However, perhaps beyond the scope of a specific communications Bill, there is quite a strong case for devolved powers over aspects of broadcasting and media regulation that go well beyond the scope of the current debate.”²⁸

38. In this context, Ron Jones said that the public service broadcasters should define their exact commitments to Wales:

“It is my belief that the position of WG should be that all Public Service Broadcasters should make an explicit commitment to defining their responsibilities and commitments to Wales and we need to ensure that these are developed through an open and public discussion of the issues involved.”²⁹

39. He said that these statements of accountability should be made ‘over and above’ the broadcasters’ UK and statutory responsibilities, and that due to its importance as a public service in Wales, an agreement with the BBC is most urgent. The IWA similarly said:

“[...] it would be great if the Welsh Government could pursue and develop a formal framework for accountability, in as much as that would be possible, whereby the broadcasters, regulators and others would report formally to the National Assembly about progress on an annual basis. That formal framework is not in place, but given both the cultural and the economic development imperatives, we think that it would be fully justified.”³⁰

40. On this issue, Ofcom said:

“The Ofcom Chairman and Chief Executive have previously offered to appear before a National Assembly scrutiny committee on an annual basis

²⁷ Oral Evidence, 13.10.2011, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

²⁸ Oral Evidence, 13.10.2011, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

²⁹ <http://www.senedd.assemblywales.org/documents/s4747/Media4-06-12p2.pdf>

³⁰ Oral Evidence, 01.12.2011, <http://www.senedd.assemblywales.org/documents/s4635/1%20December%202011.pdf>

to answer questions on developments within our remit. We would welcome a similar move by public service broadcasters if they chose to accept an invitation to appear before an appropriate scrutiny committee of the National Assembly for Wales and if they chose to submit a report on their responsibilities and commitments towards Wales.”

41. The Welsh Government’s *Programme for Government* includes a commitment to press broadcasters and Ofcom to report annually to the National Assembly. When asked how that commitment would be delivered, the Minister for Housing, Regeneration and Heritage said:

“I cannot deliver it myself.

“[...] I cannot instruct civil servants to make that happen. That is not my relationship with broadcasting. It is non-devolved. The Welsh Government could seek the wider support of the Assembly, because the line of accountability does not lead directly to me as a Minister. I am not the accountable Minister.

“The Assembly as a whole is the body to which the line of accountability extends—the Assembly’s committee system in particular. If and when broadcasting is devolved, you will have a Minister in the Assembly to push those buttons, but that situation does not exist at the moment.”³¹

Establishing a working group/committee

42. The IWA said that a working group should be established to bring forward proposals for the devolution of some responsibilities within the media and broadcasting sectors – within a UK framework. Priority should be given to responsibility for S4C, community radio and commercial radio licensing in Wales. The IWA said that the Welsh Government should work to secure a cross-party consensus on any proposals that emerge from that work.

43. Professor Thomas P O’Malley similarly said that:

“In the medium term there should be a publicly funded independent advisory body, a kind of Standing Commission on Communications. It should be funded by WAG, but established so that it can act independently. It could consist of representatives, appointed by as democratic a method as possible, of people with interests and specialisms in the area, as well as people from organisations in civil society. Its job

³¹ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

would be to analyse policy, consult widely on it and act as an independent source of advice to the politicians, a kind of counterweight to the industry lobby and the regulator, Ofcom.”³²

44. He also said that there should be responsibility on the National Assembly itself to establish a committee with the power:

“[...] to conduct on going, independent research into the media in Wales and media policy. This could feed into public debate over the forthcoming Communications Bill by engaging in widespread consultation. It could also examine in detail the ways in which powers over communications could be devolved to Wales. This should be done immediately by NAFW with WAG’s support.”³³

The need to map and monitor the Welsh media

45. The IWA told the Group that, in their view, there is an urgent need to establish systems that will generate continuing debate on media policy in Wales. These systems should also create autonomy in governance and lead to executive action. They should incorporate Welsh and UK Ministers, the Assembly, regulators, broadcasters, producers and Welsh civil society. The IWA also said that Wales need to urgently develop a cohesive response to specific technological, content and funding issues around the media. As a foundation for this, they suggested that the Welsh Government should commission a full review of the needs of Wales in terms of broadcast and online services and developing technologies.

46. Ron Jones similarly talked about conducting a review of the needs of Wales:

“The next 2 years will see a Communications Act, new BBC charter and license discussions, renewal of ITV licenses and PSB obligations, new local TV services, realignment of Ofcom’s regulatory responsibilities and the handing over of S4C’s funding to the BBC. If Wales doesn’t make its case we will lose out.

“For each of these WG should be able to find an intellectually coherent approach to demanding its involvement. In particular, it could initiate a review of what the television and allied needs are in Wales and this review

³² Media 08,
<http://www.senedd.assemblywales.org/documents/s4155/Consultation%20Response%20-%20Media%2008%20-%20Professor%20T%20P%20Malley.pdf>

³³ Media 08,
<http://www.senedd.assemblywales.org/documents/s4155/Consultation%20Response%20-%20Media%2008%20-%20Professor%20T%20P%20Malley.pdf>

should be the starting point for our dealings with broadcasters and other UK authorities.

“As a country we need to identify those elements of television required for specifically Welsh cultural, linguistic, social or democratic reasons. Such a review should be initiated and agreed after full public consultation and the involvement of all key stakeholders.

“The result of such a review would inform our policy for public service broadcasting and be the base upon which we ensure that, in addition, this broadcasting is structured to provide the maximum economic benefit.”³⁴

47. The NUJ stressed that there should be continued scrutiny of the Welsh media by both Assembly and Westminster committees, with joint committees if necessary. The UK management responsible for Welsh media outlets should appear before and be accountable to these committees. It said that arrangements should also be made to compile accurate statistical data on the current state of the Welsh media.

Our View

48. It is clear that the media in Wales face a number of challenges over the coming years. We can expect a number of legislative and regulatory changes, including the relicensing of the Channel 3 licenses; a new Communications Act by 2015; and the renewal of the BBC Charter in 2016-17.

49. These changes will give rise to a number of issues that will directly affect Wales, including: the statutory foundations of S4C; television production quotas for the public service broadcasters; radio licensing, localism and the ability to impose language requirements; the future shape of community radio; cross-media ownership rules; a regulatory framework that acknowledges the convergence of television and the internet; and future requirements for impartiality and balance.

50. Meanwhile, technology is moving so quickly that it is difficult to anticipate how the media landscape will look in the next decade.

51. It is in this context that the Group has considered the issue of strategic direction and accountability.

³⁴ <http://www.senedd.assemblywales.org/documents/s4747/Media4-06-12p2.pdf>

Strategic Direction

52. The evidence the Group heard suggests that there is a perception that the Welsh Government is not sufficiently involved in media policy. In terms of policy areas that are non-devolved, we acknowledge that the Welsh Government finds itself in a difficult position. This is an issue of accountability, and we address this issue in the next section.

53. We heard concerns that the Welsh Government does not have sufficient capacity to be able to develop a full understanding of the media in Wales, which would allow it to inform media policy for the future. Other concerns raised with us included the lack of a holistic approach and a perception of a lack of joint working across Welsh Government departments e.g. Business Economy and Transport and Heritage.

54. In our view, the Welsh Government has taken a number of positive actions to address these issues, including the establishment of the Creative Industries Sector Panel and its subpanel on broadcasting, which is intended to advise both the Business and Heritage departments. We feel that the Welsh Government should continue to take steps to improve such joint working.

55. However, given the nature and number of the challenges facing the media in Wales, we feel that there is a need for a mechanism to provide an overarching, strategic direction; to be able to anticipate what the media landscape will look like in future and to inform policy direction accordingly; and to provide expert advice to Welsh Government Ministers.

56. We do not believe that the Welsh Government has the capacity to meet these needs, nor do we believe it is reasonable to expect it to be able to do so, given that powers in these areas are not devolved. For this reason, we believe that an independent advisory forum should be established, to take a strategic, holistic view across all of the media in Wales, and to be able to provide independent policy advice to the Welsh Government and its sector-specific panels. This forum should be established as soon as possible, in consultation with stakeholders across the media sectors, in order to be able to provide advice on a strategic approach to the forthcoming legislative changes, particularly the Communications Bill.

57. We recognise that the establishment of the forum will have financial implications. We fully accept that, in times where budgets are under significant pressures, it is difficult to justify the introduction of measures which will incur additional costs. However, we feel that, given the importance of the media sector

to the culture and economy of Wales, such an investment will bring significant benefits over time.

58. During the course of our inquiry, we heard evidence of the need to map the needs of Wales in terms of the media. We were persuaded that this is an appropriate approach and would provide a sound basis for Welsh Government dealings with broadcasters, providers and the UK Government, particularly in relation to forthcoming legislative and regulatory changes. It would also provide a starting point for the work of the independent forum. We are therefore recommending that the Welsh Government should commission a review of the needs of Wales in terms of the media.

Recommendation 1: The Welsh Government should establish an independent forum to advise on policy in relation to the media in Wales. The forum should draw on expertise from across the media sectors. Its purpose should be to look to the future and to advise on matters across all sections of the media.

Recommendation 2: The Welsh Government should commission a review to map the media needs of the people of Wales. This review should inform media policy across all sectors, including existing and developing technologies.

Recommendation 3: The Welsh Government should ensure that it engages fully and proactively in the Communications Bill process, to ensure that the Bill reflects the needs of Wales.

Recommendation 4: The Welsh Government should continue to strengthen linkages across Government departments to ensure that the maximum benefit, economic and cultural, can be drawn from the media sectors.

Accountability

59. Clearly, accountability and the perception of a lack of accountability, was a key issue for the majority of witnesses. Indeed, a number of witnesses said that the current arrangements were not sustainable.

60. A number of witnesses raised the issue of some form of devolution of broadcasting or media policy. We believe that the devolution of media policy should be considered in the longer term, but we feel that the issue that needs to be addressed most urgently is the lack of accountability.

61. We acknowledge that media policy, particularly broadcasting, is not devolved, but these issues are of central importance to Wales and the Welsh Government, in terms of culture and economy. During the course of our inquiry, we heard evidence of the difficulties for the Welsh Government in terms of engaging with the UK Government on broadcasting and media issues. This is exemplified by the decisions taken in relation to S4C, local TV, and the approach to the Communications Bill. We feel that this relationship needs to be strengthened to address a deficit of democratic accountability. We therefore believe that, as a matter of urgency, the Welsh and UK Governments should develop a protocol for dealing with non-devolved issues relating to the media in Wales. We would ask the relevant Minister to report back on progress at the earliest opportunity.

62. In terms of accountability to the Assembly, a number of witnesses told the Group that it was important that public service broadcasters and the regulator should report to the Assembly. We were pleased that Ofcom reiterated their offer to appear before an Assembly Committee on an annual basis and that the public service broadcasters themselves were broadly supportive of the proposal.

63. Therefore, we feel that, as a positive step to increasing accountability, public service broadcasters and the regulator should be invited to appear before an Assembly Committee on an annual basis. As part of this process of reporting to the Assembly, each public service broadcaster should outline their responsibilities and commitments to Wales.

64. Furthermore, we feel that other media organisations play such an important role in the cultural and economic life of Wales, such as Media Wales, NWN and others that they too should be invited to appear before an Assembly Committee on an annual basis.

Recommendation 5: As part of its role, the independent forum should keep under review the issue of the devolution of broadcasting in Wales and advise the Welsh Government as appropriate.

Recommendation 6: The Welsh Government should develop a protocol with the UK Government for dealing with broadcasting issues which are not devolved.

Recommendation 7: A relevant Assembly committee should, on an annual basis, invite Ofcom, public service broadcasters, and other key providers in the media, to report to the committee on their responsibilities and commitments to Wales.

3. Issues around individual broadcasters and media forms

Introduction

65. This chapter will examine issues raised with the Task and Finish Group in relation to the following specific areas of the media:

- The future of the BBC in Wales;
- The future of S4C;
- Ofcom;
- ITV Wales and the future of the Channel 3 licence in Wales;
- Channel 4;
- The independent production sector;
- Radio;
- The print media in Wales; and
- Local television.

The future of the BBC in Wales

66. In October 2011, the BBC announced its *Delivering Quality First* initiative. BBC Wales told the Group that the key implications of the *Delivering Quality First* initiative are that:

- BBC Wales says it will try to protect programmes as far as possible, with 'reinvestment in political, specialist and agenda-setting journalism';
- the volume of daily news produced by BBC Wales will not be reduced, with additional correspondents appointed in some cases;
- reductions will be targeted at programmes outside peak hours, especially on BBC Two Wales;
- overall, between 110 and 125 posts will be closed, with between 18 and 24 new posts created.

67. Other developments with regard to BBC Wales include:

- the BBC has recently opened its new drama production facility at Roath Lock;
- the BBC says it ‘recognises the need to develop portrayal and representation of Wales on network services’;
- The BBC is currently developing plans to unite and integrate its content across all media platforms on an UK level;
- a ‘nations editions’ of the bbc.co.uk website will be rolled out soon;
- the BBC believes that the challenge for Welsh language content is to grow usage on platforms dominated by a global international language. Welsh content must add value rather than replicating content available elsewhere.

68. According to the NUJ, BBC Wales has ‘an increasing obsession in producing network output rather than the representation [of Wales] on screen, air and the web’. Ron Jones claimed that the BBC sees itself primarily as a British broadcaster, with the nations and regions only a small part of the BBC’s journalism division. Welsh influence at senior level is ‘not great’.

69. The IWA was critical of the lack of data about BBC’s output and expenditure within the nations:

“We recommend that the BBC should take immediate steps to improve the consistency, comparability and transparency of data on output and expenditure within the nations. We believe that the Task and Finish Group and Welsh Government Ministers should press this matter with the BBC Trust [...]

“Data on the content spend on each BBC Wales service is contained in BBC Wales management’s annual review available on its website. Comparable data for BBC Scotland and BBC Northern Ireland is not carried in their own annual reviews or websites.”

70. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that the BBC’s *Delivering Quality First* initiative ‘represents a potentially disproportionate threat to the BBC’s local services in Wales’. He said that the Welsh Government believes that there should be ‘clear commitment to safeguarding and strengthening’ the BBC’s core services for Wales.

71. The Minister also said that the Welsh Government does not see the development of Cardiff as a centre for BBC network drama production as a justification for reducing the BBC’s investment in local services, and as such the

Welsh Government 'will do everything we can to help in securing a sustainable and vibrant future for the BBC in Wales'.

Our View

72. In terms of BBC Wales, we recognise that the organisation is dealing with significant cuts to its funding and that decisions need to be taken in relation to where resources will be targeted. The Delivering Quality First initiative sets out the organisation's approach.

73. We welcome and support the Ministers' views on the BBC, and echo his statement that there should be a clear commitment from the organisation to strengthening its local, Welsh services. We also support the comments that the development of network productions should not be to the detriment of investment in local services.

74. As the largest public service broadcaster, the organisation has a responsibility to reflect the lives of the people of Wales. It is also vital that BBC Wales' political coverage continues to evolve as the political landscape changes e.g. after the Assembly referendum, or as the differences between Welsh Government and UK policies in devolved areas become more pronounced. We are concerned that budget cuts in BBC Wales may have a significant impact on coverage of politics that affects Wales. We fear that this, over the longer term, will contribute to a so-called democratic deficit. As described in Chapter 1, we would expect BBC Wales and the Trust to appear before an Assembly Committee on an annual basis. As part of that process, we would expect the Committee to keep all of the issues raised in this section under review.

Recommendation 8: The Assembly Committee should keep under review the amount of political coverage provided by BBC Wales, particularly in the light of budget cuts in relevant departments.

The future of S4C

75. On 25 October 2011, the BBC Trust, the S4C Authority and the DCMS announced that an agreement had been reached on the future funding, governance and accountability of S4C until 2017. According to the BBC, this 'will protect the editorial and managerial independence of S4C, whilst safeguarding appropriate accountability to the BBC Trust for licence fee funding spend by the service'.

76. In evidence, Cymdeithas yr Iaith expressed concern that the arrangement between the BBC and S4C could lead to competition for funding between Welsh

and English language content. This could create tension and conflict and would be a huge backwards step.

77. Ron Jones said that S4C had ‘spent its life in a limbo half-way between London and Cardiff, not really accountable to either. WG has not been adequately involved and DCMS was always going to have difficulties monitoring a body whose services were in a language it did not understand’.

78. According to Equity:

“We also believe that there is an absolute need for the S4C Authority to be fully accountable and that the National Assembly through some mechanism, be it a Broadcasting Commission or Committee, should develop scrutinising powers. S4C affects so many people’s lives in Wales so often and so fundamentally that for the Welsh Government to have no direct say in what it does or how it operates is absurd.”³⁵

79. Telegop referred to the difficulties S4C and its producers will face as a result of the latest cuts:

“Turning to S4C, the recent huge cuts are very dangerous to the sector’s economy, jobs for Welsh speakers and the nation’s self respect. Bearing in mind that S4C has been brave and at the forefront in embracing and investing in the digital technology since 1998, with independent companies sacrificing profit and growth in order to create a full channel for Welsh speakers, the latest financial blow is immense”³⁶

80. However, it did voice some optimism as to the future:

“One of Ian Jones’ clear advantages as Chief Executive is his experience in the field of coproduction and the sale of programmes [...] We hope that it will be possible to get some kind of balance, with opportunities to take advantage of co-production finance in order to increase the value on screen - but by keeping those serieses that are crucial to us as a nation.”³⁷

³⁵ Media 21,
<http://www.senedd.assemblywales.org/documents/s4167/Consultation%20Response%20-%20Media%2021%20-%20EQUITY.pdf>

³⁶ Media 18,
<http://www.senedd.assemblywales.org/documents/s4164/Consultation%20Response%20-%20Media%2018%20-%20Telegop.pdf>

³⁷ Media 18,
<http://www.senedd.assemblywales.org/documents/s4164/Consultation%20Response%20-%20Media%2018%20-%20Telegop.pdf>

81. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that it welcomed the agreement between the BBC Trust and the S4C Authority, but said that the priority should now be delivery. He also called again for an independent review of the channel, commissioned jointly by the UK and Welsh Governments.

82. Cymdeithas yr Iaith emphasised that S4C's value should not be measured merely by viewing figures, but rather by its overall contribution to the Welsh language. Similarly, S4C should be more aware of the contribution it can make to community regeneration and the sustainability of Welsh communities. Cymdeithas yr Iaith also said that as technology develops, people's consumption patterns change and the Welsh language must be a part of the new media ecosystem or it will become irrelevant to young people. S4C's remit should therefore be expanded to include digital media, and it should receive additional resources towards this.

Our View

83. It is clear that S4C has been through a difficult time. However, the evidence we received suggests that the broadcaster is now in a more stable position. Issues have been raised by a number of commentators about the funding of the channel.

84. We do not feel at this stage, that the funding mechanism is a cause for concern, but we feel that the approach needs to be kept under review and would expect the Communities, Equality and Local Government Committee to do so as part of its annual work on media issues.

Recommendation 9: The Assembly Committee should keep under review arrangements for funding S4C to ensure that the funding settlement is appropriate; and keep under review any future proposals to change the nature of the settlement.

Ofcom

85. Ofcom explained to the Task and Finish Group how it has sought to adapt to rapid technological changes over recent years, in the context of its two reviews of public service broadcasting. The first public service broadcasting review (completed in early 2005) concluded that regional news was the most important element of provision for audiences in the devolved nations, and that the needs of the devolved nations with respect to non-news were distinct from those of the English regions. Nevertheless, it did propose a reduction in the minimum requirement for regional non-news programming on Channel 3 from four hours to three hours a week in the devolved nations.

86. A second public service broadcasting review was initiated in 2007 to respond to rapid changes in the media landscape. The review concluded that the BBC should remain the cornerstone of public service broadcasting content, and although public service broadcasting provision for the nations and regions on Channel 3 was still valued, Ofcom agreed to reduce the minimum requirement for news on ITV Wales from five hours 20 minutes to four hours per week, and the minimum requirement for non-news from three hours to 1.5 hours. The review proposed new possible public service broadcasting models for the digital age, which would all require significant changes to the existing legislative framework.

87. In their evidence, Ofcom also referred to the Welsh Government's Broadcasting Advisory Group which recommended in 2008 the creation of a Wales Media Commission. This Commission would be allocated spectrum and would invite competitive tenders for content, with the option of creating an English language television channel for Wales. The Commission would be funded from a public service content fund for Wales, at around £50m per year. Ofcom said that its approach in looking at the funding of nations' news in its second public service broadcasting review was 'closely aligned to this funding agency model with a focus on ITV Wales as a medium for delivery'.

88. Since the second public service broadcasting review, Ofcom acknowledged that technological innovations and the growth of the digital terrestrial television (DTT) platform have again increased viewer choice and competition for viewers. However, it stated that 'the demand for linear television – including public service content – has remained resilient despite the pace of technological change and growth in viewer choice'.

89. Ofcom warned that 'it is possible that the commercial networks' reliance on advertising revenue could threaten the sustainability of the public service licences in the years to come'. It went on to outline a number of issues that will be relevant over the next few years as developments and trends change:

- there will be structural changes including the further fragmentation of TV audiences and growth in online demand/online viewing;
- there is an increased likelihood that IPTV (internet television) will compete with broadcast services;
- the focus of government policy is on the creation of a strong local media sector which has the potential to play a significant role in the delivery of public service purposes.

90. Certain witnesses were critical of Ofcom with regard to the way its activities have impacted on Wales. Professor Thomas P O'Malley said:

“One of the fundamental problems that face people trying to reform the governance of the media in Wales has been Ofcom. It prioritises the interests of industry over the interests of the public; in spite of the fact that its terms of reference were altered as a result of public campaigning to make it promote the interests of citizens. It is staffed at the highest levels by people with a particular, market orientated view of what how the media should be run, a problem that has blighted the development of policy ever since. Like the government in Westminster, where Ofcom is concerned, there is a distinct sense that policy is made by a very few people, with a clear set of values, conducted under a smokescreen of consultation. The Welsh Government should seek to consult as widely as possible so as to discover and support measures to democratise the governance of Ofcom and to broaden both its remit.”³⁸

Our View

91. As described in Chapter 2, accountability is a key issue in relation to the media in Wales. This Group welcomes the commitment from Ofcom to appear before the relevant Assembly Committee each year to report on its activities. We would expect the Assembly Committee to keep under review issues such as the requirements of the Channel 3 License as part of that process.

92. We address issues in relation to radio licensing under the section on Radio and the Channel 3 licence under paragraphs 100-106.

ITV Wales and the future of the Channel 3 licence in Wales

93. ITV emphasised to the Group the importance of ITV's contribution in terms of ensuring plurality in news provision in Wales. It said that ITV Wales employs almost 100 people and delivers four hours of news and 90 minutes of non-news every week. This is much less than in previous years, but ITV explained that the digital age means 'things are far less straightforward' now than they were under the old analogue broadcasting system.

94. The current Channel 3 licences expire in 2014. ITV is currently a year into its five-year Transformation Plan and will be in discussions with the UK Government and Ofcom over the coming months regarding the Channel 3 licence proposals

³⁸ Media 08,
<http://www.senedd.assemblywales.org/documents/s4155/Consultation%20Response%20-%20Media%2008%20-%20Professor%20T%20P%20O'Malley.pdf>

post-2014. According to ITV, it will be looking for regulatory certainty and stability so that broadcasters ‘can take creative risks and make the investment to support PSB delivery’.

95. Ron Jones told the Task and Finish Group that ITV ‘is in practice accountable to politicians only at the time licences are renewed’. In this context:

“Ofcom has barely attempted to protect the PSB requirements of Wales and licence conditions have been relaxed to a point where the service is of marginal benefit, economically or in the Welsh content of its broadcasts.”³⁹

96. Ofcom said that on 1 July 2011, the DCMS asked it to provide advice to the Secretary of State about the options for relicensing Channel 3 (and Channel 5, which takes place at the same time). It said that the Secretary of State had three options in this regard:

- he can instruct Ofcom to proceed with the renewal process which could result in awarding ten year licences to the existing licences from 1 January 2015;
- he can block licence renewal, leaving Ofcom to award vacant ten year licences to new licensees from 1 January 2015;
- he can choose to extend the existing licences for a period of his choosing, at any time.

97. Ofcom said that it was aware of the ‘preference for a structure with a separate Channel 3 licence for each nation’ and that it ‘accept[ed] the argument for creating a separate licence for Wales’. Glyn Mathias on behalf of Ofcom’s Advisory Committee for Wales further said:

“We would like the opportunity for ITV’s programme offer for Wales to be subject to challenge – in other words, to see whether other providers could improve on the quality and range of programming which ITV Wales has to offer. For that to be possible, now or at a later stage, there has to be a separate licence for Wales, which, if necessary, could be auctioned separately from the rest of ITV’s C3 licence.

“It remains possible that ITV can be persuaded to agree to a separate licence for Wales, but if not, this should be a matter for inclusion in the forthcoming Communications Act.”

³⁹ <http://www.senedd.assemblywales.org/documents/s4747/Media4-06-12p2.pdf>

98. The IWA recommended to the Task and Finish Group that the current ITV licences should be extended for two years to allow for the passage of the Communications Bill, with a national licence for Wales introduced thereafter.

99. According to the Minister for Housing, Regeneration and Heritage, the Welsh Government is currently 'far from clear about the long term pattern of ITV services in Wales'. It will 'continue to push to maintain the existing plurality of public service broadcasting and press the UK Government that the existing provision by ITV [...] should be the minimum condition for ITV's licence renewal'.

Our View

The Channel 3 Licence

100. As described in Chapter 2, one of the key issues for the media in Wales, particularly public service broadcasting, will be the relicensing of the Channel 3 licence.

101. It is clear from the evidence that, while Ofcom has emphasised the importance of the provision of regional news and content in the devolved nations, in practice the public service broadcasting requirements in the licence have been reduced significantly and repeatedly. While there may be legitimate reasons for this course of action, it remains a cause for concern for this Group.

102. We do not feel that it is sustainable for the current provisions in the Channel 3 licence relating to Wales to be reduced further. We feel that any such reduction would have a significant and detrimental impact on the plurality of public service broadcasting provision in Wales.

103. We note and support the Minister's view that maintaining current levels of provision must be the minimum condition for renewal of the Channel 3 licence.

104. This Group accepts that it is difficult, particularly in a fast moving sector such as the media, for licence holders to accurately predict the commercial pressures it will be subject to in the longer term. We also accept that, given such uncertainty, it is appropriate for such licences to be reviewed from time to time.

105. However, we feel that there needs to be clarity about the commercial sustainability of the current licence provisions. If ITV does not believe that those current requirements are commercially sustainable, we believe that ITV should make that clear in advance of any decision by the Secretary of State in relation to renewal or relicensing. Further to this, ITV should be able to demonstrate a

strategy for delivering the current requirements over the period of the licence, should the Secretary of State decide on renewal of the licence.

106. We reiterate that we do not believe that the current provisions can be reduced without having a significant impact on plurality in Wales. If the view of the licence holder is that maintaining the current provisions is not commercially sustainable, we believe that it would be appropriate for the Welsh Government to explore opportunities for the introduction of a new, Wales-specific licence that is commercially sustainable and that meets the needs of the people of Wales.

Recommendation 10: The Welsh Government should make representations to the UK Government and Ofcom for the current Channel 3 licence provisions to be the minimum requirement for renewal of the licence.

Recommendation 11: The Welsh Government should explore opportunities, at an appropriate time, for the introduction of a Wales-specific Channel 3 licence.

Our View

ITV Wales

107. We welcome the fact that ITV recognises that the requirements of Wales are unique in terms of public service broadcasting, and the commitment from ITV that it wishes to continue to support programme making in Wales. We note the evidence from ITV that, in terms of the relicensing process, it requires stability so that planning around public service broadcasting delivery can take place. We have some sympathy with this position. We also note that ITV has embarked on its five-year Transformation Plan, which it believes will provide a clear provision for the future.

108. Given ITV's history as a public service broadcaster in Wales, its investments in content and technology, and the fact that it employs nearly 100 people, we accept that it is important that ITV Wales is not subject to unnecessary uncertainty, in terms of the options in relation to the renewal or relicensing of the Channel 3 licence.

109. We believe that Ofcom should continue to work with ITV to ensure that the requirements in the Channel 3 licence meet the needs of the people of Wales, and acknowledge that this must be balanced with commercial sustainability. As described in paragraphs 100-106, we believe that clarity is needed from ITV on whether or not the requirements in the current licence, which we believe should be a minimal requirement for renewal, are commercially sustainable.

110. As with other public service broadcasters, we would expect ITV to appear before the Assembly Committee on an annual basis, and to outline its responsibilities and commitments to Wales as part of that process.

Channel 4

111. In its paper to the Group, Channel 4 outlines its activities in Wales, referring to several series which it has commissioned from independent producers based in Wales. It also states that a total of 12 Welsh companies are currently supported by its Alpha Fund (to develop new ideas for the channel). However, it does note that it is eager to do more, stating that there are certain difficulties in Wales in this regard:

“Channel 4 is currently liaising closely with the Welsh Assembly Government to establish dedicated support for Welsh companies through the Alpha Fund. Earlier this year Channel 4 signed a strategic partnership with Creative Scotland, in which they committed £100,000 to the Alpha Fund to invest in Scottish-based talent. This reflects Channel 4’s commitment to developing relationship with partner agencies across the UK, and it is keen to establish a similar partnership in Wales.

“[...] Channel 4 would note that Wales differs to other parts of the UK as it does not have a dedicated external agency with responsibility for developing a cohesive strategy for the creative industries. This means that at times there is less clarity over the key points of contact, or access to the range of funding and expertise that organisations such as Creative Scotland, Creative England and Northern Ireland Screen are able to provide. In particular, Channel 4 has traditionally worked with a diverse range of screen agencies to host networking events, briefing sessions and master classes in creative hubs across the country. However, Channel 4 has found it more challenging to reach out to the creative community in Wales in this way, and would find it useful if there was a dedicated team tasked with facilitating these kinds of engagements.”⁴⁰

Our View

112. We note the evidence from Channel 4 about its support for companies in Wales. However, we have some concerns about the perceived lack of clarity in terms of a strategic mechanism to facilitate Channel 4’s work with such companies. We would therefore ask the Welsh Government to explore ways to

⁴⁰ Media 09, <http://www.senedd.assemblywales.org/documents/s4156/Consultation%20Response%20-%20Media%2009%20-%20Channel%204.pdf>

work more effectively with Channel 4 to put in place mechanisms to support companies in Wales.

Recommendation 12: The Welsh Government should explore ways to work more effectively with Channel 4 to support Welsh companies.

The independent television production sector

113. Teledwyr Annibynol Cymru (TAC) told the Group:

“The indie TV sector is doing fairly well at present, but the recent uncertainty around the future of S4C, combined with changes in S4C’s commissioning strategy, have created problems in terms of companies being able to develop sustainable business plans.”⁴¹

114. Telesgop also said that the picture was not all negative as far as the Welsh independent production sector was concerned:

“Amongst the continuous negativity it is essential to draw attention to the sweeping successes of the independent sector in Wales despite the difficult challenges. All in all, companies managed to grow to become important and robust companies, not only in terms of size, but in terms of skills, standard and respect in the world-wide industry. This proves how able and multi-talented the sector is and provides sound evidence that the sector is worth protecting.”⁴²

115. Telesgop also rejects the Hargreaves report’s criticism that not many Welsh independent companies have managed successes outside of Wales. However, recent negative developments in this sector include:

- an announcement by Boomerang Plus in October 2011 about proposals to make 20 staff redundant, citing it as a direct consequences of the cuts in programming that will be made by BBC and S4C.
- an announcement by Tinopolis in February 2012 that 38 staff would be made redundant as a result of cuts by S4C to its budget for daytime programmes.

⁴¹ Media 28,
<http://www.senedd.assemblywales.org/documents/s4714/Consultation%20Response%20-%20Media%2028%20-%20Teledwyr%20Annibynol%20Cymu%20TAC.pdf>

⁴² Media 18,
<http://www.senedd.assemblywales.org/documents/s4164/Consultation%20Response%20-%20Media%2018%20-%20Telesgop.pdf>

Our View

116. We note the evidence we received on this issue. We feel that, while it is too early to ascertain the level of impact that budget cuts for broadcasters has had on the independent production sector in Wales, the Creative Industries Sector Panel should keep this issue under review.

Recommendation 13: The Welsh Government should keep under review the impact of budget cuts on the independent television production sector and identify new ways of providing the sector with advice and support.

Radio

Technological infrastructure and coverage

117. Ofcom drew attention to current issues facing Wales with regard to radio:

- Radio Cymru's FM service covers 94.8 per cent of the population, but as Radio Wales began primarily as an AM network, its FM coverage reaches only 68 per cent of the population;
- 55-60 per cent of people in Wales are currently unable to receive BBC Radio Wales or BBC Radio Cymru on DAB (digital radio), while 70 per cent of Welsh speakers cannot receive BBC Radio Cymru on DAB. This is despite the fact that there is 80 per cent coverage for the BBC network radio stations in Wales;
- Wales's topography means that FM and especially DAB coverage is difficult, which means that AM reception in cars will continue to be important for the foreseeable future;
- there are currently nine licensed community radio stations on air in Wales, and a third round of licensing was announced by Ofcom in April 2011. However, it will not be possible to launch new services in several areas of Wales, including Newport and Swansea, due to a shortage of available frequencies.

118. According to the IWA, a radio transmission strategy is needed that takes proper account of Welsh topography and enables Wales's national radio services to compete with UK services.

DAB in Wales and digital switchover

119. Ofcom drew attention to the specific problems facing Wales in terms of DAB radio. Listeners in the larger conurbations in south Wales are able to receive UK-

wide BBC and commercial stations on the main nationwide multiplex, as well as BBC Radio Cymru, BBC Radio Wales and local services through a local multiplex. However, as there are no local multiplexes serving north or mid Wales, and as Radio Wales and Radio Cymru are considered local stations and are therefore not available on the UK nationwide multiplex, many listeners in Wales are unable to receive these stations on DAB. According to Ofcom:

“[...] in response to concerns expressed by The Welsh Government, the BBC Trust’s Audience Council for Wales and our Advisory Committee for Wales, regarding the coverage of Radio Wales and Radio Cymru on DAB, we have, in recent years, prioritised the advertising of local commercial multiplexes for other parts of Wales.

“Furthermore, the UK Government has indicated that we will be given the power to extend the coverage area of local multiplexes into unserved areas without having to award new licences.”⁴³

120. In March 2011, the UK Government published a Digital Radio Action Plan to provide information on whether it should proceed with digital radio switchover. Ofcom issued a consultation on some of these issues in June 2011. It also told the Task and Finish Group that it had ‘confidence that DAB road coverage can be built to match FM’.

121. GTfm Community Radio told the Group that it is likely that most of the major radio stations will migrate to DAB-only delivery after 2015, and expressed concern that DAB is generally unsuitable for the digital conversion of smaller local stations (both commercial and community) due to the high transmission costs, unsuitable coverage and the lack of available multiplex capacity.

122. Cymdeithas yr Iaith said that the DAB model that the BBC chose for Radio Cymru and Radio Wales (whereby they share multiplex with local commercial radio rather than being on the national BBC multiplex) has caused enormous difficulties for Welsh listeners, with DAB reception still unavailable in large parts of the country.

123. According to Town and Country Broadcasting:

“It is important that the UK Government ensures that any migration from FM to DAB digital radio is only considered in Wales when digital radio listening in Wales is above 90%. Currently the UK Government's Digital

⁴³ Media 42, <http://www.senedd.assemblywales.org/documents/s4728/Consultation%20Response%20-%20Media%2042%20-%20Ofcom.pdf>

Radio Action Plan recommends that a decision on digital radio switchover should only be taken when 50% of all radio listening is via digital platforms and when national (i.e. pan UK) DAB coverage is comparable to FM, and that local DAB reaches 90% of the (UK) population and all major roads. FM radio remains a strong, universal platform because it is relatively cost effective, and for listeners it is free at the point of consumption. Wales must not be forced to follow UK-wide take-up rates since coverage and take up in Wales will always follow a slower path because of the need for more transmitters.

“If DCMS is keen to get DAB Digital Radio take-up in Wales in line with the rest of the UK, then a mechanism needs to be put in place that funds the transmitter build out from either the BBC or another party especially in areas where the cost of providing local DAB services is above the average when compared to other population centres in the UK.”⁴⁴

124. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that the Welsh Government had and would continue to emphasise to the UK Government that digital switchover to DAB radio should not take place unless there was a guarantee of 97 per cent coverage throughout Wales.

125. The Minister said that the ‘current problems in regards to receiving FM radio signal is naturally making us apprehensive about the implications of [the] intention to change to digital radio’. Asked whether he believed the UK Government would listen to his concerns about this, he said:

“I am not confident at all; I wish I could say that I was. We continue to make loud representations in this regard. The current situation as we know it is that the AM/FM coverage throughout Wales is far from what we would like it to be. If I recall correctly, I think that our stated position is that we would not support a digital switchover until 97% of the Welsh population were covered by the signal. We are lobbying for a situation where, post switchover, Welsh people would notice an improvement rather than the reverse. It would be a perverse situation to switch over to a new technology and deliver a worse service to fewer people. So, that is our clear position on that issue.”⁴⁵

⁴⁴ Media 11, <http://www.senedd.assemblywales.org/documents/s4158/Consultation%20Response%20-%20Media%2011%20-%20Town%20and%20Country%20Broadcasting%20Limited.pdf>

⁴⁵ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

The future of community radio

126. GTfm Community Radio highlighted the benefits and ease with which community radio could be expanded across Wales:

“The very low operating costs of this medium, coupled with the very real social benefits of high levels of community involvement/interaction make this an ideal vehicle for widespread deployment in Wales, but only if the Welsh Government (continues to) support it financially [...]”⁴⁶

127. GTfm Community Radio also emphasised that the Welsh Government could do more to support community radio stations by way of its advertising strategies:

“As well as continuing to operate its Community Radio Fund grant support scheme towards core station operating costs beyond the initial five-year period therefore, the Welsh Government could also demonstrate its support for Community Radio by automatically placing all its ‘public service’ radio advertising campaigns on all the Community stations in Wales, alongside commercial radio and TV. Advertising charges on community stations are usually only a fraction of those charged by the larger commercial stations so I’d guess that using all nine existing stations would still leave enough cash for commercial radio and TV campaigns.”⁴⁷

128. According to Town and Country Broadcasting:

“We would like to see the regulations on ownership relaxed in Wales. Community stations in Wales should be encouraged to partner with local commercial operators, with funds made available to commercial stations for training and community involvement. Commercial stations should be allowed to launch new community stations in areas of large population where the existing operator is not providing a full local radio service.

“The result would give the community and commercial sectors better relationships with each other and take out unnecessary duplication of costs. This would not only increase the skills bases but help prevent the

⁴⁶ Media 27, <http://www.senedd.assemblywales.org/documents/s4713/Consultation%20Response%20-%20Media%2027%20-%20GTfm.%20Community%20Radio%20Wales.pdf>

⁴⁷ Media 27, <http://www.senedd.assemblywales.org/documents/s4713/Consultation%20Response%20-%20Media%2027%20-%20GTfm.%20Community%20Radio%20Wales.pdf>

failure of this sector – deriving better return on public funds currently sent to Community Radio.”⁴⁸

129. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that the Welsh Government is currently providing £100,000 per annum through the Community Radio Fund to support community radio stations in their communities. However, a review of this fund was being undertaken to ‘determine any future support’. In oral evidence, the Minister said:

“I anticipate that the review will be completed in the first couple of weeks of February. I cannot give a commitment today as to the shape of future support; I cannot do so until the review has been completed. During very tough budgetary times, it will be important to take a step back when the review is complete to see what works. I have an instinctive sympathy with supporting community radio, but we need to ensure that we justify exactly how the fund operates.”⁴⁹

Commercial licences

130. Ofcom told the Group that it recognised that local commercial radio is expensive to deliver but that the public valued those services. As such, it had taken ‘active steps to reduce the regulatory burden on the commercial radio sector’ and had ‘attempted to align the analogue and digital regimes more closely’.

131. However, Town and Country Broadcasting was critical of Ofcom’s activities with regard to commercial stations, stating that new FM licences should be available in areas not currently served by local radio:

“We would like to see Ofcom encouraged to advertise as many new commercial licences as possible in areas not currently served by local commercial radio in Wales. We have been frustrated by Ofcom’s inability to progress this area.”⁵⁰

132. Cymdeithas yr Iaith highlighted how the Welsh language is becoming increasingly marginalised on commercial radio due to a lack of regulation and

⁴⁸ Media 11, <http://www.senedd.assemblywales.org/documents/s4158/Consultation%20Response%20-%20Media%2011%20-%20Town%20and%20Country%20Broadcasting%20Limited.pdf>

⁴⁹ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

⁵⁰ Media 11, <http://www.senedd.assemblywales.org/documents/s4158/Consultation%20Response%20-%20Media%2011%20-%20Town%20and%20Country%20Broadcasting%20Limited.pdf>

Ofcom's inability to impose conditions on stations relating to the use of the language. They said that 'local radio' as a term is in itself misleading as commercial companies from outside the area are the ones that often run those stations. In their view, only a Welsh regulatory regime could change this.

133. There has been specific controversy in this context with regard to obligations to provide Welsh language output. In July 2011, Ofcom rejected an application from Radio Ceredigion to change the requirement that the station's bilingual output should equate to roughly half English and half Welsh provision. However, in October 2011, the Ceredigion licence was fully re-advertised without any condition to provide Welsh language content. Ofcom was quoted saying that it did not have the power under the *Communications Act 2003* to oblige radio stations to include Welsh language content when it was advertising licences from anew.

Our View

Coverage

134. We note the evidence in relation to problems with FM and DAB coverage in some areas in Wales. It is clear that FM transmission needs to be strengthened and Ofcom should be encouraged to continue to look at specific issues e.g. problems arising from the topography of Wales.

135. We support the Minister's position on digital switchover and would encourage him to continue to make strong representations to the UK Government that digital switchover should not take place unless there is a guarantee of 97% coverage throughout Wales.

136. Given the specific issues affecting Wales in terms of transmission, we support the view that a transmission strategy is needed. We therefore recommend that the Welsh Government should explore options for bringing such a strategy forward.

Community Radio

137. We recognise the important role that Community radio plays in Wales. We welcome the support that the Welsh Government has given to Community radio in the form of its Community Radio Fund. We also welcome the Minister's announcement on 10 April 2012 that grants amounting to £100,000 had been awarded to eight Community Radio stations.

Commercial Radio

138. We note the evidence and concerns in relation to commercial radio licences. We would expect the relevant Assembly Committee, when Ofcom appears before it, to keep these issues under review.

139. In terms of the inclusion of Welsh language provision in licences, we would recommend that the Welsh Government should make strong representations to the UK Government for specific language duties in relation to commercial licences to be included in the forthcoming Communications Bill.

Recommendation 14: The Welsh Government should continue to make representations to the UK Government to ensure 97% coverage in Wales before digital switchover.

Recommendation 15: The Welsh Government should explore all opportunities to continue to support community radio in Wales.

Recommendation 16: The Welsh Government should make representations to the UK Government to include specific Welsh language duties for Ofcom in the Communications Bill.

The print media in Wales

The current state of newspapers in Wales

140. According to the NUJ, Welsh newspapers are facing a crisis that ‘threatens their survival’, with the major threat coming from the ‘cuts-for-profits’ models imposed by the groups that own Welsh newspapers.

141. Golwg highlighted how the reading and cultural habits of society have changed, while the reduction in the number of first language Welsh speakers poses a particular challenge to the Welsh language media. It also said that the reduction in job advertisements and public notices has put commercial pressure on titles such as Golwg. Local papers are closing and the ‘national’ papers in Wales have seen a huge reduction in their circulation.

142. According to the NUJ, around 100 jobs were lost in the editorial department of Media Wales between 2003 and 2011, with the company closing district offices in Swansea, Carmarthen, Neath, Aberdare and Ebbw Vale. In November 2011, Media Wales announced that a further 14 posts would be lost from its base in Cardiff, following 22 redundancies made in the summer of 2011. NUJ said that

this means that ten reporters are now providing local news for seven of Media Wales's weekly papers.

143. The Tindle Newspaper Group suggested that local weekly newspapers are the key to a successful future for the printed press in Wales, stating that evidence shows that truly local, community-orientated papers are riding the recession better than other papers. Their market is local and loyal, and they do not rely so heavily on national advertising and recruitment and property advertising, the reduction in which is hitting larger publications hard. Tindle said that it had continued to launch and acquire new publications despite the recession, and that circulations had not dropped, there had been no redundancies, and quality had not been compromised.

144. With regard to Welsh language publications, Tindle conceded that it is 'a difficult market, with little funding and reductions in advertising revenue, because of a previous reliance on the public sector'. It stated that this should be addressed and that Welsh language publications 'should benefit from a change in funding/assistance strategies to secure the future and enable growth'. This is particularly important due to the decrease in advertising revenue from the public sector:

"Imperative is a change in the way Welsh language media is supported to ensure the survival of the few Welsh-language publications which remain. Plurality is vital but these are challenging times for Welsh publications like Y Cymro. More government subsidies and grant-aid, and more advertising support from public bodies would be welcomed."⁵¹

145. Cymdeithas yr Iaith, meanwhile, said that the presence of a daily Welsh language newspaper is regarded by the society as a vital component to strengthen the nation's identity and self-confidence, and to normalise the use of the language. The current work of the *papurau bro* similarly needs building upon and digitising.

146. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that although it has no direct responsibility in this respect, he has 'grave concerns' about the newspaper industry because of the effect it has on the Welsh Government's work and on Welsh communities. He similarly said that the Welsh Government was 'extremely concerned and disappointed' by cuts at Media Wales. The Minister acknowledged that the industry is of vital importance and is facing

⁵¹ Media 38, <http://www.senedd.assemblywales.org/documents/s4724/Consultation%20Response%20-%20Media%2038%20-%20Tindle.pdf>

serious problems, but said that it is even more difficult to find solutions to the problems.

Online content, new media and the quality of journalism

147. The NUJ emphasised that the emergence of the new media was not necessarily a good thing if journalism standards were not maintained:

“Convergence has only worsened the situation as journalists attempt to produce material for more outlets and platforms with less and less resources. New media provision - digital and online - is too often being produced on a shoestring, and is in reality dependant on the core radio/television/print services consistently under attack.

[...] we hold strongly to the view that a functioning democracy cannot do without trained journalists to report facts, not just opinion. Journalists provide a unique service to the public by providing accurate and reliable information and analysis.”⁵²

148. Dr Andy Williams similarly talked about the inadequacy of amateur journalism as a means of filling gaps in Wales’s mainstream media:

“[...] solution is that unpaid citizen journalists will fill the void left by the redundant professionals, either in the form of independent blogs, or in collaboration with scaled-down commercial media players. I am a great supporter of the democratic and democratising potential of alternative media and collaborative journalism. But despite the well-chronicled limitations of the mainstream news media I am also extremely sceptical about citizens’ ability to replace professional public interest journalism.”⁵³

149. A related issue raised by witnesses was the difficulties faced by newspapers in getting the business model right and attracting revenue from online content. The NUJ said:

“Many companies took the decision to put the entire news content of newspapers online free of charge on the assumption that digital advertising revenue would match that from print. This has encouraged people to believe that information should be readily available free of

⁵² Media 31, <http://www.senedd.assemblywales.org/documents/s4717/Consultation%20Response%20-%20Media%2031%20-%20NUJ%20Wales.pdf>

⁵³ Media 34, <http://www.senedd.assemblywales.org/documents/s4720/Consultation%20Response%20-%20Media%2034%20-%20Dr%20Andy%20Williams%20-%20Cardiff%20University.pdf>

charge. One consequence of such a policy has been the acceleration of newspaper circulation decline, and with it the decline in the number of workers employed in the industry. Companies should have invested in innovation on the web to increase readership and advertising revenues. The same mistake, incidentally, was not made in other European countries.

“[...] there are no stand-alone news websites anywhere in the world that provide more than a comparatively small number of jobs for journalists: the advertising revenue simply isn't available.”⁵⁴

150. Dr Andy Williams concurred:

“[...] there are those that still hope that even though we might lose some titles advertisers will eventually migrate to online news. Despite much talk in the industry of improving digital profits from local and regional news, there is little evidence this will happen in anything approaching sufficient volume.”⁵⁵

151. The IWA's analysis was similar:

“At present there is little to substantiate an optimistic view of the impact of online on the profitability of newspaper groups and it seems inevitable that as consolidation continues, the numbers of staff, including journalists, will decline and that the quantity and quality of original journalistic content will suffer.”⁵⁶

152. Other witnesses saw clear opportunities in Wales for new media businesses to flourish. Richie Turner said:

“Globally new technology is enabling and empowering people to create their own media content and disseminate that content directly themselves. This is changing the business models of media [...] but is also encouraging the creation of more local and regionally relevant content.

“As a bilingual nation Wales is well placed to benefit from the need to supply multi-lingual, locally created and locally relevant media content [...]

⁵⁴ Media 31,
<http://www.senedd.assemblywales.org/documents/s4717/Consultation%20Response%20-%20Media%2031%20-%20NUJ%20Wales.pdf>

⁵⁵ Media 34,
<http://www.senedd.assemblywales.org/documents/s4720/Consultation%20Response%20-%20Media%2034%20-%20Dr%20Andy%20Williams%20-%20Cardiff%20University.pdf>

⁵⁶ Media 37,
<http://www.senedd.assemblywales.org/documents/s4723/Consultation%20Response%20-%20Media%2037%20-%20Institute%20of%20Welsh%20Affairs.pdf>

These skills should enable Wales to be at the front of the curve in terms of technological and cultural innovations in media content creation and delivery [...]”⁵⁷

153. Golwg referred to how the *Golwg360* service will try to combine both professional and citizen journalism:

“One priority in the next period is to introduce more local sections into the service. By doing so we hope to combine professional journalism with ‘citizen’ journalism (i.e. stories by the readers) and also feed information and relevant news from other internet places.

“Another priority is to provide a platform for more multi-media content on Golwg360.com. We hope to be able to produce more voice and sound content in-house, but we are also anxious to provide a platform for content which is produced by other people [...]”⁵⁸

154. Tindle talked about how the business models it has chosen and the way in which it has used the internet have been important in retaining circulation for its newspapers:

“The Tindle Group do not believe that local community newspapers are under threat from the internet [...] Tindle newspapers are using their own websites to enhance their publications and encourage readers and advertisers to move between the two.

“In Wales, our strategy has been to make sure that our websites do not steal the thunder of our weekly newspapers. So tasters of stories are included, but readers must go to the papers to get the full story. Also, our paid-for e-editions have been a success [...] enabling readers to access the titles wherever they are in the world (but not for free).

“Of course, the print media has to evolve, to continue to embrace the digital age –but with careful management and balance, newspapers have an increasing role to play, especially in Wales [...]”⁵⁹

⁵⁷ Media 29,
<http://www.senedd.assemblywales.org/documents/s4715/Consultation%20Response%20-%20Media%2029%20-%20University%20of%20Wales%20Global%20Academy.pdf>

⁵⁸ Media 36,
<http://www.senedd.assemblywales.org/documents/s4722/Consultation%20Response%20-%20Media%2036%20-%20Golwg%20360.pdf>

⁵⁹ Media 38,
<http://www.senedd.assemblywales.org/documents/s4724/Consultation%20Response%20-%20Media%2038%20-%20Tindle.pdf>

Public subsidy for the press

155. Some witnesses have claimed that the Welsh Government should consider providing some form of public subsidy for the press in Wales. According to Dr Andy Williams:

“The exact forms this public subsidy might take needs serious and imaginative debate. But we cannot put this debate off indefinitely [...] I believe a good place to start would be to limit public subsidy to a new generation of non-profit, perhaps co-operatively owned, news organisations, beginning with existing “news holes” in areas where local papers have closed down.”⁶⁰

156. Professor Steve Blandford and Dr Huw D Jones said:

“[...] if Wales wants to ensure the survival of its newspaper industry, it needs to give serious consideration to providing direct subsidy for the press. Newspapers in Wales already enjoy indirect press subsidy in the form of VAT exemption. Some Welsh language publications such as Barn and Golwg also receive small public grants through the Welsh Language Board. Yet Wales is still one of the few small nations in western Europe not to provide any direct subsidy for its main newspapers. Compared to countries like Norway and Sweden, the Welsh press therefore lacks both quality and diversity. While governments throughout Europe are under pressure to reduce public spending, a strong and diverse press is a vital element within a healthy democracy. The Welsh Government should therefore look in more detail at the costs and benefits of introducing a direct subsidy for the press in Wales, particularly to help newspapers adjust to the new digital media economy.”⁶¹

157. The NUJ similarly said that the Welsh Government and the Assembly should:

“Urgently begin the process of looking at how to support new models of media ownership in Wales, such as co-operatives and charitable bodies,

⁶⁰ Media 01, <http://www.senedd.assemblywales.org/documents/s4148/Consultation%20Response%20-%20Media%2001%20-%20Dr%20Andy%20Williams%20-%20Cardiff%20University%20School%20of%20Journalism%20Media%20and%20Cultural%20Studies.pdf>

⁶¹ <http://www.senedd.assemblywales.org/documents/s3771/Media4-03-11p9.html?CT=2>

that can be quickly established in the event of titles being closed down by UK and international conglomerates.”⁶²

158. The NUJ also said that the Welsh Government should declare newspapers as community and national assets and should step in when owners propose the closure of titles. Despite past reservation about subsidising the media, public money should and could be used to invest in quality journalism and to ensure a viable future for the industry.

159. Dalen Newydd Ltd referred specifically to its desire to strengthen the Welsh language press through establishing new, printed papers. However, it was uncertain whether grants were the way forward:

“The other choice would be a direct grant, as is made available to some Welsh-language publications through the Welsh Books Council, but on a much bigger scale. The committee will be aware of the difficulties involved. In Dalen Newydd we have consistently stressed that we did not wish to depend on grants, something different in principle from accepting public notices as custom.”⁶³

160. However, it called on the Group to find solutions to issues around the Welsh-language press in forming its recommendations:

“If the committee, at the end of its deliberation, can see a way forward for the press in Wales, we should like to believe that there will be a place for the Welsh-medium press within the strategy. We would be interested to hear of any scheme making possible a substantial increase in the number of Welsh readers, and would be glad to participate in any discussion to this end.”⁶⁴

161. The Minister for Housing, Regeneration and Heritage’s response to this issue was:

“The idea of Government subsidising the press is a difficult arena to become involved with. There are no Welsh Government plans to go down

⁶² Media 31,
<http://www.senedd.assemblywales.org/documents/s4717/Consultation%20Response%20-%20Media%2031%20-%20NUJ%20Wales.pdf>

⁶³ Media 45,
<http://www.senedd.assemblywales.org/documents/s4731/Consultation%20Response%20-%20Media%2045%20-%20Dalen%20Newydd%20Ltd.pdf>

⁶⁴ Media 45,
<http://www.senedd.assemblywales.org/documents/s4731/Consultation%20Response%20-%20Media%2045%20-%20Dalen%20Newydd%20Ltd.pdf>

that route. The Welsh public sector as a whole supports the Welsh print media to a large extent through advertising. We have to recognise that, and also if we are to think constructively about the future of such things, we need to be careful that that kind of indirect support, if you like, has no impact on any kind of editorial decision, which is safeguarded and possibly enhanced or at least not damaged by us. However, no, the Welsh Government has no such plans.

“The Welsh Government’s door would be open to good ideas and suggestions in order to explore what might be possible in the future. We are in a very fast-moving environment and no-one knows what the future of the print media is throughout the world. However, good ideas to preserve good Welsh journalism, which reflects Welsh public life in particular, is an essential component of our democratic public life and we need to be as open as possible in terms of preserving it; it is an enormous worry.”⁶⁵

Public notices, council newspapers and advertising

162. The Tindle Newspaper Group believed that Welsh newspapers should get ‘more structured support from the government and public bodies’. It said that papers in rural Wales face particular difficulties such as problems with the transport network and huge distribution and operational costs. The use of public notices should be focused on the weekly papers that are spread across Wales, rather than focusing on national newspapers.

163. On a similar theme, the IWA emphasised that the Welsh Government should encourage local authorities to desist from producing their own newspapers. Authorities should instead seek partnerships with local newspapers to deliver their communications objectives. Tindle agreed, saying that there is a need for tighter regulation of local authority publications which threaten the viability of commercial newspapers.

164. In December 2011, the Welsh Government launched a consultation proposing to amend the existing regulations to simplify the process for advertising traffic regulation orders, removing the current statutory requirement on the Welsh Government and local authorities to have to place such public notices in newspapers.

⁶⁵ Oral Evidence, 12.01.2012, <http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

Our View

165. It is clear that a vibrant print media is vital for Wales, particularly in terms of ensuring democratic accountability. Ensuring that the print media remains a viable industry is of great concern to this Group.

166. We heard evidence from a number of witnesses about concerns about print media business models. However, these are issues that are affecting the industry globally, and are not specific to the print media in Wales.

167. We heard that newspapers were approaching online content in different ways. It is clear from the evidence that online advertising will not have a significant impact on the profitability of newspapers. However, it is also difficult to see how journalists can continue to produce content for a number of platforms without quality suffering. In some cases, this situation is made more problematic by the reduction in numbers of journalists.

168. Given the contribution that print media can make to local communities, and indeed its importance on a national level, and given the risks of news “black-holes” appearing where titles close, we feel that, where there are job losses at a newspaper company, or where there is a risk of a title closing, the Welsh Government should ensure that it is in a position to be able to assist those companies, in the same way that it would assist companies in similar difficulties in other industries.

169. We have not, given the time available for this inquiry, been able to gather sufficient evidence to come to a view on the more general issue of public subsidy of the press. However, we feel that the independent forum should consider, as part of its role, sustainable models for the print industry, and that this consideration should also include the issue of public subsidy, as happens in other small European countries. A strategic approach to the sustainability of Welsh Language publications should also be a focus for the independent forum’s work.

170. In terms of indirect public support, we note the concerns expressed by many in the industry at suggestions that the requirement to publish public notices in newspapers may be removed. We have sympathy with this position and would encourage the Welsh Government to fully consider the impact any such proposals could have on an industry in which existing business models are already experiencing considerable difficulties.

Recommendation 17: The independent forum should, as part of its role, investigate sustainable business models for the print media in Wales.

Recommendation 18: The Welsh Government should ensure that it is in a position to engage with newspaper companies so that viable measures can be put in place when it becomes apparent that either significant numbers of jobs are to be lost, or newspapers are going to be closed.

Local television

171. Ofcom has identified six locations on behalf of the DCMS where local television broadcast services might be technically possible: Bangor, Cardiff, Carmarthen, Haverfordwest, Mold and Swansea. In December 2011, it announced that Cardiff (including Bridgend/Newport) and Swansea (including Llanelli) would be two of the twenty pioneer areas, with Bangor and Mold (including Denbigh/Ruthin) identified for a future round of licencing. It told the Group:

“The Ofcom Advisory Committee for Wales has welcomed the emergence of additional local TV services but does not believe that local television services would be an adequate substitute or replacement for the existing all-Wales Channel 3 service provided by ITV Wales.”

172. Many witnesses questioned the suitability of the local television model for Wales, claiming that they did not seem suitable for Welsh needs. According to TAC, the Welsh Government should create its own plan for how local television will work in Wales, with its own particular community structure and media industry. The IWA said that the BBC, S4C and independent producers should look at a not-for-profit model for local television.

173. Cymdeithas yr Iaith emphasised that the Welsh language should have presence on any local television services introduced, although the models envisaged do not seem to be suitable for Welsh needs. Such services could be very damaging for the Welsh language if they follow the same route as local radio whereby market pressures have led to substantial reductions in Welsh language content. It also said that the focus should be on cooperation within communities:

“[...] we believe that 'integration' and 'collaboration' is far more appropriate in the Welsh (and rural) context. A policy could certainly be developed to promote community services, working with grassroots partners to serve their communities, but the current schemes propose a completely different and abhorrent vision.”⁶⁶

174. Telesgop talked of its own experiences in this area:

⁶⁶ Media 17, <http://www.senedd.assemblywales.org/documents/s4163/Consultation%20Response%20-%20Media%2017%20-%20Cymdeithas%20yr%20Iaith%20Gymraeg.pdf>

“The answer to lack of pluralism is possibly local television. Certainly Cameron’s government sees this as the way forward. Telesgop has been experimenting with local channels on the internet- and has invested heavily in one enterprise in Neath. We can honestly say, by the way, that the process so far is arduous, thankless and produces no income at all.”⁶⁷

175. The Minister for Housing, Regeneration and Heritage told the Task and Finish Group that the Welsh Government welcomes the fact that certain areas in Wales have been earmarked as locations for local television, and it is interested in how it could support the creative industries in Wales. However, it is concerned that a ‘significant proportion of Wales will not be served by the proposed new service’ and that the broadcasting landscape in Wales is ‘vastly different’ to that in England. Local services in Wales could mean national services, which are the priority for the Welsh Government. In his oral evidence, he said:

“In a Welsh context, it detracts from what should be at the centre of our concerns, namely the safety and quality of our main broadcasters and their ability to hold up a mirror to the Welsh people—S4C, BBC Wales and ITV Wales in particular. If licence payers’ money is being siphoned off to support other things, whatever they are, I will be concerned about that. Also, we have a smaller and more dispersed population. We have less potential in most communities for local television to be commercially viable, so I am sceptical of it.”⁶⁸

Our View

176. In terms of Local television, we note that witnesses were unable, at this stage, to make any judgement as to whether the initiative would be a success. We are unsure what benefit this policy will bring to the media in Wales and support the Minister’s position that any new policies should not detract from efforts to strengthen the existing, core media sectors as described in this chapter.

177. On this basis, we would ask the Minister to keep under review these proposals, and to make representations to the UK Government to ensure that the proposals are developed to meet Wales’ specific needs.

⁶⁷ Media 18,
<http://www.senedd.assemblywales.org/documents/s4164/Consultation%20Response%20-%20Media%2018%20-%20Telesgop.pdf>

⁶⁸ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

4. The creative industries, new business models and business support

Introduction

178. This chapter will address the following issues:

- Broadband provision;
- The Hargreaves review;
- Business support for new media companies and fostering innovation;
- Co-operation and a single media hub for Wales;
- Intellectual property rights; and
- Skills and training.

Broadband provision

179. Many witnesses highlighted the importance of ensuring that Wales has adequate broadband provision (both fixed and mobile) if its media companies are to compete in the future. The Arts Council of Wales did raise concerns that access to media is not equally available across Wales. Of particular concern is patchy broadband access (together with the lack of full FM coverage for BBC Radio Wales and the lack of a full national DAB coverage for Radio Wales and Radio Cymru):

“This immediately creates inequalities in some areas across Wales [...] An overarching priority must be to ensure that the benefits of digital technology are available to all. We therefore endorse the Welsh Government’s ambition to develop universally accessible, high-speed, fixed and mobile networks”⁶⁹

180. However, many witnesses welcomed the fact that the Welsh Government were moving forward with its broadband strategy, referring to the fact that broadband take-up has risen more rapidly in Wales than anywhere else in the past year, making levels almost equal with the UK. Ofcom said that ‘the position has improved dramatically as a result of the intervention of the Welsh Government’.

⁶⁹ Media 44, <http://www.senedd.assemblywales.org/documents/s4730/Consultation%20Response%20-%20Media%2044%20-%20Arts%20Council%20for%20Wales.pdf>

181. Witnesses stressed the importance of continuing with this work through the Welsh Government's next generation broadband project (which focuses on providing 30 Mb broadband throughout Wales). BBC Wales said that the availability of universally accessible high speed broadband networks, both fixed and mobile, should be a priority for the Welsh Government. Professor Ian Hargreaves similarly said:

"In terms of what is wrong and what can be done about it, the absolute No. 1 priority for the future of media in Wales is to complete the broadband infrastructure and to address weaknesses in the mobile infrastructure. If that is not done successfully—it is currently the Welsh Government's intention that this should be completed to next generation levels by 2015—Wales will suffer structural disadvantage for another generation. [...] I cannot think of a more important piece of infrastructure spending for Wales than the completion of a next generation broadband network."⁷⁰

182. The Minister for Business, Enterprise, Technology and Science said that the Welsh Government's next generation broadband project was currently in procurement stage. Ron Jones, in his role as Chair of the Creative Industries Sector Panel, told the Group:

"The project, which has now been under way for quite some time, still needs to be monitored quite carefully. The proposals that have been committed to by the Government are sensible. The commitment is to provide 30 Mb of broadband across the whole of Wales. It is important that we do not become sidetracked into 100 Mb provision, even as an ambition, if that ambition takes away from the success of the paramount need to provide adequate broadband coverage to the whole of Wales. It is undeniable that there will be few institutions and companies, let alone individuals in Wales that have an immediate need for 100 Mb. If we are to develop a truly digital Wales that encompasses the lives of all our people, then that 30 Mb will be the priority."⁷¹

The Hargreaves review

183. Professor Ian Hargreaves published his review of the creative industries in Wales in May 2010. The review criticised the gaps it saw in the policies and structures set up by the Welsh Government for both the digital economy and the creative industries, and highlighted the economic, as well as the cultural,

⁷⁰ Oral Evidence, 13.10.2011, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

⁷¹ Oral Evidence, 07.12.2011, <http://www.senedd.assemblywales.org/documents/s4634/7%20December%202011.pdf>

importance of these sectors. The Welsh Government's strategy for developing digital media and on-line content was also said to be weak, despite the opportunities that were available for innovation.

184. The Welsh Government accepted the Hargreaves review and stated that it would take forward its recommendations as a key element of its Economic Renewal Programme. As the Group was beginning on its work, the Welsh Government had:

- established a Digital Wales Advisory Board (November 2010) and published its *Delivering a Digital Wales* policy statement (December 2010);
- established a new Creative Industries Sector Panel (October 2010) chaired by Ron Jones to advise the Welsh Government (and the Minister for Business, Enterprise, Technology and Science in particular) on policy in this area;
- established a Creative Industries Team (now within the Department for Business, Enterprise, Technology and Science) to take forward work in this area.

185. When the Group's inquiry began, the Welsh Government had stated that work was underway to identify strategic priorities for the sector in the context of the Hargreaves review, and that a supporting plan and implementation timeline were due to be completed by October 2011.

The Welsh Government's response

186. Some witnesses were concerned with the progress made by the Welsh Government in implementing the Hargreaves review recommendations. While welcoming the report, TAC stated:

"Publicly, there appears to have been little progress since the publication of Professor Hargreaves' report other than the establishment of the Creative Industries Panel and Carwyn Jones' speech of June 2011, which centred on the creative industries. For this reason, there is a noticeable lack of a clear picture in terms of what the Welsh Assembly Government is doing in this area to devise and pursue an overall strategy."⁷²

187. According to Cube Interactive:

⁷² Media 28, <http://www.senedd.assemblywales.org/documents/s4714/Consultation%20Response%20-%20Media%2028%20-%20Teledwyr%20Annibynnol%20Cymu%20TAC.pdf>

“The actions taken in the wake of the Hargreaves report, including reorganising the delivery structures in the Welsh Government and establishing sector panels, should translate into policy initiatives to address these areas, though the pace of change is slow from a private sector viewpoint.”⁷³

188. Rondo Media similarly said:

“Within the creative sector generally, we do not feel that enough has been done yet to implement the recommendations of Professor Hargreaves’s report. We also feel that more could be done to raise the sector and the public’s awareness of the purpose and role of the Creative Industries Board.

“We feel that the Welsh Government has a vital role to play in promoting and supporting broadcaster’s plans to increase commissioning levels from Wales [...] Securing sufficient funding and an increase in expenditure are vital to the growth and success of the media in Wales.”⁷⁴

189. Telesgop said:

“There are many good aspects in the Hargreaves report but it is not apparent what is happening to implement its recommendations.”⁷⁵

190. The Film Agency for Wales criticised the absence of strategic representation from the Welsh film industry on the Creative Industries Sector Panel, stating that this ‘is an oversight in need of redress’. It also referred to the Hargreaves recommendation to reorganise the support for the film industry in Wales to eliminate duplication and maximise economic impact and efficiency:

“The absence of strategic representation alongside other creative industries has left this recommendation in abeyance. There is no strategic relationship in advisory terms either, leaving the critical relationship between broadcast and film production companies underconnected and under using the capacity of the sector as a whole [...]

⁷³ Media 35,
<http://www.senedd.assemblywales.org/documents/s4721/Consultation%20Response%20-%20Media%2035%20-%20Cube%20Interactive.pdf>

⁷⁴ Media 16,
<http://www.senedd.assemblywales.org/documents/s4162/Consultation%20Response%20-%20Media%2016%20-%20Rondo.pdf>

⁷⁵ Media 18,
<http://www.senedd.assemblywales.org/documents/s4164/Consultation%20Response%20-%20Media%2018%20-%20Telesgop.pdf>

“At a time of increased complexity and convergence in content production and exploitation, the ambition of stimulating a successful, high quality, diverse and dynamic audiovisual and media sector in Wales requires sophisticated, joined up public interventions bringing together know how, finance and physical resources.”⁷⁶

191. Ron Jones (the chair of the sector panel) said:

“Most of the elements that I’ve dealt with are implemented or are in the process of being implemented.

“This is not an easy sector to reform. There is a lack of information, historically, about what the sector comprises, a lack of knowledge about the true economic impact and a lack of a sense of direction in terms of identifying those sub-sectors where economic growth can really be made a significant part of the future of our economy.”⁷⁷

192. Ron Jones also said that, due to the element of urgency involved, a new sub-panel of the Creative Industries Sector Panel would be created to ‘focus solely on the issue of broadcasting’:

“The Ministers have agreed that the sub-panel will be established. They are in the final stages of agreeing a formal remit for it. It is agreed that I will chair it and, across the departments, we will look to find a small number of people who can provide the policy advice, hopefully, over this period of significant change over the next three or four years.”⁷⁸

Business support for new media companies and fostering innovation

193. Professor Steve Blandford told the Group:

“There may be partnerships that the Welsh Government could enter into with higher education consortia to incubate small businesses at a very modest level.”⁷⁹

194. Euryng Ogwen Williams said:

⁷⁶ Media 15,
<http://www.senedd.assemblywales.org/documents/s4161/Consultation%20Response%20-%20Media%2015%20-%20Film%20Agency%20for%20Wales.pdf>

⁷⁷ Oral Evidence, 07.12.2011,
<http://www.senedd.assemblywales.org/documents/s4634/7%20December%202011.pdf>

⁷⁸ Oral Evidence, 12.01.2011,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

⁷⁹ Oral Evidence, 13.10.2011,
<http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

“[...] the Government and Assembly must be serious about seizing this opportunity to make things happen, because we have the people out there who could make it happen with only a little additional funding.

“There is much talk now that there should be more small producers, but that is missing the point entirely. It is about innovation and the young entrepreneurs and graduates who need to be given the opportunity and the motivation to go for it.

The large companies have a responsibility to bring on these new people [...]”⁸⁰

195. Green Bay called on the Welsh Government to establish an independent production fund to support the production of content for and from Wales. This would be in line with other countries such as Canada where the government ‘regards public service content as a bulwark for Canadian culture and it has developed more than a dozen production funds designed to promote quality Canadian content’. Green Bay suggested that such a fund in Wales could be initially focused on the television market but that content could develop in time to be distributed on other digital platforms.

196. TAC emphasised that the Welsh government should create opportunities for companies to develop internationally through initiatives that would promote the Welsh creative sector under a single banner, and should put specific measures in place to discourage companies from moving out of Wales.

197. BECTU was critical of the way in which Welsh micro businesses and SMEs in the creative industries are often overlooked in favour of the larger companies. The NUJ similarly said that there should be direct support to help establish new and genuinely local media organisations, with tax credits for local media which meets clearly defined public purposes.

198. Pinkspiration (which works with community groups and employer organisations) said that more linkages were needed between communities, education groups, broadcasters and government for the media to thrive in Wales:

“New technologies mean that people can create their own online tv channels for very little, making competition strong and production costs low. This is a great opportunity for people within communities, but also for Broadcasters to link with emerging media/education groups.

⁸⁰ Oral Evidence. 13.10.2011, <http://www.senedd.assemblywales.org/documents/s3481/13%20October%202011.pdf>

“Media training to up skill people is important and support from the broadcasters would be helpful in removing barriers.”⁸¹

199. Port Talbot Magnet (a not-for-profit co-operative company which runs a news website) told the Group how a group of professional journalists had come together, with the assistance of the Wales Co-operative Centre, to establish a company to fill a gap when the local newspaper closed. It recommended certain steps that the government could take to address some of the issues facing the media in Wales:

- provide a team of mentors to travel to areas to help set up new media projects;
- establish a central fund rewarding media innovation;
- provide affordable legal and financial advice;
- establish a network of media hubs where journalists could collaborate with colleagues from across the industry to produce news for all outlets;
- establish an accreditation system for quality local news websites.

200. According to Port Talbot Magnet:

“If government is serious about addressing the problems facing the media industry the answer is simple. We need a national debate about why the media is important for democracy, and real, tangible support for the organisations at the coal face.”⁸²

201. Golwg also referred to several steps that could be taken to strengthen and grow new media businesses in Wales:

- there is a need to help publications and media businesses to adapt and take advantage of new technology. Only establishments such as the BBC and S4C have the resources to invest in technology swiftly, but this should be used to promote independent ventures and pluralism rather than to take possession of the field;

⁸¹ Media 02,
<http://www.senedd.assemblywales.org/documents/s4149/Consultation%20Response%20-%20Media%2002%20-%20Pinks%20Piration.pdf>

⁸² Media 10,
<http://www.senedd.assemblywales.org/documents/s4157/Consultation%20Response%20-%20Media%2010%20-%20Port%20Talbot%20MagNet.pdf>

- the economic contribution of media businesses is overlooked, and helping the traditional media companies to develop their use of new technology could help Welsh business in a wider sense. The same is true in terms of promoting the Welsh language;
- being local is very important in Wales, as seen by the relative success of the *papurau bro* (Welsh language community newspapers). In an increasingly global world, this offers an opportunity for the Welsh media and local media to gain advantage on British and international companies. This means working from the local upwards, supporting new enterprises and developments;
- rather than look to local television and local radio, local multi-media information and entertainment services should be explored. By having traditional contributors working in partnerships on digital platforms, it would be possible to ensure a variety of content and to create services which are valuable to society, culture, the language and economic prosperity.

202. Golwg emphasised above all that holistic action is needed for small businesses to adapt to new technologies:

“Our emphasis is on holistic action, seeing the prosperity of the press with regard to economic development, social development and linguistic development. We also see the press – journalism in word – as an essential part of the pattern of the media in the future. But support is needed to respond to the technical and commercial challenges. One of the most difficult things for a small company like us is to invest in research and technical development. It is also difficult to see when to venture into technology which is promising but not proven. Government and the economic sector – universities, for instance – could have a key role in that.”⁸³

203. According to Rondo Media, the distribution of content is key and the Welsh Government could contribute in this regard:

“The Welsh Government could play a more prominent role as regards encouraging the dispersal and distribution of Welsh content, which is one of the priorities of Professor Hargreaves’s report and the creative

⁸³ Media 36, <http://www.senedd.assemblywales.org/documents/s4722/Consultation%20Response%20-%20Media%2036%20-%20Golwg%20360.pdf>

industries strategy. The challenge for us all is to create, distribute and exploit a sufficient amount of content and to be ready to respond to the changes in viewing habits that stem from new technologies.”⁸⁴

204. Cymdeithas yr Iaith similarly made recommendations about practical steps that could be taken to strengthen the media in Wales:

- open source software provides opportunities that would enable Welsh language online enterprises to thrive. The Welsh Government should adopt a policy that favours the use of open source software in the public sector, and should establish a digital fund to promote projects that convert these products into the Welsh language;
- the concept of ‘free culture’ should be exploited so that content can be released in a way that enables as many people as possible to use, read, view and listen to Welsh language content online. The Welsh Government should fund research about the use of such technology in Wales;
- the opportunities to provide materials for Welsh learners online should be seized upon as it would increase the demand for general Welsh language content in the media. There should also be support for the campaign to establish ‘.cymru’ as a domain name for Wales.

205. The Minister for Business, Enterprise, Technology and Science told the Task and Finish Group:

“My department prioritises the creative industries on account of their existing size in Wales, their important role in the digital economy, and their recent growth and potential for future growth, particularly within the digital media industries.

“I am aware of the challenges facing the media sector in Wales and the impact these are having across the sector [...]

“The challenge for my department is to help support and safeguard businesses and jobs within the traditional media, while at the same time helping new and existing businesses to adapt and respond to the

⁸⁴ Media 16,
<http://www.senedd.assemblywales.org/documents/s4162/Consultation%20Response%20-%20Media%2016%20-%20Rondo.pdf>

commercial opportunities offered by new media business models, new technologies and new markets.”⁸⁵

206. Alongside implementing the Hargreaves review, the Minister said that her priorities were:

- to focus resources on creative businesses which sell or license products and services to markets outside Wales;
- to ensure that training and education for the creative industries are aligned to the sector’s needs;
- to use Government influence to level the maximum European and UK support to the sector;
- to accelerate the growth of digital media businesses;
- to maximize the impact that public sector procurement is having on the creative industries in Wales;
- to ensure that public service broadcasters in Wales bring the maximum economic advantages to Wales;
- to monitor economic activity in the sector so that policy can adjust to accommodate any changes.

207. Through taking such steps, the Minister said that her department ‘now has the right mechanisms in place to support the sector appropriately’. Specific activities undertaken by her department include:

- providing financial support to Welsh production companies to produce programming for network commissions and international co-productions;
- piloting a new Digital Development Fund to enable business to exploit creative ideas through digital platforms;
- working with public service broadcasters to encourage them to increase their levels of network commissioning from Welsh companies;

⁸⁵ Media 41, <http://www.senedd.assemblywales.org/documents/s4727/Consultation%20Response%20-%20Media%2041%20-%20Edwina%20Hart%20AM,%20Minister%20for%20Business,%20Enterprise,%20Technology%20and%20Science.pdf>

- carrying out an analysis of public sector procurement of media services, and commissioning further research to map the creative industries in Wales.

Co-operation and a single media hub for Wales

208. Golwg highlighted how important it is that media organisations in Wales collaborate and take advantage of new technology:

“[...] the various media in Wales must work much more closely together in order to protect and strengthen the sector. Resources and money are scarce everywhere, but here is an opportunity by sharing specialism and resources.”⁸⁶

209. Rondo Media referred to the opportunities for broadcasters and producers to cooperate more closely and to use educational institutions to strengthen the Welsh media:

“[...] broadcasters and the production sector in Wales are certainly obvious partners. Thus far, broadcasters in Wales have responded quite positively and they are willing to look at the possibility of releasing content for the new local services.

“Our educational institutions should also play a prominent role in this. Rondo has benefited from collaboration with institutions such as the Atrium (which contributed resources for the filming of Michael Sheen’s production of *The Passion*), Aberystwyth University (for the drama series *Zanzibar*) and University of Wales Trinity Saint David (for the Trinity Arts Festival and the Aberglasney Concert). Many of these institutions (and other such as Glyndŵr University the University of Wales, Newport) have up-to-date and high-quality filming and broadcasting resources. They have the potential to provide substantial content for the new local television services.”⁸⁷

210. Richie Turner similarly talked about how stronger links between universities and media companies could foster innovation in the sector and in the Welsh economy:

⁸⁶ Media 36,
<http://www.senedd.assemblywales.org/documents/s4722/Consultation%20Response%20-%20Media%2036%20-%20Golwg%20360.pdf>

⁸⁷ Media 16,
<http://www.senedd.assemblywales.org/documents/s4162/Consultation%20Response%20-%20Media%2016%20-%20Rondo.pdf>

“For new creative media business models and companies to emerge here in Wales we need to provide creative entrepreneurs with a safe test bed to nurture and incubate their ideas. Wales is far too small a commercial market to just expect new creative media companies to compete globally [...]”

“There is plenty of scope within Wales for new media business models to be devised but we must try and provide our creative media entrepreneurs with a solid foundation to build their ideas and companies. Promoting a much stronger creative brand Wales internationally would definitely help. Next develop better creative business support programmes for Welsh creative media graduates to encourage them to stay in Wales and commercialise their ideas. Wales has some of the top university courses in digital media but sadly the vast majority of graduates from these courses take jobs in London straight after graduation. It’s a creative brain drain we need to urgently address.”⁸⁸

211. He also emphasised that the Welsh Government’s policies and priorities should not discourage collaboration between media providers, as the media sector is already too fragile in Wales to be able to cope with divisions from within.

212. On a related issue, Skillset Cymru said that there is a need to explore cross-fertilisation within the creative industries, by encouraging partnerships and experimentation and by drawing other sectors’ areas of experience in a converged digital world.

213. BBC Wales referred to the possible advantages of creating a single media hub for Wales, as a centre for content production encompassing the major broadcasters, independent producers, and academic training institutions. It stated that this could ‘maximise synergies and spark sustainable creative economic growth in Wales’. BBC Wales acknowledged that such a hub could only be achieved if it was cost-effective and if it delivered value for money for the BBC.

214. The IWA said that the BBC’s investment in Roath Lock should be completed to form a media centre for Wales comparable to the new BBC centres in Manchester and Glasgow. The Arts Council of Wales agreed that this could be a positive step:

“We’re aware that discussions around the development of the BBC/S4C partnership have floated the possibility of the two organisations co-

⁸⁸ Media 29, <http://www.senedd.assemblywales.org/documents/s4715/Consultation%20Response%20-%20Media%2029%20-%20University%20of%20Wales%20Global%20Academy.pdf>

locating at a single media centre, possibly including ITV. The viability of such an arrangement will be for others to assess. But at a time when significant investment will almost certainly be needed to develop broadcasters' technological infrastructure, this would seem to offer many potential benefits."⁸⁹

215. The Minister for Housing, Regeneration and Heritage agreed that this could have huge potential:

"I think that it would be an enormous pity not to extract full advantage from that development just over the road from us. It is a large site and a considerable investment, but if it were to be allowed to remain as just an investment in bricks and mortar, just a location, there would have been a collective failure on the part of broadcasters, Government and everyone else. It opens up the possibility for us to think very imaginatively about how Wales becomes a centre, not just in terms of bricks and mortar, but in terms of the skills of people that can be fostered by such investment. The BBC's role in making these things come to fruition is, of course, absolutely central, but it is not just about the BBC; it is about the wider broadcasting and creative industry community getting together with Government to sit down to think about this. I know that there would be sensitivities about things being centralised in Cardiff and so on, but it does give us the opportunity to introduce a bit of critical mass in a UK context to the Welsh creative industries—if we can do it right. At the moment, I do not think that that investment has reached anywhere near its full potential."⁹⁰

216. However, Ron Jones was more uncertain about the benefits:

"Clusters of companies in a particular industry are very beneficial, but you cannot get the natives to all camp on the same site. They have to do it by a process of accident or determination. I do not think that it is the role of Government to tell people that that is where they ought to be."⁹¹

⁸⁹ Media 44,

<http://www.senedd.assemblywales.org/documents/s4730/Consultation%20Response%20-%20Media%2044%20-%20Arts%20Council%20for%20Wales.pdf>

⁹⁰ Oral Evidence, 12.01.2012,

<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

⁹¹ Oral Evidence, 12.01.2012,

<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

Intellectual property rights

217. While some witnesses such as BECTU called for the current system for regulating and enforcing intellectual property rights needs to be retained, others saw possibilities to strengthen the Welsh media through a relaxation in those rules.

218. Skillset Cymru emphasised that there is a need to understand and exploit intellectual property rights within the creative media in a digital environment.

219. According to Richie Turner (highlighting this as a priority for Wales in the context of the *Communications Bill* process):

“Firstly Wales must seek to benefit from changes to intellectual property rights (IPR). The Bill needs to reflect the global market for creative content and enable content producers to more easily commercially exploit that content in a range of platforms and markets.

“However it is also vital that any relaxation of IPR laws and regulations within Wales also encourages the involvement the private sector. We need to make sure Welsh PSBs do not dominate the new media market. Wales should create an environment where small, creative and independent digital media companies can gain access to content commissioned by our PSBs and then allow these companies to freely innovate in terms of new products and services they may wish to provide.”⁹²

220. BBC Wales told the Group in written evidence:

“BBC Wales will also explore new ways of enabling others to benefit from its investment in content and innovation – through increasing access to content, by supporting initiatives such as local television and by sharing technical platforms and expertise.

“[...] the BBC has unique responsibilities in sustaining a diverse public space in Wales. It will seek to be more open and ambitious in the way it partners with others for the benefit of audiences and national life, by adopting a more proactive approach to reaching out to other organisations.

⁹² Media 29, <http://www.senedd.assemblywales.org/documents/s4715/Consultation%20Response%20-%20Media%2029%20-%20University%20of%20Wales%20Global%20Academy.pdf>

“BBC Wales can leverage its scale, funding, creativity, innovation and heritage to deliver considerable additional value to Wales’ media and cultural sectors. At a time of constrained finances there is an even greater imperative to focus on creative partnerships and collaborations.”⁹³

221. Golwg similarly said:

“Wales is still somewhat naïve about the potential of new technology and the strength of the web in particular. Used properly, the web can be used to further strengthen the media, including traditional broadcasting and the print medium.”⁹⁴

222. The Arts Council also referred to concerns raised by Professor Hargreaves about the lack of knowledge amongst SMEs about intellectual property issues, and stated that this is of particular relevance to Wales:

“Prof. Hargreaves also notes gaps in knowledge among Small to Medium Enterprises about IP, and indeed a lack of easy, affordable access to IP services. The capacity of young and emergent companies – the sort of business that Wales needs to encourage – need this assistance if they are to grow their businesses. These are issues that we feel the Welsh Government should consider.”⁹⁵

223. According to the Film Agency for Wales:

“While capital investment is the first step to ensuring accessibility, this needs to be matched with an investment in up-skilling businesses and entrepreneurs to trade in a world where IP is common currency, but still invisible on a traditional balance sheets: specialist business service providers (accountants and lawyers in particular) need to reach out into areas traditionally serviced by London based companies, and a Welsh stimulus to IP trading and exchange would maximize the opportunities offered by the new infrastructure.

“Offering to host the development of models for the Copyright Exchange proposed by the Hargreaves IP review would ensure Wales is clearly

⁹³ Media 24,
<http://www.senedd.assemblywales.org/documents/s4710/Consultation%20Response%20-%20Media%2024%20-%20BBC%20Wales.pdf>

⁹⁴ Media 36,
<http://www.senedd.assemblywales.org/documents/s4722/Consultation%20Response%20-%20Media%2036%20-%20Golwg%20360.pdf>

⁹⁵ Media 44,
<http://www.senedd.assemblywales.org/documents/s4730/Consultation%20Response%20-%20Media%2044%20-%20Arts%20Council%20for%20Wales.pdf>

positioned as a forward thinking globally engaged administration and offer an unrivalled centre of excellence in the country. Benefits would flow to SMEs and micro businesses reliant on effective IP trading, galvanizing a sector into engaging across traditional delivery format boundaries (TV and film, games and TV, music and film makers all require access to this type of market place to grow).”⁹⁶

224. An official on behalf of the Creative Industries Sector Panel said:

“Since its inception, the panel has looked at IP and how we can better protect creative businesses across the whole of the creative industries sector. It has been a real priority for the sector panel. The ability for businesses in Wales to retain and exploit IP and to understand how to do that are priorities that the panel has put forward to the Minister. We are looking to roll out a number of different options to support companies to do that better. That will be done in partnership with the Arts Council.”⁹⁷

Skills and training

225. According to Skillset Cymru, the sector skills council for the creative industries in Wales, it undertakes comprehensive research about the creative industries, skills and training provision. It is aware that the sector in Wales, as elsewhere, is affected by a range of global drivers including the fast moving pace of technology and appetite for new platforms for content. Skillset Cymru said that it recognises that its challenge therefore is to ensure that the current and future creative industries workforce in Wales is equipped to keep up with the pace of change. Skillset Cymru also said:

- that it is very important that the Welsh workforce is equipped with the necessary skills to take advantage of digital opportunities. Developing and exploiting multi-platform skills as a response to convergence is essential in this regard;
- that there is a need to ensure that new entrants to the creative industries are equipped with ‘real world’ skills such as general business acumen and digital skills;

⁹⁶ Media 15,
<http://www.senedd.assemblywales.org/documents/s4161/Consultation%20Response%20-%20Media%2015%20-%20Film%20Agency%20for%20Wales.pdf>

⁹⁷ Oral Evidence, 12.01.2012,
<http://www.senedd.assemblywales.org/documents/s5294/12%20January%202012.pdf>

- that the Welsh Government should continue to place strategic importance on the creative industries, with priority placed on skills needs and workforce development.

226. Skillset stated that the Hargreaves report noted that the ‘picture is quite positive with regard to training issues on the media side of the creative industries [...] With a good supply of new initiatives and impressive examples of collaboration between employers and educational institutions’. It also said that it is ‘particularly keen to take our HE agenda forward in Wales in partnership with the new Creative Industries panel and feels that the work to be achieved this year is of particular importance.’

227. Key Skillset initiatives include:

- the *Skillset Cymru Training Framework* (a joint initiative between Skillset, S4C, TAC and the Welsh Government to support the skills and training needs of the Welsh independent production sector and the wider creative industries in Wales);
- the *Skills for the Digital Economy Project* (a four year training programme backed with £2.7m from the European Social Fund and funding from S4C, TAC and Skillset Cymru). Its aim is to address the skills needs of the creative media industry across west Wales and the Valleys.

228. However, Skillset did raise some concerns about the future funding of some of its training schemes in light of reductions to S4C’s budget:

“We would like to note in particular that a large percentage of Skillset Cymru’s investment in the creative industries in Wales is made of the S4C funding and the Teledwyr Annibynnol Cymru levy. Indeed, this forms the basis of almost all CPD training that exists for the creative industries in Wales.

“With the recent S4C and BBC governance announcement we need to ensure that skills will remain at the top of the broadcasters’ agenda and that their investment in our projects remains as it is. Our ESF project in particular, is over 4.5 years – up until 2015 and is dependent on the S4C and TAC match, so guaranteeing that is a priority and we would welcome the Welsh Government’s support in this respect.”⁹⁸

⁹⁸ Media 33, <http://www.senedd.assemblywales.org/documents/s4719/Consultation%20Response%20-%20Media%2033%20-%20Skillset%20Cymru.pdf>

229. According to TAC:

“Increasing use of online services by the consumer brings both benefits and challenges – there is the potential for proliferation of Wales-originated content of all kinds, but there is also the need to ensure the rights skills are developed to ensure that the industry can keep pace with technological and market developments.”⁹⁹

230. The NUJ similarly highlighted the value of skills, stating that, due to the shrinkage and convergence in the media, ‘training becomes ever more important as an issue for the beleaguered workforce’.

231. However, there was some criticism in this regard. TAC said that a strategy is needed as part of the *Digital Wales Delivery Plan* to specifically deliver the skills for the creative media industries (it currently only seems to address ICT skills). TAC is also critical of a lack of strategy from the Welsh Government in this respect:

“The production of content is becoming ever more complex, with the growing multiskilling of staff to meet tighter budget costs, and the increase in the need for the right digital technology and software skills for multiplatform content. The training network needs to be simplified and managed more strategically, to ensure Wales is a centre of excellence going forward. This was a point made by Professor Hargreaves in his report.

“The Welsh Assembly Government needs to look to establishing a clearer overall strategy for training the creative industries in Wales – at the moment there are several schemes and organisation in some worthwhile initiatives, but currently they are not working to one clear skills development strategy.”¹⁰⁰

232. Meanwhile, the Tindle Newspaper Group referred specifically to training for print journalism, saying that there should be opportunities to examine ‘a link-up between the media and training bodies to offer apprenticeships/work experience, which could lead to a reduction in heavy newspaper staffing costs’.

⁹⁹ Media 28,
<http://www.senedd.assemblywales.org/documents/s4714/Consultation%20Response%20-%20Media%2028%20-%20Teledwyr%20Annibynnol%20Cymu%20TAC.pdf>

¹⁰⁰ Media 28,
<http://www.senedd.assemblywales.org/documents/s4714/Consultation%20Response%20-%20Media%2028%20-%20Teledwyr%20Annibynnol%20Cymu%20TAC.pdf>

233. The Minister for Business, Enterprise, Technology and Science acknowledged that:

“I do not think that we disagree with the fact that there is a lot to be done in terms of the training agenda—it is one of the agenda items that they are grappling with in the sector. You made a good point, because it applies not only to small firms in the creative industries, but to other specialist areas where they have difficulties with affording the training, developing training and so on. That is an issue that we will have to look at.”¹⁰¹

234. Ron Jones elaborated:

“The Minister has asked us to look into the potential for changing the education and skills training systems so that they work with these smaller businesses. One example is the possibility of looking at a system of apprenticeship where small companies can work if they have the support of our higher and further education institutes, to run in parallel with the practical work. There is sometimes a tendency for us to confuse education, skills training and on-the-job training. Getting all of those right is an important part of this.

“Potential exists, through new European procurement rules that allow, in the case of public expenditure, for some of these things to be included in an agreement. However, as the Minister has said, this is an entirely new area for the Government to look at in this form, and I fear that the work will be long and painful.”¹⁰²

Our View

Broadband

235. In relation to Broadband provision, we accept entirely the evidence from witnesses that ensuring that Wales has adequate broadband provision is vital to both consumers and providers of the media. Without this, it is difficult to see how Welsh companies will be able to compete in future. We support the Welsh Government’s prioritisation of this issue and would encourage the Minister for Business, Enterprise, Technology and Science to ensure that broadband continues to be a key priority for Welsh Government.

¹⁰¹ Oral Evidence, 07.12.2011, <http://www.senedd.assemblywales.org/documents/s4634/7%20December%202011.pdf>

¹⁰² Oral Evidence, 07.12.2011, <http://www.senedd.assemblywales.org/documents/s4634/7%20December%202011.pdf>

The Hargreaves Review

236. We recognise that a number of witnesses felt that there had been a lack of progress in terms of the implementation of the conclusions of the Hargreaves review. However, we note the comments by the Chair of the Creative Industries Sector Panel that most of the recommendations had been implemented or were in the process of being implemented.

237. It appears, therefore, that this disparity of views has arisen due to a lack of communication of the Panels progress. We believe that this could be addressed by an update from the Minister on progress on implementing the Hargreaves recommendations and that this should be communicated to stakeholders.

Business Support and Fostering Innovation

238. We note the evidence from a number of witnesses on the need for Government support for new businesses and new business models. We are reassured by the Minister's commitment that the right mechanisms are now in place to support the sector appropriately.

239. We would encourage the Creative Industries Sector Panel to continue its work and, at an appropriate time, begin developing a strategy for assisting new businesses in Wales, to encourage innovation and to foster new business models. This should include involvement with higher education institutions.

Intellectual Property Rights

240. It is clear from the evidence that effective exploitation of intellectual property rights was a key concern for a number of witnesses. We share this view and therefore would ask the Welsh Government to monitor proposals by the UK Government to change laws relating to intellectual property rights and, as appropriate, make representations to the UK Government that any changes should be suitable to the needs of Wales.

Skills and Training

241. We note the evidence that appropriate levels of skills and training are vital if the media sectors are to thrive. We also note the evidence that Skillset has introduced a number of effective initiatives in these areas and commend them for their work.

242. We acknowledge the concerns that a reduction in the budget of S4C might have a detrimental impact on the provision of training currently co-funded by S4C. We would encourage the Creative Industries Sector Panel to monitor this issue.

243. We note and support the Minister's views on the importance of skills and training and would encourage the Creative Industries Sector Panel, in consultation with stakeholders, to work towards the development of a training and skills strategy to cover the media sectors.

Recommendation 19: The Welsh Government should continue to progress the recommendations of the Hargreaves review, and report back to the Communities, Equality and Local Government Committee regularly on progress.

Recommendation 20: The Welsh Government should do more to communicate to stakeholders the purpose and role of its Creative Industries Sector panel.

Recommendation 21: The Welsh Government should explore opportunities, including working with higher education institutions, to encourage innovation and foster new business models.

Recommendation 22: The Welsh Government should monitor proposals by the UK Government to change laws relating to intellectual property rights and should make representations to the UK Government that any changes should be suitable to the needs of Wales.

Recommendation 23: The Welsh Government should develop a strategic approach to the provision of training, to sit alongside its other policies, including the Digital Wales Delivery Plan.

Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at <http://www.senedd.assemblywales.org/ieIssueDetails.aspx?Ild=1787&Opt=3>
13/10/2011

Professor Ian Hargreaves	Cardiff University
Professor Steve Blandford	Centre for the Study of Media and Culture in Small Nations, University of Glamorgan
Euryn Ogwen Williams	

03/11/2011

Rhodri Talfan Davies, Director	BBC Cymru Wales
Phil Henfrey, Head of News and Programmes	ITV Wales
Huw Jones, Chairman	S4C
Terry Mann, Station Manager	Community Radio Wales
John Geraint, Creative Director	Green Bay
Iestyn Garlick, Chair	TAC
Gareth Williams	TAC

17/11/2011

Martin Shipton	National Union of Journalists
Meic Birtwistle	National Union of Journalists - Wales
David Donovan	National Officer for Wales, BECTU
Dr Andy Williams	Cardiff University
Gwawr Hughes, Director	Skillset Cymru
Gwyn Roberts, Director	Cube Interactive
Owain Schiavone, Chief Executive	Golwg 360

Richard Turner, Head of Marketing and External Relations Global Academy Innovation Programme

01/12/2011

Aled Eirug Institute of Welsh Affairs
Hywel Wiliam Institute of Welsh Affairs
Alan Edmunds Media Wales
Bev Thomas Tindle Newspapers
Barrie Phillips-Jones NWN Media
Bethan Williams Cymdeithas yr Iaith Gymraeg
Colin Nosworthy Cymdeithas yr Iaith Gymraeg
Dr Simon Brooks Cymdeithas yr Iaith Gymraeg

07/12/2011

Edwina Hart AM, Minister for Business, Enterprise, Technology and Science Welsh Government
Natasha Hale, Head of Creative Industries BETS Welsh Government
Ron Jones, Chair of the Creative Industries Panel and the Executive Chairman of Tinopolis PLC Welsh Government

12/01/2012

Rhodri Williams, Ofcom's Wales Director Ofcom
David Mahoney, Ofcom's Director of Content Policy Ofcom
Ron Jones, Chair of the Creative Industries Panel Creative Industries Panel

Natasha Hale, Head of the Creative Industries Sector	Creative Industries Sector
Huw Lewis AM, Minister for Housing, Regeneration and Heritage	Welsh Government
John Howells, Director of Housing, Regeneration & Heritage Department	Welsh Government
Nick Capaldi, Chief Executive	Arts Council for Wales

List of written evidence

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at

<http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Ild=1787>

<i>Organisation</i>	<i>Reference</i>
Dr Andy Williams	Media 01
Pinkspiration	Media 02
Pam Price-Thomas	Media 03
Neil Taylor LL.M, MCIPR	Media 04
The School of Journalism, Media & Cultural Studies, Cardiff University	Media 05
Centre for the Study of Media and Culture in Small Nations, University of Glamorgan	Media 06
Vale of Clwyd Trades Union Council	Media 07
Professor T P O'Malley	Media 08
Channel 4	Media 09
Port Talbot MagNet	Media 10
Town and Country Broadcasting Cardiff University	Media 11
Media 12	
Carnegie UK Trust	Media 13
Institute of Advanced Broadcasting	Media 14
Film Agency for Wales	Media 15
Rondo Media	Media 16
Welsh Language Society	Media 17
Telesgop	Media 18
Yvonne Hurcombe	Media 19
Carol Byrne Jones	Media 20
EQUITY	Media 21
Euryn Ogwen Williams	Media 22
Green Bay	Media 23
BBC Wales	Media 24

ITV Wales	Media 25
S4C	Media 26
GTfm, Community Radio Wales	Media 27
Teledwyr Annibynnol Cymu (TAC)	Media 28
University of Wales Global Academy	Media 29
Cardiff and South East Wales Branch - NUJ	Media 30
NUJ Wales	Media 31
BECTU	Media 32
Skillset Cymru	Media 33
Dr Andy Williams – Cardiff University	Media 34
Cube Interactive	Media 35
Golwg 360	Media 36
IWA	Media 37
Tindle Newspapers Ltd	Media 38
NWN Media	Media 39
Welsh Language Society	Media 40
Minister for Business, Enterprise, Technology and Science	Media 41
Ofcom	Media 42
Minister for Housing, Regeneration and Heritage	Media 43
Arts Council for Wales	Media 44
Dalen Newydd Ltd	Media 45