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Dear Ed

Ofcom's Second Public Service Broadcasting Review, Phase 3

The Advisory Committee for Wales (ACW) would very much like to comment on a few of the most urgent issues arising from the final report of Ofcom's Second Public Service Broadcasting Review and the UK government's interim report on Digital Britain. The issues relate to the future of public service broadcasting in Wales, and we would like to make these points before any die is cast.

The ACW is grateful for the full and open consultation process that took place under this Review, which successfully engaged the vast majority of relevant stakeholders in Wales. We think it is absolutely right that one of the top priorities for the future should be maintaining a choice of high quality news alongside the BBC in the devolved nations. We welcome the model set out in Chapter 9 of the Phase 3 document for a series of independently funded news consortia based on secure funding and a competitive tendering process.

We are however, deeply concerned that Ofcom has not given the same priority to 'non-news' programming in the devolved nations. The failure to make non-news programming in Wales outside the BBC a top priority is a critical decision by Ofcom which will risk depriving the Welsh viewer of important services at a key stage in the development of our devolved democracy.

But first, we would like to comment on some aspects of the Review's proposals on the future of news provision in the English language in Wales, and how the UK government appears to be taking forward those proposals.

S4C proposal

Given the public nature of the consultation undertaken by Ofcom, the ACW believes that it was entirely inappropriate for S4C to submit their proposal in confidence. The S4C Authority is a public authority and its proposal could have a significant impact on the fragile broadcasting ecology of Wales. At the very least, it would have a detrimental effect on the bilingual synergies currently achieved by BBC Wales.

We await, with interest, to discover what is meant in Digital Britain by the reference to a “pilot project” based on the S4C proposal. But ACW believes that there should be two pre-conditions to any solution based on this proposal:

1. that it should not lead to any reduction in the remit or budget for S4C’s Welsh-language output.
2. that the S4C Authority should be reconstituted to reflect the fact that it would now be accountable for English-language as well as Welsh-language output.

BBC partnership proposal

The ACW welcomes the willingness of the BBC to enter into partnerships in order to help maintain the multiple provision of news in the nations and regions. We regret, however, that these proposals were not made available during Ofcom’s consultation process so that there could have been wider discussion of them. We note the statement in Digital Britain that the BBC’s discussions with ITV on these partnership proposals are now at an advanced stage.

Ofcom’s final PSB report rightly suggests that there are significant risks to this new partnership approach, but the ACW does not accept that all of Ofcom’s analysis of those risks is realistic. In particular, the BBC offer to share raw news material, including a large amount of audiovisual content, risks leading to common news agendas where the viewer may perceive little difference between the rival channels. It is not the same as partners of equal standing “pooling” coverage of certain events, as happens by agreement between news organisations at present. The danger to plurality, as Ofcom acknowledges, is that the BBC would dominate the news agenda, and the weaker partner would not have the resources to ensure that their news provision is significantly different from the BBC’s.

It would be a matter of concern if this partnership proposal was to be solely a matter between the BBC and ITV, given the public issues at stake. ACW very much hopes that Ofcom will have a significant role to play in determining whether such partnership proposals do genuinely preserve plurality of provision.

Non-news programming

The Final Report concludes that viewers’ main priority for television in the devolved nations is news, and in Wales that means an alternative English-language news service to the BBC. Ofcom research shows that over 90% of respondents in Wales believe that Welsh news needs to be on ITV1 as well as BBC. But it is also true that 74% of respondents in Wales believe that current affairs programming should be on ITV1 as well as BBC. So that was a high priority too.

It is therefore a matter of great regret that Ofcom has chosen to ignore the views of three-quarters of Welsh viewers by failing to make non-news programming a top priority in their Final Report. There is so much of Welsh politics, society and culture which cannot be reflected just in news programmes. By de-prioritising non-news programming in this way, Ofcom is effectively ensuring that there will be no plurality of provision across this whole swathe of vital Welsh programming.

Ofcom states in its report that the ACW’s proposals for a budget of about £40 million per annum to fund the Broadcasting Commission for Wales might have been ambitious. But, as the Report acknowledges, if a news tender was to include just the amount of PSB non-news programming which is currently required from ITV1 Wales, it would only cost a further £2-3 million. ACW’s concern is that Ofcom, in considering these PSB issues which are so vital to Wales, has bowed to the UK government’s determination to seek solutions which do not add any new costs to public expenditure.

Although not formally part of the Ofcom Public Service Review, the ACW would also like to draw attention to the following areas of concern which in our view are related to the future provision of public service content, in the light of the recently published, Digital Britain Interim Report.

Universal Access to Broadband

The ACW welcomes the commitment, contained in the Digital Britain Report, for Universal Broadband Access up to 2Mb/s, to be delivered through a mix of technologies, as set out in Action 17 of the report. However, we would be very concerned if such a commitment was achieved at the expense of any funding that could be used to secure the provision of PSB content on television. In Wales, there are many deprived communities, for example in the south Wales valleys, that already can access broadband speeds of 2Mb/s or higher, but where actual take up in those areas is often very low, possibly due to a range of socio economic factors such as low income and a lack of understanding of the benefits offered by broadband access.

The ACW takes the view that, currently, the most effective way to deliver public service content to such communities, in a way that has sufficient reach and impact, is via conventional linear television services and we therefore believe it would be a mistake at this stage to promote broadband as the main way to deliver public service content, as implied by Action 21 of the Report, while take-up remains significantly lower than for broadcast television.

The European Commission's ongoing review of the Universal Service Directive has highlighted the importance of Broadband for all. The conclusion of the review and adoption by the Commission and European Parliament of a revised Directive may require regulators to ensure functional Internet access is available for all. How this is defined may be left to each member state. The Digital Britain report adopts a universal service approach that includes Broadband at 2 Mb/s. We welcome the Commission's recent proposal to provide 1 billion euros towards extending and upgrading high-speed internet in rural communities. Again, we sincerely hope that Wales will be in a position to take full advantage of this new funding and that an equitable proportion of it is identified for Wales and is funded through appropriate funding channels to secure maximum benefit and provide a universal Broadband service.

Digital Audio Broadcasting

The ACW notes that Action 9 of the Digital Britain report has adopted the recommendations of the Digital Working Group regarding a plan for digital migration of radio in the UK, and that the UK Government intends to put the plan in place, once 50% of radio listening is digital; when 'national' (i.e. UK) coverage is comparable to FM coverage and when local DAB coverage reaches 90% of the population and all major roads. The ACW is concerned that these criteria are based on UK population and not the population of the individual nations. Replicating existing FM coverage in Wales is highly problematic as, for example, BBC Radio Wales' coverage on FM is barely 60% of the Welsh population. It would be important to secure universal coverage for the two national BBC services for Wales, Radio Cymru and Radio Wales on DAB, as these services are only currently carried on local commercial multiplexes in Wales, serving Cardiff/Newport and Swansea. The ACW acknowledges Ofcom's work in securing local multiplex licences covering most of the rest of Wales (with the exception of the south Wales valleys) which include 'must carry' requirements for BBC Radio Wales and Radio Cymru, but due to commercial uncertainty these services have yet to be rolled out. Indeed in the case of mid Wales, the licence holder, MuxCo, has indicated that the area will only be served in the future if public finance can be secured for transmitter roll-out.

We therefore welcome the UK Government's intention to establish a Digital Radio Delivery Group but we believe that it is vital that membership of the Group includes representation from the UK nations, including Wales. It is important that the Group is aware of the particular issues and problems relating to the development of radio in the individual nations. For example, in Wales, several local commercial stations still broadcast on AM rather than FM which is the norm in England, and this platform is still often vital for the mobile audience, where reliable reception on FM, in Wales' mountains and valleys, can often be very difficult. It would therefore be a particular concern if in future, manufacturers excluded the AM band in the production of new car radios. The ACW also believes that if digital migration did occur, use of the Medium Wave band should still reserved for the future development of new radio services. For example, the band could be used to provide Digital Radio Mondiale (DRM) radio services in areas where, due to local topography, DAB reception might remain difficult. In addition, in the event of full digital radio switchover, the ACW believes that it is also vital to ensure that space is reserved on DAB local multiplexes for community radio.

In conclusion, I hope this letter offers a useful summary of our views regarding the PSB Review and the forthcoming considerations relating to Digital Britain.

We look forward to having a full discussion with you about our concerns when we meet the Ofcom Board on 9 March.

Yours Sincerely

Tony Davies
Chair, Wales Advisory Committee.