

## **DCMS Consultation**

### ***Sustainable, independent and impartial news; in the Nations, locally and in the regions***

#### Response from Ofcom's Advisory Committee for Wales (ACW)

**Q1: *Do you agree that securing plural sources of impartial news for the Nations, locally and in the regions should be a key priority?***

The ACW has consistently argued that plurality of news provision in Wales is absolutely vital for the health of the democratic process. The biggest challenge is to ensure that the Welsh consumer of English language television and other media retains a choice of news and information about Wales in the event that ITV opts to reduce further its PSB role and pull out of the nations and regions. We argued in our submission to Ofcom's Review of Public Service Broadcasting that it was a particularly urgent issue in Wales. "With the inadequate supply of other media in Wales, any withdrawal of ITV from its remaining PSB obligations would create a BBC monopoly in English language broadcasting about Wales to Wales on television. It would be especially disturbing if this were the case during 2010 when a general election is expected and during 2011 when elections to the National Assembly are scheduled."

**Q2: *Do you agree that sustainable, impartial news in the Nations, locally and in the regions is likely to require some top-up public funding?***

ACW has argued in all its submissions on the future of PSB in Wales that new public funding will be a prerequisite of any PSB settlement. The reduction in provision by ITV Wales of programming in the English language, together with funding cuts at BBC Wales has already significantly reduced and the value of programme spend in Wales is likely to fall by £25-30 million from its 2006 level by 2013<sup>1</sup>. If ITV withdraws entirely, there is no likely alternative source of commercial funding for such vital public purposes as the plurality of news provision. We refer to *Putting Viewers First*, Ofcom's final statement in its PSB review, for the research which demonstrates the value viewers in Wales place on programming about Wales. Public funding of some kind appears to be the only way to meet that need.

**Q3: *Do you agree that the Television Licence Fee should be used to support impartial news in the Nations, locally and in the regions in addition to BBC services?***

ACW argued in its submission to Ofcom's PSB review that the availability of the digital switchover excess licence fee appeared to be the best available option for funding PSB content in the nations, in the absence of any other viable funding stream being made available. The ACW believes that the BBC should remain the cornerstone of public

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<sup>1</sup> 'Communication and Content, *The Media Challenge for Wales*' Report for the Minister for Heritage, Welsh Assembly Government Broadcasting Advisory Group, November 2008 p 9, "Taking BBC Wales and ITV Wales together there is danger that the annual value of television output in English for Wales will have declined by £25-30m in real terms from its 2006 level by 2013".

service content and that its core provision of high quality public service output should not be reduced, and that this is particularly important in Wales where there is a paucity of other media providing public information about Wales. But a small part of the licence fee has already been used for other public purposes, to assist the public with digital switchover, and that plurality of news provision, especially in the Nations, is just such a public purpose and is equally deserving of such funding.

**Q4: *Do you agree that any funding within a contained contestable element of the television licence fee not required for impartial news should potentially be available to fund other forms of essential public service content, or should such funding be limited to news?***

ACW welcomes the priority given in Digital Britain to ensuring the plurality of news provision in the nations. But we remain deeply concerned that other kinds of programming about the culture, society and politics of Wales may no longer be provided for television viewers outside the BBC. Ofcom's own research showed that public demand for such programming was only just behind their demand for news programmes about Wales<sup>2</sup>. We therefore welcome the statement in para 20 of the DCMS Consultation Paper that top-up funding "could also potentially be used to sustain other essential public service content priorities". The ACW strongly believes that it is vital for viewers in Wales to have a plural supply of non-news programmes including current affairs, from sources other than only the BBC, which reflect the cultural, sporting artistic and political life of Wales, in a way they believe would not be possible through the plural provision of news programmes alone.

**Q5: *Are there alternative funding mechanisms that you believe would deliver the above objectives more effectively?***

ACW has considered alternative funding mechanisms, for example, a levy on non-PSB broadcasters or a levy on DVDs, but the Members believe that there are potential disadvantages as well as advantages to such schemes, which could only be implemented in a longer timeframe than the proposed top-up funding from the licence fee. The ACW therefore accepts that the licence fee is the only currently viable source of funding but in the long term, the Members believe that an alternative source of funding for PSB content has to be found. It is essential that the funding of public service content should be secured independently of the long term future prospects of any broadcasting institution.

**Q6: *Do you agree with the proposal to set a maximum percentage of Television Licence Fee revenue which could be set aside as a contained contestable element?***

The ACW believes any such fund should be contestable and allocated following a process of open competition through a transparent and publicly accountable process. Members believe the decision to allocate funding via the contained contestable element to provide a news service for viewers in Wales should be made in Wales. In order to

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<sup>2</sup> Ofcom second PSB Review, 'Phase One The Digital Opportunity', p 122. 91% of respondents in Wales believed it was important for ITV as well as BBC to broadcast news about Wales. Only 13% of respondents in Wales thought that programmes about Wales were of no interest to them (compared to the UK average of 22 %).

protect the independence of the BBC, the proposed 3.5% maximum (set out in an agreement with the BBC) should be set in legislation, which could only be amended by a subsequent act of Parliament. However, the ACW would support the use of additional funding, derived from other sources, to support the provision of news and non-news programming in Wales.

**Q7: *Do you agree that amending the BBC Agreement could provide the necessary protection to the BBC's future funding and independence?***

The ACW believes that the BBC's future funding and independence is best secured through legislation rather than through the BBC Agreement. (Members recognize that the maximum percentage would be set out in the BBC Agreement document but this figure could only be altered by Act of Parliament.)

**Q8: *Do you agree that the use of any contained contestable element within the Television Licence Fee should be restricted to the public purposes set out in the BBC Charter?***

The ACW agrees absolutely that the Television Licence Fee must be used wholly and completely for the public purposes set out in the BBC Charter. It will be essential to create sufficient safeguards to ensure that the principle of using the Licence Fee solely for such public purposes is not breached. It is equally essential that the BBC's independence is maintained and that the BBC's funding cannot be open to "raiding" by Government for purposes which do not match the principles set out above. We therefore agree that the revenue available for any contained contestable element should be limited to a maximum percentage of the Licence Fee.

### Conclusion

The Advisory Committee for Wales would like to stress the urgency of achieving a solution to the issue of plurality of English language programming in Wales, especially news provision. We welcome the priority given in Digital Britain to these issues, and the work of Ofcom in achieving implementation of that priority. ACW strongly supports the proposal in Digital Britain (and as set out in this Consultation Plan) for Independently Funded News Consortia, and welcomes the plan to undertake a pilot IFNC in Wales.

However, we remain deeply concerned about the lack of clarity over how and when the planned IFNC pilot will be implemented. The issue of plurality of programming is now a major public and political concern in Wales and it is vital that progress is seen to be made in delivering a solution.

For further information, we attach the submission which ACW made in December 2008 to the Ofcom Review of Public Service Broadcasting as further amplification of our views.

**Ofcom Advisory Committee for Wales  
September 2009**