



## **Ofcom's Second Public Service Broadcasting Review – Phase 2**

### **Response of the Wales Executive Council of the National Union of Journalists.**

#### **INTRODUCTION**

1. The NUJ Wales Executive Council represent around one thousand professionals working in journalism, public relations and allied industries across Wales.
2. The WEC have authority to speak on behalf of members in Wales, and to decide policy on Welsh issues in consultation with the union's National Executive Committee and full time officers.
3. Our submission should be read in conjunction with the document submitted by the NUJ in London. We confine our own comments to the questions that demand a specific response from a Welsh perspective. For this reason, much of this report is focussed on the overwhelming importance of plurality in a devolved nation. In Wales, plurality is even more important because of the low visibility of Welsh content in London-based media outlets, our struggling regional and local newspaper industry and an online media sector that relies predominantly on news teams working in traditional media for the bulk of its content.
4. We believe the need for action is urgent. Ofcom have noted that the costs of ITV maintaining their Wales licence are likely to exceed the benefits of PSB status during 2009<sup>1</sup>. We understand that BBC Wales are about to suffer significant cuts to their programming budgets. The

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Unless marked otherwise, all footnotes are references to Ofcom's Second Public Service Broadcasting Review –Phase 2. <sup>1</sup> page 29

decision by the BBC Trust to stop the development of BBC Local services is likely to cost dozens of jobs in Wales. In the print sector, Welsh newspapers are currently undertaking a further round of office closures.

5. While the print sector is outside the remit of the current review, we urge Ofcom and other stakeholders to consider the wider media scene in Wales and the growing information deficit faced by citizens. It is a savage irony that despite the growth of the internet and multi-channel television, and the increased devolution of power to Cardiff Bay, our communities have less professional news and other content about life in Wales than they did 10-20 years ago. Furthermore, we believe that fewer professional journalists are now involved in story finding and research. This is bad news for jobs and bad news for the readers, viewers and listeners who rely on quality journalism to know what is happening in their communities and what decisions are being made in their name.

## Consultation Questions

### **Question 1: Do you agree that public service provision and funding beyond the BBC is important in any future system?**

6. Absolutely. We welcome Ofcom's finding that "dedicated news and other content for the devolved nations remains an essential requirement for any future model."<sup>2</sup> Ofcom have found that audiences in the devolved nations particularly value having access to alternative perspectives and different voices with 90% citing this as important.<sup>3</sup> Research conducted for the National Assembly for Wales in November 2008 suggests that a third of television viewers in Wales mainly receive information about news and current affairs from ITV Wales.<sup>4</sup>
7. We agree that as an absolute minimum, ITV should be required to provide space in the network schedule to allow the transmission of news for the devolved nations.<sup>5</sup> The current proposal on hours of news and non-news programming should be the absolute minimum, in keeping with the requirement for a range of programming material. We also wish to emphasise the considerable economies of scale and the substantial technical and journalistic benefits gained by ITV Wales news and programme makers by being part of the wider ITV News Group (see below).

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<sup>2</sup> Ofcom page 63

<sup>3</sup> Ofcom page 36

<sup>4</sup> [http://www.assemblywales.org/abthome/abt-commission/about\\_us-public\\_attitudes\\_2008/about\\_us-public\\_attitudes\\_2008\\_sources\\_of\\_knowledge.htm](http://www.assemblywales.org/abthome/abt-commission/about_us-public_attitudes_2008/about_us-public_attitudes_2008_sources_of_knowledge.htm)

<sup>5</sup> Ofcom page 64

**Question 2: Which of the three refined models do you think is most appropriate?**

8. Our preference is enhanced evolution. Ofcom have found that audiences in the devolved nations prefer evolution because of the high importance they place on plurality in nations news and the role of their respective Channel 3 licensee.<sup>6</sup> A more detailed response is given under the question about nations and regions news below.

**Question 3: Do you agree that in any future model Channel 4 should have an extended remit to innovate and provide distinctive UK content across platforms? If so, should it receive additional funding directly or should it have to compete for funding?**

9. We welcome the suggestion that Channel 4 could play a greater role in the nations and regions. But we are concerned that, because of historic reasons (transmitter patterns and the creation of S4C) Channel 4 does not currently have the level of audience penetration that is offered by ITV in Wales. It would therefore not offer as much plurality in the short and medium term, but we accept that with the right promotion and signposting, this might change over the longer term.

**Question 4: Do you think that ITV 1, Five and Teletext should continue to have public service obligations after 2014? Where ITV 1 has an ongoing role, do you agree that the Channel 3 licensing structure should be simplified, if so what form of licensing would be most appropriate?**

10. We would like to see a system that maintains Welsh public service content on ITV 1 for as long as the channel has mass reach within Wales. As a minimum, we do not wish to lose that access until there are viable alternative methods of delivery that have a similar or greater reach and impact. This is because of our ongoing concerns about the uneven impact of digital switchover and the take-up of broadband and online services in Wales.

11. The report notes that ITV's audience for news are likely to be older and poorer than those watching BBC news output.<sup>7</sup> These viewers are also less likely to adopt new, internet-based technologies and less likely to actively seek out news and other public service content beyond the traditional sources. They make up a larger proportion of the population of Wales than in many other parts of the UK. They are on the losing side of the digital divide.

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<sup>6</sup> Ofcom page 55

<sup>7</sup> Ofcom, Figure 6, page 36

**Question 5: What role should competition for funding play in the future? In which areas of content? What comments do you have on our description of how this might work in practice?**

12. The existing system of an in house (or possibly Trust-based), ITV Wales news and programme making team offers many advantages. However, in the event that the current model cannot be sustained and competitive funding were required, we understand Ofcom's analysis that a competitive funding model would work best if it consisted of a small number of large ongoing contracts rather than many smaller contracts for individual programmes.<sup>8</sup> We believe that there are substantial reasons why this might work in the provision of news for the nations and regions if it is possible to fund an all-UK solution (following existing ownership structures or via a parallel trust status). These are demonstrated in the current operation of ITV Wales News as part of the wider ITV News Group. They include:

- Ongoing high levels of popularity – Welsh news programming watched by more than three-quarters of Welsh viewers every week.<sup>9</sup>
- Welsh non-news programmes such as Wales This Week and the Ferret regularly achieve higher audience shares than network current affairs programmes in the same slots
- Existing all-Wales network of reporters / recognised and trusted faces
- Well established technical infrastructure and the latest broadcasting technology
- Economies of scale as part of the larger ITV News Group (ING), eg training and career development, procurement of satellite and transmission systems, swapping of material between regions, network and breakfast news suppliers as well as Eurovision and the international video agencies.
- Ownership of an archive of film and video that has chronicled the development of Wales over the last fifty years
- Recognised supplier of the range and diversity of quality video content that is designed to appeal especially to older and poorer parts of the community / the 'digitally dispossessed'

13. In the longer term, other organisations could bid for the opportunity to make news (and non-news) programming to appear on ITV if the channel maintains its mass-market appeal. This would open up a significant area of contestability along the lines suggested by Ofcom.<sup>10</sup> However, in the shorter term, the existing system of an in house (or

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<sup>8</sup> Ofcom., figure 21, page 60 and figure 29, page 77

<sup>9</sup> [http://www.ofcom.org.uk/consult/condocs/psb2\\_phase2/annex16.pdf](http://www.ofcom.org.uk/consult/condocs/psb2_phase2/annex16.pdf), page 29. Holden Pearmain, writing Appendix 16 (Regional News) for Ofcom's Second PSB Review, phase 2 found, in an opinion poll, that 44% of those surveyed in Wales watch ITV Wales news programming at some time every day with a further 34% watching 'a few times a week'

<sup>10</sup> Figure 29, page 77

possibly Trust-based), ITV Wales news and programme making team offers many advantages.

14. Any model of competition for funding must also allow for the additional content needs and programme making abilities of the devolved nations. We would urge Ofcom and other stakeholders to consider how an all UK model would serve the needs of the devolved nations and whether different solutions might be more appropriate to each of the nations.
15. Stakeholders considering options for competitive funding in Wales must also take into account Ofcom's own view on the subject: "The weakness of all competitive funding models is the cost involved in achieving anything like the reach and impact currently achieved by the ITV nations/regions network"<sup>11</sup>

**Section 5, question 1: Do you agree with our findings that nations and regions news continues to have an important role and that additional funding should be provided to sustain it?**

16. We do. Ofcom research shows that 90% of viewers in the devolved nations believe that television is an important source of news about their nation.<sup>12</sup> They also want plurality. The consultation document sets out in abundant detail why that will need additional funding. In recent months, reviews of BBC and Channel 4 network news programming have highlighted the shortfall of news from Wales and the other devolved nations. In addition, Ofcom's first review of Public Service Broadcasting established that 85% of the daily newspapers bought in Wales are published in England. They do nothing to redress the balance.

**Section 5, question 2: Which of the three refined models do you think is most appropriate in the devolved nations?**

17. We prefer refined evolution, continuing to use Channel 3 as the carrier service for nations news. Ofcom's own research shows the overwhelming importance of this provision when asking viewers for the main source of news about Wales:<sup>13</sup>
  - BBC Wales 35%
  - ITV Wales 26%
  - Newspapers 10%
  - Internet 10%
  - Radio 5%
  - Other 11%

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<sup>11</sup> page 76, par 5.43

<sup>12</sup> page 67

<sup>13</sup> Figure 23, page 68

18. This means that the news from ITV Wales is as important as newspapers, the radio and the Internet combined. It also demonstrates vividly that demand for online news in Wales still lags way behind traditional delivery mechanisms for this content.
19. Ofcom's survey work also highlights the overwhelming public support for evolution in the devolved nations – backed by 39 votes to six.<sup>14</sup> We echo Ofcom's conclusion on this issue: "Channel 3 has a symbolic value in the devolved nations, beyond its PSB provision and is seen to represent national identity in ways which other TV channels do not."<sup>15</sup> The report also notes that viewers are attached to the stv, UTV and ITV Wales and did not think Channel 4 had "the capacity or expertise to fill the gap"<sup>16</sup>
20. The NUJ's UK wide submission makes it clear that we believe Ofcom should offer ITV and other commercial PSB broadcasters the full range of regulatory reliefs suggested in the consultation document in order to maintain broadcasting across the nations and regions. We explicitly support this argument. We also welcome the proposal of Ofcom's Advisory Committee for Wales to set up a dedicated funding agency for Wales to support PSB plurality in our devolved nation.<sup>17</sup> As outlined in the introduction, problems in the supply of public service content in Wales go beyond broadcasting and are particularly acute in the print sector. We also support the committee's view that the Channel 3 Welsh licence should be separated from the licence for the west of England.<sup>18</sup>
21. We would welcome further research on how existing media organisations in Wales can work together to strengthen public service content across media platforms. This research should include the existing print based news industry because of the ongoing process of media convergence. Existing plurality and competition for quality is essential and the strength of BBC Wales and S4C as the cornerstones of our public service content provision must not be undermined. However, that still allows for many co-operative projects that could benefit communities across Wales:
- The establishment of a IRN style radio news feed to supply Welsh audio content, generated by ITV Wales, to community and local commercial radio stations.
  - Exploring whether the BBC I-player could carry material from other public service content providers, as suggested by Ofcom<sup>19</sup>
  - Developing a one-stop 'News of Wales' online site for information about our nation. This could include material from

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<sup>14</sup> Figure 25, page 69

<sup>15</sup> page 60, par 5.9

<sup>16</sup> page 78, par 5.46

<sup>17</sup> page 71

<sup>18</sup> page 73

<sup>19</sup> page 103, par 6.62

the main traditional providers, new entrants and the public sector (eg, health promotion videos, debates in the National Assembly, etc)

22. Calls for a separate dedicated channel for Wales have considerable attraction, especially if a sustainable agreement cannot be reached with the Channel 3 licensees on carrying a good range of public service content. We would like to see more work on how this could be funded and how it would secure as great a reach as programming on Channel 3.

**Section 7, Question 1. Do you agree with our proposals for ‘tier 2’ quotas affecting ITV plc, stv, UTV, Channel TV, Channel 4 and Five and Teletext are appropriate, in the light of our analysis of the growing pressure on funding and audiences’ priorities? If not, how should we amend them, and what evidence can you provide to support your alternative?**

23. Programme making teams in ITV Wales spent much of this year planning to make three hours of non-news programming a week from January 2009, in line with previous indications from Ofcom. This would have ensured a good range and diversity of content with plurality maintained across Welsh programming genre in the English language. Indeed, ITV Wales announced plans for a five-nights-a-week ‘Wales Show’ that would have been a considerable innovation within ITV plc and would have matched similar services offered to viewers in Scotland and Northern Ireland. It was only around the time of publication of the current Ofcom Phase 2 report that we had any indication that Ofcom would propose to half the number of hours required. Given the timescale involved in Ofcom’s consultation and the advanced state of job losses and restructuring within ITV Wales we take this to be a ‘done deal’. It is also a vivid example of the instability of the current system. This instability must be addressed in any long term funding model

24. The Institute of Welsh Affairs, in a submission to phase one of the current consultation argued that the total English language television output across all services for Wales should not be less than thirty hours a week.<sup>20</sup> We welcome the scale and ambition of this suggestion. It will take time and much work to establish the necessary mechanisms of funding, accountability and editorial impartiality. Flexibility will be needed in ensuring that the content is available where the audience can find it on whatever current and new platforms that are available. We need to build alliances among current and new suppliers of material that is made in Wales for Wales – and for the wider world.

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<sup>20</sup> [http://www.ofcom.org.uk/consult/condocs/psb2\\_1/responses/iwa.pdf](http://www.ofcom.org.uk/consult/condocs/psb2_1/responses/iwa.pdf)

25. Wales is a young but growing devolved democracy. Yet our citizens face an increasing deficit of quality information about decisions being made in their name. Doing nothing is simply not an option.

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