

## **Written Response by the Welsh Government to the report of the Culture, Welsh Language and Communications Committee – Tuning In – Inquiry into Radio in Wales.**

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We welcome the findings and offer the following response to the recommendations in the report.

**Recommendation 1. The Minister should reassess his approach to engaging with the DCMS over the deregulation of commercial radio and should seek to shape the powers and duties of Ofcom as well as trying to influence the issues it takes into account.**

### **Response: Reject**

The Welsh Government continues to engage with DCMS when appropriate in relation to a number of broadcasting issues including the deregulation of commercial radio.

The Memorandum of Understanding which outlines the relationship between the UK Government, the Welsh Government, the National Assembly for Wales and Ofcom, commits Ofcom to consulting the Welsh Government and appropriate committees of the National Assembly for Wales on its draft annual plan and sets out the process for Welsh Ministers to appoint a member for Wales to the Ofcom Board. This is a new post, the recruitment for which is being conducted for the first time at present. The appointment will be confirmed in the near future. The Memorandum also reinforces Ofcom's accountability to the National Assembly for Wales.

### **Financial Implications – None**

**Recommendation 2. The DCMS should consider introducing a regulatory requirement for commercial radio stations in Wales to report on distinctly Welsh news, as well as local and UK news as part of its reform of commercial radio.**

### **Response: Not a recommendation for the Welsh Government**

It is vital that commercial radio stations in Wales report on distinctly Welsh news and we will continue to raise this with the UK Government and with Ofcom, as appropriate.

### **Financial Implications – None**

**Recommendation 3. Ofcom should explore the issue of competition in the commercial radio industry in Wales to see how greater market diversity and ownership can be encouraged.**

### **Response: Not a recommendation for the Welsh Government**

The issues of plurality in the media sector in Wales are well understood; we agree that greater market diversity and ownership should be encouraged and may have a positive impact in that regard. We would be happy to discuss this directly with Ofcom as part of any review it chooses to conduct

**Financial Implications – None**

**Recommendation 4. We recommend that, in relation to Wales, Ofcom should maintain the current “approved areas” and the minimum number of locally-made hours local commercial radio stations should provide.**

**Response: Not a recommendation for the Welsh Government**

This is matter for Ofcom, but the Welsh Government has emphasised to Ofcom and the UK Government that we would not wish to see further relaxation or removal of the current localness rules on commercial radio. It is vital that there is an appropriate level of localness provision, in particular with regard to local news. This is even more important in Wales considering the weakness of the print media in Wales and the lack of coverage of Welsh affairs in UK newspapers.

In addition, as we informed the Committee in our evidence, when television and radio licenses for stations in Wales are awarded or reviewed, due consideration should be given to the bilingual nature of Wales and the importance of the Welsh language in the context of the Welsh Government’s aim of having one million Welsh speakers by 2050. This should be done by specifying in the contract that a set number of hours be broadcast in Welsh, along with a statement about Welsh-language web content such as text, streams and clips. Linguistic diversity, especially the Welsh language in services for Wales, should be set as a target when granting and regulating services for Wales.

**Financial Implications – None**

**Recommendation 5. The Welsh Government should publish its evaluation of the Community Radio fund and, drawing on any lessons learned, consider introducing a new fund, taking account of any synergies between Community Radio and other hyperlocal news providers.**

**Response: Accept**

A review of the Welsh Government’s Community Radio Fund was undertaken and is already available on the Welsh Government website<sup>1</sup>. This was forwarded to the Committee Secretariat after it was requested during the Minister’s evidence session on 26 April 2018.

We would need to consider any proposals to re-establish the Fund in line with other competing priorities. A compelling case would need to be made that a new Fund

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<sup>1</sup> <http://gov.wales/docs/drah/publications/120724commradiofundreviewen.pdf>

would significantly add value to the availability and impact of community radio across Wales.

**Recommendation 6. Ofcom should do more to publicise the availability in Wales of the Community Radio Fund that it operates on behalf of the DCMS.**

**Response: Not a recommendation for the Welsh Government**

This is a matter for Ofcom. However, we are aware that Ofcom Wales officials do already promote the availability of its fund to relevant community radio stations on a regular basis.

**Financial Implications – None**

**Recommendation 7. The Welsh Government should place more government advertising, particularly public information campaigns, with Community Radio stations and provide guidance to other public sector bodies in Wales to draw their attention to the possibilities of using the sector more.**

**Response: Accept**

Radio is often a key channel for our campaigns; depending on the particular objectives of the campaign, community radio stations may be recommended. The Welsh Government is aware that the community radio sector faces some challenges in terms of commercial engagement with agencies. These include the visibility of stations themselves, access to a co-ordinated point for buying advertising space across community stations and, often, a lack of robust audience data through RAJAR. Agencies therefore often look for alternative ways of engaging with the community radio sector. For example, by providing information about a campaign when it launches and seeking support on air - this is the approach that has been taken for the recent *Parenting. Give it Time* campaign. We recognise that a potential revenue stream for the sector is not being exploited to the fullest.

The Welsh Government has commissioned its own report covering audience reach in order to establish figures for the sector. This will be re-circulated to agencies on the Welsh Government roster and both agencies and communication staff within the Welsh Government will be reminded of the need to consider ways of engaging with community radio stations to work on campaigns as appropriate. This includes thinking more creatively about how the community radio sector can be involved in paid-for campaign work.

**Financial Implications – None.** Any costs will be drawn from existing programme budgets.

**Recommendation 8. The UK Government should consider how its current financial restrictions on Community Radio are working in practice and whether some of the current restrictions are unnecessarily restricting the development of the sector in Wales.**

### **Response: Not a recommendation for the Welsh Government**

This is matter for the UK Government, but it is vital that the current financial restrictions do not restrict the development of the sector in Wales. That said, the restrictions exist in part to ensure that these services remain based in and focussed on the communities they serve – as the Committee acknowledges in its report. Therefore any changes would have to be considered carefully.

**Financial Implications** – None

**Recommendation 9. The Community Radio sector in Wales should consider how best to measure success, including number of listeners and RAJAR ratings. To facilitate this, the Committee intends to organise a symposium for Community Radio stations in Wales to provide an opportunity for them to get together and consider a range of common issues, including use of RAJAR listening figures.**

### **Response: Not a recommendation for the Welsh Government**

We welcome the Committee's intention to organise a symposium for community radio stations in Wales to discuss a number of issues including the use of RAJAR ratings services.

**Financial Implications** – None

**Recommendation 10. The BBC should pursue further options available to it to provide a Wales news opt-out on network radio services and should prioritise investment to help overcome the technical issues that are currently preventing this.**

### **Response: Not a recommendation for the Welsh Government**

This is matter for the BBC. We recognise the key role played by the BBC as a provider of news coverage, about Wales and for the people of Wales. Having a Wales news opt-out on Radio 2 and Radio 1 could be a way to increase the numbers of people in Wales receiving news about Wales, but we note and accept the explanation provided by BBC Cymru Wales to the Committee that this is not currently possible for technical reasons. We agree that this should be kept under review as broadcast platforms and the underlying technology evolves, and if a solution becomes available its early deployment should be considered.

**Financial Implications** – None

**Recommendation 11. The BBC should set itself more stretching targets for UK network radio content from Wales. BBC Cymru Wales should be more assertive in promoting news stories from Wales and Welsh music for the UK networks.**

### **Response: Not a recommendation for the Welsh Government**

This is a matter for the BBC, but we agree with these proposals and this was reflected in our evidence to the Committee. In the same way as television, we are concerned that Wales continues to be particularly under-represented on the main UK radio networks. Very little of the BBC's commissioning for UK network radio appears to come from Wales. We would like to see a greater contribution to the radio network being commissioned from BBC Cymru Wales. This would be fully in line with the strengthened duties to Wales set out in the BBC's Charter.

**Financial Implications – None**

**Recommendation 12. That, in view of the lack of challenge posed for the BBC by Ofcom's new operating licence, the BBC treats these regulatory conditions as a floor rather than a ceiling, and seeks to grow:**

- the volume of news and current affairs coverage on Radio Wales and Radio Cymru; and
- the volume of network radio production made in Wales

**Response: Not a recommendation for the Welsh Government**

This is matter for the BBC, but we agree with these proposals. The Welsh Government has been clear that it is vital that the BBC delivers over the next BBC Charter period against its strengthened mandate and duties to the people of Wales, as well as to the other nations and regions of the UK. This includes its radio output.

In our written evidence to the Committee we noted that in the Welsh Government's detailed response in July 2017 to Ofcom's consultation on its first Operating Licence for the BBC, we raised a number of concerns about the draft Licence, which we urged Ofcom to address to create a final Licence that was fit for purpose. It was disappointing that the Licence was not amended to reflect a number of important improvements which were suggested and explained in detail by the Welsh Government in its response to the consultation.

We will continue to liaise constructively with Ofcom, to ensure that the BBC is properly held to account for the delivery of its services. The Welsh Government and the National Assembly will both be closely monitoring the BBC's progress against the requirements of the Service Licence.

We welcome Ofcom's assurance that the Operating Licence and performance measures will evolve over time and that it expects the BBC to continue improving how it delivers against its remit.

We expect the new Ofcom Board Member for Wales to take these issues forward as a matter of priority.

**Financial Implications – None**

**Recommendation 13. Ofcom should use its new duties of ensuring that audiences in Wales are “well served” with “...more distinctive output and services” to ensure that more music by Welsh artists is played on the radio in Wales.**

**Response: Not a recommendation for the Welsh Government**

This is matter for Ofcom, but the Welsh Government is fully supportive of Welsh artists and wishes to see them gaining greater exposure across the public and commercial radio sectors, both in Wales and across the UK.

The Welsh Government’s direct input to the BBC Charter Review process was vital and gives the BBC a much stronger public purpose to reflect, represent and serve the diverse communities of Wales and the other nations and regions of the UK. In doing so, it must now also support creative economies across the UK – including the thriving creative industries we have here in Wales. This means that we can expect more and better content and programming made for Wales, about Wales – and in Wales – across the BBC’s services. We therefore expect that one outcome of Ofcom’s new duties is this area should be that more music by Welsh artists will be played on the BBC’s radio services, both in Wales and across the network.

**Financial Implications – None**

**Recommendation 14. DCMS should not take any decision on digital switchover until the relative lack of digital coverage in Wales has been improved.**

**Response: Not a recommendation for the Welsh Government**

The Welsh Government fully agrees with this and has consistently stressed to DCMS that we would not be in favour of digital switchover for radio until there is a guarantee of at least 97% coverage for DAB throughout Wales. The DAB service in Wales should not be worse than Welsh AM/FM radio coverage at present and should be available in areas where currently the national radio stations can only be received on the AM spectrum.

Despite improvements in coverage of DAB in some parts of Wales, there is still a long way to go before it would be appropriate to consider digital radio switchover in Wales. The Welsh Government continues to be concerned that even when the proposed criteria for radio switchover are met on a UK basis, there would almost certainly be a significantly lower level of DAB penetration in Wales.

**Financial Implications – None**

**Recommendation 15. Ofcom should review competition concerns arising from Arqiva having a virtual monopoly over transmission in Wales.**

**Response: Not a recommendation for the Welsh Government**

This is matter for Ofcom, but we would agree that the issue of whether costs of transmission are unusually prohibitive in Wales is worthy of consideration - and, if so, what might be done to address this.

**Financial Implications – None**

**Recommendation 16. The Welsh Government should set out clearly its strategy for ensuring that Radio in Wales meets the Welsh Government’s own policy objectives.**

**Response: Accept**

The importance of the radio sector in Wales was clearly reflected in the Welsh Government’s written and oral evidence to the Committee.

The Welsh Government’s position in relation to the devolution of broadcasting policies is clear and has not changed. In a rapidly evolving digital environment, where the broadcasters play a vital role in creating a common cultural citizenship for people across the UK, the Public Service Broadcasting system would not be strengthened at present by dividing up the overall responsibility for broadcasting. However, that does not mean that broadcasters and the regulator should only be accountable to Westminster.

The Welsh Government continues to believe that broadcasting or elements of broadcasting should not be devolved. There are also significant financial risks to devolving broadcasting as there is no guarantee that budgets would be transferred as well.

We want to improve the accountability of broadcasting institutions to the National Assembly and viewers and listeners in Wales.

The governance of broadcasting structures should reflect the reality of devolution. The Welsh Government worked hard to ensure that the new BBC Charter mandates the BBC to deliver a lot more for the people of Wales including increased obligations *regarding* portrayal and commissioning in the nations and regions. The BBC now has appropriate accountability to the National Assembly for Wales. As we prepare to appoint the member for Wales to the Ofcom Board for the first time, we are conscious of the need to ensure similar arrangements for the other broadcasters as well as Ofcom itself.

**Financial Implications – None**