

# Agenda – Culture, Welsh Language and Communications Committee

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Meeting Venue:	For further information contact:
Committee Room 2 – Senedd	Steve George
Meeting date: Thursday, 22 June 2017	Committee Clerk 0300 200 6565
Meeting time: 09.30	<a href="mailto:SeneddCWLC@assembly.wales">SeneddCWLC@assembly.wales</a>

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## Informal pre-meeting

(09.15 – 09.30)

### 1 Introductions, apologies, substitutions and declarations of interest

### 2 News Journalism in Wales: Evidence session 5

(09.30 – 10.15)

(Pages 1 – 13)

- Daniel Glyn, Station Manager, Made in Cardiff
- Peter Curtis, Station Manager, Bay TV (Swansea Limited)

### 3 News Journalism in Wales: Evidence session 6

(10.15 – 11.00)

(Pages 14 – 20)

- Phil Henfrey, Head of News and Programmes, ITV Cymru Wales
- Zoe Thomas, Content Editor, ITV News Cymru Wales

### 4 Paper to note

#### 4.1 Letter from Chair of the Finance Committee to the Chair: Scrutiny of the draft budget

(Pages 21 – 22)



- 5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for items 5, 6 and 7**
  
- 6 Private debrief**  
(11.00 – 11.15)
  
- 7 Consideration of Committee Forward Work Programme**  
(11.15 – 11.45) (Pages 23 – 29)
  
- 8 Funding for and access to music education – Key Issues Paper**  
(11.45 – 12.15) (Pages 30 – 53)

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A vibrant, competitive, independent, news media is a cornerstone of *Nationhood*. It is also a sign of a vibrant economy. With Wales reported to be falling behind England and on occasion the other constituents of the United Kingdom on many economic measurements we see media ownership consolidating and advertising revenues squeezed

The arrival of Social Media has removed all meaning from the traditional measures of success from existing products that offer news as a service as part of a communications package.

Launching a local television channel into the market at this time has given Bay TV (Swansea) Ltd a unique insight into market conditions and audience in South West Wales which may also be relevant to Wales as a whole.

At the time of writing Bay TV (Swansea) Ltd is one of 22 local television channels in the United Kingdom. It launched on July 12<sup>th</sup> 2016 and broadcasts in the conventional sense on Channel Eight on one terrestrial transmitter (Kilvey Hill) and on Channel 159 on Virgin Media – a cable TV service operating in Swansea. Other Local TV Network (LTVN) stations in Wales are Made in Cardiff and Made in North Wales.

Bay TV (Swansea) Ltd is licenced by Ofcom and under its 10-year licence has made a commitment to provide a local news service to its potential audience in the communities of Swansea, Neath Port Talbot, Carmarthenshire. This includes bulletins in the Welsh language.

The reception footprint from the Kilvey Hill transmitter covers 125,000 homes from Burry Port in the West to Pyle in the East. Due to local terrain reception from Kilvey Hill is patchy and can be affected by weather conditions. In Swansea itself, as a city of “seven hills in seven miles” this means being able to receive the channel at all is a lottery and television aerials in the same street can be seen pointing in many different directions as the occupants struggle to get a signal from neighbouring transmitters namely: Wenvoe, Mendips, Carmel and their relays.

It is no surprise therefore that many householders have given up on Digital Terrestrial (Freeview) and opted for Virgin Media or more usually British Sky Broadcasting “Sky”. (Reception of the channel on Your View and BT TV depends once again on access to the Kilvey Hill Transmitter.)

Based on this trading environment Bay TV (Swansea) Ltd had two options:

- To pay a substantial sum to gain access to a channel on the Sky platform
- or make the most of emerging social media channels to broadcast to an unknown audience.

Due to difficult local trading conditions for an emerging brand in the Swansea Bay Region purchasing a Sky channel was not possible in the current business plan. Instead with a very young team fresh from university it was decided to opt for the social media option.

As soon as it was possible to broadcast live on Facebook (in August 2016) Bay TV burst onto the social media scene with live broadcasts being supported by a high activity program of Twitter posts and updates. Once licenced by Ofcom for linear broadcast online the channel was also available on its own website [www.baytvswansea.com](http://www.baytvswansea.com)

The social media audience soon made itself know and now (June 2017) the channel has had more than two million viewers watching our news coverage around the world on Facebook alone.

Recently during an emergency situation in Swansea City Centre following the Manchester bombing the channel streamed the ongoing situation live. Within minutes 2,000 viewers were watching the

news output live. By the time the Bay TV Evening News Bulletin aired at 6pm a total of 9,700 viewers had viewed the news footage and 30,000 others had accessed the news alert.

Although we had previous demonstrations of the popularity of formal news broadcasts via social media this reach surprised everyone at Bay TV (Swansea) Ltd and provided possible evidence of the future of news provision to the people of Wales.

These social medial viewers were not sitting at home in front of a TV set or even a home computer screen. They were accessing a live LOCAL television news programme on their smart phone or tablet probably at work or shopping or at the gym. These are a generation that want their news *visual, vibrant* and *as-it- happens*. They don't want a bulletin they want easy digestible chunks of news.

The provision of such services, in such circumstances, can provide vital public service broadcasting to the communities of Wales at a fraction of the traditional cost.

On the day in question May 25<sup>th</sup> 2017 people were able to make decisions in real time based on broadcast information from an Ofcom-regulated broadcaster of an ongoing incident. Bay TV were told of a First Bus driver who seeing the news on Bay TV as he queued on the Fabian Way entrance to Swansea told his passengers they may be safer if they got off at Sainsburys than be driven into the city centre where a possibly hazardous incident was in progress. The many comments from Bay TV Facebook viewers tell similar tales.

It is generally accepted that as the print editions of region newspapers decline their brands may sustain a continued on-line presence. But in what form and what will the content be text only or multimedia and will local advertising migrate to the online brand in sufficient quantity to sustain quality local online journalism in the long term?

The news output of BBC news channel is available online too but all these brands use their own domains to broadcast and not social media channels although Twitter is used to point viewers towards their service.

It is possible without the cost of having to have traditional broadcast facilities local communities throughout Wales could form their own social media community channels. And there is evidence of this already. But with no regulation there looms of course the spectre of *Fake News* and the likelihood of defamation.

A better option would be perhaps for the National Assembly for Wales to investigate if a network of locally based not for profit community organisations could be instituted to broadcast local television to communities in Wales via social media to sufficiently high standards and be regulated by Ofcom Wales. Community Radio broadcast online of course is already supported by the Welsh Government.

Turning to the performance and delivery of existing news services in Wales the decline over the past 30 years is obvious to any professional observer. The introduction of new technologies in print and broadcasting should have meant a growth of news gathering in Wales but in reality provision of local news to communities falls away drastically once the city boundary of Cardiff is reached. Newspaper titles have been brought under common ownership and printing centralised. The latest news is not accessed in locally printed late editions but in Online Editions. Local commercial radio too is owned by national conglomerates. Local news programming on ITV 3 Wales and BBC Wales is restricted to approximately an hour a day when there is enough news happening in local communities to do so much more. It puzzles us why BBC Scotland is being given a new channel for

the nation and yet in Wales no such offer has been made. We are also puzzled how the BBC's new Local News Partnerships will operate in Wales.

Another possibility for another national English language channel for Wales would be linking the existing LTVN stations together Bay TV (Swansea) Ltd, Made In Cardiff and Made in North Wales to provide news and programming for the whole of Wales using the British Sky Broadcasting platform. And perhaps this too could be supported by the Welsh Government.

Should traditional media migrate to online only and undertake linear broadcast via the internet and/or social media then their output should be regulated by Ofcom - although this may need legislation.

Peter Curtis MCIPR

Management Consultant acting as Station Manager for Bay TV (Swansea) Ltd

# Agenda Item 3

Cynllun Penffwrddol Cymru / National Assembly for Wales

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee

Newyddiaduraeth Newyddion yng Nghymru / News Journalism in Wales

CWLC(5) NJW11

Ymateb gan ITV Cymru / Evidence from ITV Wales

## 1. Introduction

*1.1 “Thriving and well-funded news media are an important part of any modern society. The better informed we are, the better we can play a full role in democratic processes. Nations, regional and local news media also play a valuable role in representing and reinforcing national and local identities. They help us to understand the communities in which we live, celebrate what is special about our nation or locality, and bring us together in common cause or common understanding.”<sup>1</sup>*

1.2 The above crystallises the considerable benefits to society of a healthy news media. However, the decline in the newspaper industry in Wales – with circulation of regional print titles declining, titles closing and the subsequent reduction in investment in investigative, political and campaigning journalism – is presenting profound challenges to the sector. The internet and the emergence of social media platforms have brought many benefits for the dissemination of information on a global scale. But whilst there has been a significant growth in usage of news websites (e.g Trinity Mirror’s Wales Online), commercial publishers face substantial challenges in trying to monetise these products. Meanwhile, community or citizen journalism, hyperlocal websites and Local TV stations are yet to gain any significant traction in terms of scale and sustainability.

1.3 In this context, the continued health of the public service broadcasting (PSB) news providers in Wales – commercial ITV and the publicly funded BBC – is critical, ensuring that news and analysis about Welsh issues are given appropriate prominence and weight in a plural broadcasting system. Ofcom research has consistently shown that News “remains the most important PSB genre for audiences”.<sup>2</sup>

1.4 Moreover, the recent phenomenon of “fake news” adds further weight to the importance of having trusted and universally available PSB news services that attract mass audiences. Operating under the regulatory framework of the Ofcom

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<sup>1</sup> *News Where you Are: The Future Role of Nations and Regions TV News in the UK* by Robin Foster and Aileen Dennis 2015

<sup>2</sup> *Public Service Broadcasting In The Internet Age*, Ofcom 2015

Broadcasting Code, the requirement for balance, accuracy and impartiality has never been more important in helping to serve an informed society.

## 2. The contribution of ITV News Cymru Wales

2.1 In a weak indigenous news market in Wales, ITV Cymru Wales provides the only national broadcast media alternative to the BBC's news and current affairs. This is delivered free to the viewer and at no direct cost to the taxpayer. ITV Wales' contribution should be seen within the wider context of ITV News – the largest provider of commercial network, nations and regions news in the UK with a total investment of around £100 million a year.

2.2 In recent years, ITV has re-engineered its nations and regions TV news model. New technologies and methods of working have enabled improved coverage with fewer resources. Costs have been reduced, while on-screen output has improved, with more localisation, more multi-skilling, more cameras in the field and faster, more flexible responses to breaking stories. Journalists are equipped with video cameras and laptops, and can film, report and edit in the field before filing stories and reporting live across the 4G network to newsrooms.

2.3 Since 2014 ITV Cymru Wales has been based at our modern HD broadcast centre at Assembly Square in Cardiff Bay – a major multi million pound investment in broadcasting in Wales. We employ around 100 people across news, programmes and operations: journalists, specialist correspondents, editors, producers, presenters, directors, camera operators and other technical staff. Nearly two thirds, 65, are journalists/programme-makers. Growing audience share

2.4 The ITV Wales peak time schedule is one of the most popular in the UK and is growing in reach and impact – this despite the disruptive forces that have been affecting the PSBs over the past decade. This matters because ITV Wales schedules most of its Wales-focussed news and current affairs in prime time, securing the greatest possible audience for news and current affairs programming.

### Growing audience share

2.5 We are now in the third year of our ten year Channel 3 licence for Wales<sup>3</sup>, delivering on the obligations set by Ofcom and so providing a degree of certainty around independent news provision. Budgets for ITV Wales PSB programming – and

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<sup>3</sup> *The Channel 3 licensees are ITV and STV; they each have obligations to provide regional TV news programming as part of their licences.*



the volume of our PSB production – have remained stable for the last seven years at 286 hours of news and programming each year.

2.6 It is clear that ITV's PSB contribution is valued by viewers in Wales. In 2016, share of viewing (SOV) for our flagship evening news programme, *Wales at Six*, rose to 22.6%, the seventh consecutive year of increase. As well as featuring a mix of news, sport and weather, the programme focuses on the national agenda in Wales, with specialist correspondents covering key devolved policy areas.

2.7. Our politics team, operating from our bureau office in Ty Hywel and Millbank Tower in Westminster, ensures comprehensive coverage of Assembly business and Parliamentary stories affecting Wales.

2.8 Coverage of the General Election (and last year's Welsh Assembly Election and the 2015 General Election) underlines the importance of a strong ITV News Wales dimension to political coverage – including contributions from key Welsh counts to ITV's overnights results programme. *Wales At Six* has demonstrated the contribution it makes to the democratic process by allocating significant time and resources to the campaigns, reporting on crucial issues facing voters, giving extensive coverage to politicians and candidates and engaging audiences in the debate.

2.9 In addition to general election coverage, major news stories covered in 2017 to date include: an exclusive on the Ford engine plant; detailed coverage of the winter crisis in Welsh health care; special reports looking at life in the South Wales Valleys; a series of reports linked to Mental Health Awareness Week. Our close connection with ITN enables collaboration on coverage of Welsh stories on ITV's network news programmes.

2.10 Our regular "In Focus" strand within *Wales At Six* dedicates considerable time to investigative reporting. Recent investigations include the rise in male suicides, gambling addiction, and the cell detention of mental health sufferers. The strand has increased our audience involvement, offering opportunities for viewers to shape coverage.

2.11 Our daily news output also includes early (in *Good Morning Britain*), lunchtime and weekend bulletins. Our Sunday morning show, *Newsweek Wales*, features a popular mix of news, features and informed guests. We have a North Wales team based in our Colwyn Bay bureau and reporters based in key locations around the

country. Our news satellite trucks (one in the south and one in the north) are able to send live pictures from whichever part of the country a big story breaks.

2.12 In 2016, a device called Live U was rolled out across ITV News. This is a small portable piece of technology (the size of bag of sugar) that allows reporters to broadcast live from any location where there is 3G,4G or wifi coverage. Live U has added enormously to our live capabilities due to its size and portability.

2.13 Our contribution to journalism in Wales extends beyond the scheduled news with our current affairs provision allowing the space to treat subjects in depth. *Wales This Week*, our leading current affairs brand, had been exposing the big and hidden issues affecting Wales for more than 30 years. An edition on assisted suicide won the scoop of the year award for correspondent Rob Osborne – also named journalist of the year – at the Wales Media Awards 2017. Our weekly politics show *Sharp End* provides lively and accessible coverage of Welsh politics from the Welsh Assembly and Westminster.

2.14 We also provide plurality in Welsh language current affairs through the programming we make for S4C. Award-winning brand *Y Byd Ar Bedwar* has been investigating national and international stories for more than 30 years; we are producing 21 editions for the channel in 2017. *Hacio*, our current affairs programme for young people, has been praised for giving a voice to the younger generation. A special *Hacio* debate and a three-part series *Y Ras i 10 Downing Street* are part of S4C's coverage of General Election 2017.

### Digital news service

2.15 The ITV News Wales website provides an up-to-the-minute rolling digital news service across multiple platforms – from desktop to mobile. The website adds further plurality to national online news provision for Wales alongside BBC Wales' news website and Trinity Mirror's Wales Online. We have a "reputation versus reach" strategy in the sense that we are not primarily dependent on the number of clicks received – rather, on the values of trust, accuracy and impartiality that come from our status as a PSB in the digital space. Our distinctive offering reaches more people and brings new audiences to PSB news. Our digital news reaches a younger audience than television, whilst using platforms such as Facebook has dramatically expanded the reach of our news video content. There were more than 5m video views on our Facebook page in 2016; we also have more than 130,000 likes on Facebook.

2.16 There is further potential to develop the news website. This does not mean competing directly with local newspaper websites or hyperlocal sites, both of which offer different and more localised consumer propositions. But it does mean building on the core regional strengths of the existing news programme – high quality video, on-the-spot reporting, well known presenters and correspondents etc – to enhance the overall quality and range of services.

### Investing in the future

2.17 ITV Cymru Wales is active in recruiting the next generation of broadcast journalists in Wales. We provide placement opportunities to students from various colleges and universities in Wales and we also offer apprenticeships in technical and administrative disciplines.

2.18 We are collaborating with Eastern High School in Cardiff under the “Business Class” initiative. This supports the aspirations and attainment of pupils and enables projects beneficial to ITV by giving insights into how we can further reach and interest the younger generation in public service broadcasting news and its consumption in the future.

### Diversity

2.19 An important part of our role is to reflect the diversity of modern Wales. We monitor the diversity of our on-screen portrayal and feed findings to the news teams so that colleagues are aware of where we need to make improvements. We are currently working with Race Equality Cymru to provide media training for 40 volunteers from diverse communities across Wales. The aim of this is to increase the pool of community voices who are confident about expressing their views on television.

2.20 We’re active in the “Breaking Into News” initiative, aimed at giving aspiring journalists the opportunity to be mentored by some of our on-screen journalists and to produce news packages. A new cohort of young people will be invited to take part in our ongoing “Open Newsrooms” event for those wishing to pursue a career in television news.

## 3. Future challenges

3.1 Clearly, ITV News in Wales has an important role to play in sustaining range and depth of news coverage and ensuring that a diversity of voices continues to be

heard. We believe that our provision, alongside that of BBC Wales News, serves the Welsh public well in terms of competition, choice and plurality of perspective.

3.2 However, commercial realities must be acknowledged. For ITV, nations and regions news represents a significant cost, given the need to produce and transmit over 20 different programmes in parallel. As Foster and Dennis make clear in their report, “a purely commercially motivated broadcaster would be highly unlikely to commit substantial resources to regional news”.<sup>4</sup>

3.3 To secure the future of nations and regions news, and for the future of plurality of supply, ITV believes it will be important to maintain the favourable broadcasting framework which has helped to support it so far. Two things need to be addressed by the UK Government on the policy/regulatory front:

- First, action is needed to continue to secure those measures which help specifically compensate ITV for the costs of fulfilling PSB licence obligations, including nations and regions news. This includes continued access to sufficient radio spectrum to guarantee universal digital transmission of the main Channel 3 broadcast services, and future-proofing the appropriate prominence of the main PSB channels on electronic programme guides (EPGs) and other content access interfaces.
- Second, to ensure that the broadcasting framework continues to give ITV a fair chance to make a reasonable return on its unique investment in high levels of UK original content. This will secure the long term strength of Channel 3, based around a mass audience channel with high levels of investment in original free-to-air UK content. A key policy focus should be the economic balance between Public Service Broadcasters and platforms.

3.4 We hope our submission will be helpful to inform the Committee’s thinking. The contribution of ITV Wales News is at its best when it is a part of a vibrant, plural ecosystem of news sources. On its own, it cannot be expected to cover everything. We do not have the space to cover the minutiae of local council business. We cannot provide the degree of local relevance delivered by hyperlocal online sites. Also, by its nature, as Foster and Dennis point out, ITV nations and regions news has less impact in the area of campaigning. This is partly due to the

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<sup>4</sup> *News Where you Are: The Future Role of Nations and Regions TV News in the UK* by Robin Foster and Aileen Dennis 2015

regulatory framework within which we operate, which requires balance and impartiality.

3.5 But we can and do report on the big national and local issues of the day and help engender a wider sense of national identity via the mass audience channel and trusted brand that is ITV. Finding lasting solutions to the economic challenges facing the newspaper and online media sector here will be difficult. The PSB news services have traditionally been enriched by competition from other news media and as sources for ideas and new talent. As such, their decline has implications for ITV Cymru Wales – particularly when it comes to developing new talent and new voices. What remains clear is that the value of having a sustainable commercial news PSB in Wales is increasingly vital.

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**Cynulliad Cenedlaethol Cymru**  
Y Pwyllgor Cyllid

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**National Assembly for Wales**  
Finance Committee

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Culture, Welsh Language and Communications Committee

15 June 2017

Dear Bethan Jenkins AM

Scrutiny of the draft Budget

I am writing following the Business Committee's consideration of their draft report on changes to Standing Orders in relation to scrutiny of the draft Budget, prior to the Standing Order changes and the Budget Process Protocol being considered in Plenary next week.

The changes to the Budget process are the culmination of a piece of work started by the Finance Committee in the Fourth Assembly; the devolution of fiscal powers in the Wales Act 2014 have meant that the Assembly's scrutiny now has to consider not just Welsh Government spending plans, but how these plans will be financed, through taxation and borrowing.

The main changes which are being proposed are that the budget scrutiny becomes a two stage process, whereby the higher level information which would be scrutinised by the Finance Committee is published prior to the detail needed by the policy committees, and more time is allowed for scrutiny. Specifically, it is hoped this additional time will allow the policy committees to undertake more detailed scrutiny of the spending in your portfolios, and you will no longer be required to report to the Finance Committee, you are able to report in your own right should you so wish.



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I have requested a discussion on these changes at the next Chairs' forum, to enable us to talk through the changes in more detail and we can consider how:

- the Committee scrutiny will work in practice,
- the Finance Committee can maintain an oversight role,
- we can work together to maximise public engagement,
- any training and development needs for committees can be met

Prior to consideration in Plenary [the proposed changes to Standing Orders have been tabled](#), as has the [revised protocol](#).

Should you have any queries on this please do not hesitate to let me know, and I look forward to discussing these changes further at the Chairs' Forum meeting on 12 July 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Thomas'.

Simon Thomas AM

**Chair of the Finance Committee**



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# Agenda Item 8

By virtue of paragraph(s) vi of Standing Order 17.42

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