Minutes of the 83rd meeting of

The Advisory Committee for Wales

held via Teams/ some in-person on 24 November 2021

**Present**

Hywel Wiliam Chair

Robert Andrews Member

Ruth McElroy Member

Rem Noormohamed Member (joined at item 4)

Tom Crick Member

**In attendance**

David Jones Ofcom Board Member for Wales

Aled Eirug Content Board Member for Wales

Sian Phipps Communications Consumer Panel Member, Wales

Eleanor Marks Director, Wales, Ofcom

Elinor Williams Principal, Regulatory Affairs, Wales, Ofcom

Meleri Evans Regulatory Affairs Manager, Wales, Ofcom

Other Ofcom colleagues

**Apologies**

| **Agenda items** | **Action** |
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| **Introduction**1. The Chairman welcomed attendees to the 83rd meeting of the Advisory Committee for Wales, including Prof Tom Crick who was attending his first meeting. No apologies were received in advance of the meeting. |   |
| **Declaration of Members’ Interests – oral**2. Tom Crick is a member of the DCMS College of Experts (2021-present). |  |
| **Minutes of the meeting held on 22 September 2021 and matters arising – Minutes ACW 82**3. The minutes of the meeting held on 22nd September 2021 had been previously circulated to Members. The minutes were **APPROVED** unamended as a true account of the meeting.**Matters arising/outstanding Actions –*** Visit to **BBC Central Square** remains on the agenda, to be organised once Covid restrictions permit.
* **Network News research** by Prof Stephen Cushion – content analysis ongoing and Wales team discussing the process around publication with relevant colleagues.
* **Local TV** – on the agenda
* **Julia Lopez** was appointed Minister of State for Media, Data, and Digital Infrastructure
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| **Chairman’s Report – oral**4. The Chairman gave an oral update of his activities since the last meeting including attending:* **CCP Hub for Wales -** The meeting focussed on what constitutes excellent customer service and how communications providers can ensure consumers’ service requirements are consistently met efficiently and effectively. The meeting looked at how developing a Customer Charter across the communications sector could help to manage consumers’ expectations by providing the information they need in one place.
* **Senedd Committee -** Chair gave evidence on behalf of ACW to the Culture, Communications, Welsh Language, Sport, and International Relations Committee’s short inquiry into Ofcom’s Small Screen Big Debate and our recommendations to UK Government. Ruth McElroy also gave evidence but in her capacity as Professor of Creative Industries and Faculty Head of Research at the University of South Wales.
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| **Update: Ofcom Content Board Member for Wales - oral**5. The Content Board Member for Wales gave an oral update at the meeting but highlighted the importance in his opinion of providing a written report for members. He made reference to the following during his update: -* **Cooperation Agreement** between Labour and Plaid Cymru announced recently which includes a commitment to “explore the creation of a shadow Broadcasting and Communications Authority for Wales, to address concerns about the current fragility in the media and attacks on its independence.” The Member emphasised that this was not to be confused with the National Communications Council for Wales.
* **Review of BBC Studios** – this programme of work is ongoing and very relevant to the BBC’s operation in Wales
* **Online Safety -**implications for make-up of Content Board going forward.
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| **Update from Communications Consumer Panel Member for Wales**6. The Communications Consumer Panel Member for Wales had previously circulated an update report on the Panel’s activities since the last meeting. Key highlights as mentioned during the meeting included:* Brief update on nature of last **CCP Hub for Wales** meeting as previously mentioned by the Chair (what constitutes excellent customer service and how communications providers can ensure consumers’ service requirements are consistently met efficiently and effectively). The next meeting is on 2 February 2022 where the topic for discussion will be Royal Mail’s delivery of the USO and the experiences of consumers.
* **Migration to voice-over IP** - The Panel continues to be concerned about the impacts of migration to voice-over IP on consumers, particularly those with specific support requirements who rely on services such as telecare users. The Panel has emphasised to Ofcom, DCMS and industry that to protect these consumers, the switchover needs to be carefully managed by raising awareness of the impending changes.
* **Consumer immersion sessions - P**anel recently held two consumer immersion sessions – an opportunity to observe and hear directly from consumers on the types of communications issues they face. The topics of discussion include: -
1. What consumers expect from their provider – what would ‘good’ look like? How could this form the basis of a consumer charter?
2. If communications services were to become an essential service like other utilities – what would consumers expect?
3. Consumers’ broadband and mobile connectivity needs and what they receive in reality.
* **Complaints handling –** data sets for Wales don’t seem to be presented to ACW at the same level as CCP.
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| **Report – Wales Recent Developments**7. Members noted the contents of an update paper previously circulated commenting on topics including:* **Broadcasting Policy** – in line with the previous discussion on the Cooperation Agreement between Labour and Plaid Cymru, the Director noted the significance of the change in support from Welsh Government to the devolution of broadcasting to Wales.
* **Rugby Autumn Internationals** - noted that Amazon Prime had secured the exclusive rights to broadcast the matches in English and in Welsh. Considerable displeasure has been expressed at the fact that the matches were not available free to air in either language, but we can expect Amazon’s interest in these and other major sporting events to continue.
* **Welsh Language Commissioner’s investigation** into Ofcom’s potential breach of the Welsh Language Standards obligations. We are still awaiting the Commissioner’s decision and will discuss the outcome with relevant colleagues. The role of the Welsh Language Tribunal was outlined.
* **Superfast Cymru** - Progress is being made with the second phase of the Superfast Cymru programme with 20,490 premises being connected to full fibre as part of the Welsh Government’s contract with BT to deploy gigabit capable networks to 39,000 premises by June 2022. The Welsh Government has indicated that there are plans for a follow-up project based around funding for the UK Government’s £5bn Project Gigabit programme.
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| **Update: Ofcom Board Member for Wales – oral** 8. The Board Member for Wales gave an oral update at the meeting and outlined the success of the Board’s recent visit to Belfast.* A member stressed the importance of securing appropriate **prominence for PSM content** noting that not only was it critical to ensure that appropriate content was produced in the nations as well as the UK as a whole, but that it had to be universally available and easily discoverable.
* Online Safety Bill –widely considered and discussed at meetings.
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| **Report – Public Policy**9. The Chair welcomed the team to the meeting. In addition to topics already mentioned, additional highlights included:Online Safety Bill – We have given written and oral evidence to the pre-legislative scrutiny Committee and expect the Committee’s recommendations to be published on the 10 December. Media Bill – We expect a Media Bill white paper to be published next yearTelecoms security Bill – has received Royal Assent. The subsequent Codes and Statutory Instruments will be subject to consultation.A member asked if there was an update on the BBC Licence Fee and the funding settlement for S4C, to which colleagues replied that we expect an announcement shortly.Another member raised the recent ‘Cooperation Agreement’ announced by the Welsh Government and Plaid Cymru, which includes a commitment to ‘explore the creation of a shadow media and communications authority for Wales’ noting that it was the first time that the Welsh Government had committed to this.  |  |
| **Review of BBC Studios**10. Colleagues gave an update on the Review of BBC Studios. Since their last update to the Committee, colleagues met with both TAC and Avanti, as part of their broader stakeholder engagement. Both raised concerns about the commissioning process and a lack of transparency.Our initial findings show that we have some issues over how the BBC is implementing some of our rules. These include concerns around secondary content sales and paying the appropriate revenue back to the Public Service. From our review of a small sample of transactions we have not seen sufficient evidence of compliance and we are concerned that there are not adequate processes in place to ensure compliance with our Rules.Members also shared these concerns around compliance with the Rules, stressing in particular the need for: * proper funding going back into the Public Service, rather than a dividend;
* transparency around the commissioning process and any potential impact that this may have on third parties; and
* proper governance separation between BBC Studios and the Public Service

Colleagues reminded Members that Ofcom is also preparing to review the BBC’s Operating Licence to see if it is fit for purpose for the next BBC Charter period.  |  |
| **Welsh Government Digital Strategy**11. The Welsh Government’s Chief Digital Officer joined the meeting to give an overview of the Welsh Government’s digital strategy:He explained that the digital strategy had stemmed from the work that Lee Waters MS had done as chair of the Welsh Government’s expert panel on how digital could improve Wales’ public services through his [System Reboot report](https://gov.wales/digital-solutions-expert-panel-report?_ga=2.172212323.112318886.1606833098-1595877763.1605694628) The [digital strategy](https://gov.wales/digital-strategy-wales-html), published in March had several elements to it including:* the need to upskill the workforce
* the importance of digital inclusion, including access to superfast
* how to improve the quality of life for people in Wales through better public services

The work is being overseen by the Centre for Digital Public Services, which champions digital ways of working across the public sector. Alongside the Chief Digital Officer, the Welsh Government have also appointed a Chief Digital Officer for the Welsh Local Government Association (WLGA) and will appoint one for Health and Social Care shortly. He mentioned that that there could be a new digital standard added to the national indicators under the Wellbeing of Future Generations Act. He added that while a lot of digital regulation is reserved to Westminster, it will have an impact on Welsh citizens and noted that both the digital team and education team in Welsh Government have been working closely with DCMS on the Online Safety Bill. Members raised the need to ensure that no-one was left behind as we move to a more digital society, especially when it comes to accessing healthcare, and that citizens must have both access to a device and connectivity. Answering a question on digital and climate change, the Chief Digital Officer noted the importance of climate change to the Welsh Government and drew attention to the Deputy Minister’s Climate Change title. He said that work was progressing on supporting the public sector to reduce its carbon footprint through digital solutions. On the digital strategy’s missions and the level of awareness for Wales to be digitally driven, the Chief Digital Officer said that it was important to start in schools, then consult wider society on what public services should look like.   |  |
| **Review of the Regulation of Royal Mail**12. Colleagues from the policy team had circulated a set of slides for information in advance.Ofcom is due to review the Royal Mail Universal Service Obligation (USO) regulatory framework in 2022. Ofcom’s duty is to ensure the USO is sustainable; to protect consumers so that they can access a simple, affordable service; and to support competition. We will call for information from stakeholders in the spring and will consult on any proposed changes by the end of the year.Recent trends in the market has seen a fall in the number of letters sent while the number of parcel deliveries is on the rise. This trend has accelerated during the pandemic, with Royal Mail seeing a drop of a third in the number of letters sent and a rise of a third in parcel delivery. A member asked if the USO should be extended to parcels in rural areas. Colleagues assured the Committee that the USO includes parcels delivered by the Royal Mail, adding that it delivered 7bn letters and 4bn parcels last year However the USO does not extend to ‘retail’ deliveries, only consumer deliveries, which includes sending parcels from the Post Office.Another member noted the importance of letters to consumers, for example in notifying people of health appointments, and that a good service was crucial.   |  |
| **13. Working as a Spectrum Engineer**Members heard directly from one of our Spectrum Engineers on the work they do in Wales. He explained that Ofcom has powers to regulate the radio spectrum under the Wireless Telegraphy Act, including the ability to investigating interference issues. He explained their work in this area, and how they monitor use of spectrum. He gave an example of how the same spectrum bands can be used for different purposes as long as they don’t cause interference such as the 5.6ghz band which is used by the Met Office to measure rain fall and for rural broadband. Most recently, the team had discovered interference to the spectrum that was caused by a domestic tv aerial in loft in a Cardiff house and a satellite dish in Tenby that was causing interference to a mobile phone system. In addition, the team also monitors mobile base station emissions, including those from 5Gmasts, and the results are published on Ofcom’s website.  |  |
| **14. Update - Local TV – oral**Colleagues gave an update on how local tv has operated during the pandemic and outlined the next steps facing the sector. * The economic challenge to local tv was exacerbated during the pandemic with ad revenues falling and some stations having to close their studios completely, unable to deliver content remotely. Some however were able to respond swiftly through creating different content while others were able to furlough staff. We expect the sector to deliver their annual reports for 2021 early next year.
* In 2025 the licence for local tv, currently held by Comux, expires and there is nothing in statue to ensure the future of the sector after this date. This puts added pressure on the sector to plan effectively. DCMS is currently reviewing options and Comux is in discussion with Freeview and others to explore the possibility of IPTV.
* We have received a request from That’s TV, which has a station in Swansea, to modify its local-ness policy. Colleagues reassured the Committee that the request would not lead to a change in content on the Swansea service and that it would retain a production office in Swansea.
* A Member alerted the Committee to an article that outlined the prospect of a new venture in Wales to create more online local news through utilising an existing Local TV service
* Another Member asked about the financial targets of local TV. Colleagues said that the information would be included in their annual reports, but that their main remit was to deliver against a target of local programming content and not necessarily a profit.
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| **15. Consultation Responses:** *The following are publications considered by the committee:* - * [**Consultation: Review of the telephony universal service obligation**](https://www.ofcom.org.uk/__search/s/redirect?collection=consultations&url=https%3A%2F%2Fwww.ofcom.org.uk%2Fconsultations-and-statements%2Fcategory-1%2Freview-of-the-telephony-universal-service-obligation&index_url=https%3A%2F%2Fwww.ofcom.org.uk%2Fconsultations-and-statements%2Fcategory-1%2Freview-of-the-telephony-universal-service-obligation&auth=xWdb51xB%2BLqL4asA5qHkFw&profile=_default&rank=1&query=%21padrenullquery+resourceType%3AConsultation+%7Cstatus%3A%22%24%2B%2B+Open+%24%2B%2B%22)
* **Ofcom's Plan of Work 2022/23** (published before Christmas)
* **Mobile Spectrum Demand (**published in January)
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| **16.Mobile Spectrum Demand:**Colleagues from the policy team had circulated a set of slides for information in advance. Colleagues explained that they were in the process of planning the future uses of mobile spectrum up until 2035 and were seeking the early views of stakeholders into what the likely demand, types of speed and geographic location of mobile spectrum might be needed. Colleagues added that new technologies are likely to emerge between now and 2035 and that mobile spectrum could be used in combination with LoRaWAN, Satellite and Fixed Wireless Access. Members mentioned the LoRaWAN technologies already in use in Glynllifon, the need to engage with broader stakeholders in Wales, and the impact that the Welsh Government’s desire to see 30% of the workforce working from home might have on future mobile spectrum demand. Colleagues added that their work in this area would be strategic in its nature rather than prescribing specific band for specific purposes.  |  |
| **Consumer complaints update**15. Contents **NOTED**. |  |
| **Forthcoming Consultations & Publications**16. Contents **NOTED**.  |  |
| **Any Other Business and future agenda items****AOB –** **Future meeting dates confirmed as:**22 March 2022 |  |
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 Chair

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