



## **National Union of Journalists (NUJ) submission to the Expert Panel on a Shadow Broadcasting and Communications Authority for Wales**

October 2022

The National Union of Journalists adopted a policy, largely concerned with television, on the devolution of broadcasting at its 2021 Delegate Meeting (biennial conference). In preparing to give evidence to the Shadow Broadcast Authority Expert Panel, the union's Welsh Executive Council has consulted the NUJ chapels (office branches) at BBC Wales and ITV Wales. It found no support for going further than current policy.

The NUJ calls for S4C to be funded and managed in Wales and overseen (at arm's length) by the Senedd. This policy is in response to the severe cuts imposed by the DCMS on S4C's budget. However, the union's policy is that this devolution of responsibility would require a fair financial settlement for the Welsh Government from the Treasury that would allow it to adequately fund S4C.

The NUJ opposes the use of the television licence fee for non-BBC purposes.

The NUJ calls for the Welsh Government to have a crucial voice in setting requirements for English language programmes in Wales in both the next BBC Charter (which will run from the start of 2028) and the next Channel 3 licence for Wales (which will run from the start of 2025).

Since the policy was adopted, there have been several relevant developments.

The BBC licence fee has been frozen for two years, at £159, after which it will rise with inflation.

S4C has been given a budget of £88 million a year for the next two years, funded entirely from the licence fee, after which it will also rise with inflation. With inflation at its current rate, these represent serious real terms cuts for both the BBC and S4C.

The previous Secretary of State for Culture, Media and Sport has published a White Paper that proposed legislating to end what it called the "rigid" requirement for the BBC to make a set amount of programmes for S4C.

Ofcom informed the previous Culture Secretary in June that unless she intervened, it intended to offer the Channel 3 licences for ten years from 2025 to the current holders (ITV

and STV) with unchanged public service broadcasting requirements. In the case of the licence for Wales, this would require ITV to continue to provide an average of four hours a week of Welsh news, plus an additional hour and a half of other programmes, of which at least 50% must be current affairs.

Ofcom proposes renaming public service broadcasting “public service media”, bringing online output into the licences. Ofcom suggests that the public service requirements, of which nations and regions news is considered to be the most costly, are sustainable for ITV over 10 years, although with a potential “small net cost” towards the end of the period.

The current benefits of being a public service broadcaster are privileged access to the radio spectrum, reaching 98.5% of the UK population, plus prominence on electronic programme guides. It’s proposed that the latter requirement is extended to web platforms.

The DCMS is also considering making it a requirement that a listed sporting event is shown on a public service broadcaster (as opposed to simply being free-to air), with digital rights included for the first time. Ofcom is considering possible relaxation of the rules on product placement and on the frequency and length of advertising breaks.

It seems inevitable that the Channel 3 licences will be granted until the end of 2034 under the current non-devolved system. Ofcom will want to reach agreement next year with ITV (and STV), if only because of the theoretical possibility that the licences would have to be advertised if agreement with incumbents couldn’t be reached.

The NUJ would certainly urge the Welsh Government to object to any suggestion that Ofcom should ease the proposed public service requirements for the Welsh Channel 3 licence. Arguments that the Welsh licence lacks commercial value, when it is taken in isolation, miss the point - if they are valid at all. The licence is not in isolation but is governed by networking requirements. ITV argues that it suffers significant opportunity costs because it cannot reach STV’s viewers directly. Its successful takeover bid of £100 million for UTV represented a significant investment in securing further control of the network. Even after asset sales, most of the money was to be written off over the then eight years remaining of UTV’s licence.

The current BBC Charter runs until the end of 2027, with the review process expected to start in 2025. The present Charter places on Ofcom a regulatory responsibility “to secure that audiences in Scotland, Wales, Northern Ireland and England [listed in that order] are served well”.

The current Charter also states that:“ ... the BBC may apply for and accept a supplemental charter, or promote a bill in ... the National Assembly for Wales” - the correct terminology at the time it was written. Furthermore the Secretary of State must consult Welsh Ministers on the terms of reference for the review ahead of the next Charter. There is also a requirement to consult Welsh Ministers about the mid-term (2022-24) review and for all the relevant information to be raised before the Senedd.

So the Welsh Government will have a voice in the process, on paper a significant one. Whether in practice it is the crucial voice that NUJ has called for will of course depend on the Westminster Government of the day. The Charter renewal process will take place after the next General Election. Political parties will have the opportunity to make manifesto commitments strengthening the Welsh Government's role if they so wish.

If it has influence to wield, the Welsh Government should, of course, consult and perhaps establish a body to advise it. But establishing an actual Broadcasting Authority would imply that Welsh broadcasting was not just devolved but independent. The power of broadcasting regulators in all countries stems ultimately from the right of sovereign states to control the radio spectrum, without it power devolved is still power retained.

The demise of traditional television channels that use the radio spectrum is much talked about but it is certainly taking a lot longer than some had predicted. Much will depend on today's 16 to 24 year olds, who are half as likely to be watching traditional television as the population as a whole. Will their viewing habits change as they get older?

There is certainly an opportunity for the Welsh Government to encourage digital platforms relevant to Wales that serve an audience beyond traditional television services. Regulating them is a different matter and for any government or regulator is unlikely to achieve more than stopping serious societal harms and, unfortunately, not always even that.

As stated earlier, there has been less discussion within the NUJ about how radio is, or should be, provided in Wales. But the consolidation in commercial radio, with jobs lost and Wales-wide and local news services discontinued, suggests that the BBC Wales radio stations should be safeguarded and that any scheme to promote further independent radio stations is likely to require significant public funding.

The local television experiment is instructive. The services that began some ten years ago have either disappeared or become a shadow of their former selves. They were unsustainable once initial funding, diverted from the BBC licence fee, came to an end.

Despite its problems and cutbacks, television broadcasting, despite its problems and cutbacks, is arguably the journalistic medium causing the least concern in Wales at the moment. According to Ofcom figures, BBC Wales is where 46% of Welsh people get most of their news about Wales, for 28%, it is via ITV Wales.

The most urgent issue is the continued hollowing-out of Welsh newspapers, with ever-reducing resources increasingly diverted to websites that cannot be successfully monetised. Welsh Government support for new and local journalism is likely to be required to a significantly greater degree than is currently contemplated.

Returning to television, the NUJ completely opposes the privatisation of Channel 4, which continues to provide an alternative voice, with high-quality journalism that includes coverage of Wales.

While the NUJ does not argue with the right of the Welsh Government, through its cooperation agreement with Plaid Cymru, to look at devolving broadcasting we do urge extreme caution. We are also concerned at the tiny budget for public interest news, versus the million-pound budget allocated to the expert group.

The current Westminster government is antagonistic towards the BBC and has frozen its licence fee for two years, after years of its declining value. The privatisation of Channel 4 is still on the cards as the Conservative government prefers to see broadcasting run by the private sector. These ideological attacks on public service broadcasting are not going to end until there is a change of government.

Therefore the NUJ is concerned that were the current Westminster government agree to devolving broadcasting it would be done in a way that would cause further harm to public interest broadcasting.