



## **National Assembly inquiry into the devolution of broadcasting**

Evidence from the Welsh Executive Council of the National Union of Journalists, December 2019.

1. Securing the future of public service broadcasting in Wales is an essential but challenging task for all who care about providing the Welsh public with high-quality, news, current affairs and indeed, sport drama and other genres from a range of well-resourced providers.
2. The very concept of public service broadcasting is being challenged as viewers, content providers and advertisers all give increasing attention to on-demand services via the internet.
3. Nevertheless, television and radio channels remain highly important to all stakeholders, with only a slow decline in viewing. The rise of alternative media sources is no reason to dismantle existing public service provision, which should be strengthened whenever possible.
4. Accordingly, the Welsh Executive Council of the National Union of Journalists (“the NUJ WEC”) believes that the devolution of broadcasting should give a role to the National Assembly for Wales (and where appropriate the Welsh Government) in setting the obligations towards Welsh audiences of each existing public service broadcaster but should not involve a radical restructuring of public service provision.
5. It is therefore necessary to consider separately potential arrangements for S4C, ITV Wales and BBC Wales.
6. In regard to S4C, the NUJ WEC successfully moved the following motion at the union’s 2018 delegate meeting.

*This DM notes with concern the recent announcement by culture secretary Matt Hancock that the Welsh language broadcaster S4C will lose its government funding by 2022. This follows a review ‘Building an S4C for the future’ published in December 2017, and will see nearly £7 million lost from the budget and all of S4C’s public funding coming from the TV licence fee within four years.*

*DM recognises that S4C occupies a unique position in UK broadcasting and is a driving force in promoting the Welsh language. It remains an important source of current affairs, factual and cultural programming, and the idea that this move will usher in a period of “certainty” and “stability” for either S4C or BBC Wales is doubtful in the extreme. The further cut in*

*S4C's budget comes on top of nearly £20 million of cuts in the past decade, and BBC Wales has had substantial cuts in jobs, provisions and programming budgets in the same period. DM fails to see how this move can result in stronger public-sector broadcasting in Wales at a time when it is so badly needed.*

*This DM therefore instructs the NEC to campaign with politicians and broadcasters in Wales for a vibrant and properly resourced S4C, funded and managed in Wales, and overseen by the National Assembly for Wales.*

7. It should be noted that the union is opposed to all top-slicing of the television licence fee, which has been raided several times by the UK government for spending on non-BBC purposes. The union's view is that the long-standing arrangement whereby BBC Wales makes 10 hours a week of programming for S4C is entirely acceptable as a BBC purpose but the more recent transfer of most of the cost S4C funding is not. This should come from general taxation.
8. It should not be automatically assumed that devolution of control of S4C would lead to an increase in its budget. The Government of Ireland has a much greater revenue base than the Welsh Government, yet in 2017 its funding of the Irish language channel TG4 was €32.79 million. Clearly this is significantly more than the £6.72 million that S4C receives from the UK government, which will be cut to zero in 2022. However, there is no equivalent to the £74.5m a year funding to S4C from the licence fee, due to be reviewed in 2022.
9. TG4 receives a programme supply of 365 hours of Irish language programming annually from the main public broadcaster, RTÉ, at no cost to TG4. By comparison, the BBC supplies 520 hours a year of programming at no cost to S4C, valued at £19.4m. (Both TG4 and S4C have a modest income from advertising and other commercial activity).
10. Therefore, if the S4C authority is to be funded by the Welsh Government, a considerable long-term financial commitment would be required, we suggest for ten years. Clearly, the Welsh Government could only agree to this if it received appropriate guarantees from the Treasury about its future funding.
11. In the case of the BBC, the appropriate opportunity to give Welsh politicians a greater say would be when the corporation's charter next comes up for renewal. The present charter runs until the end of 2027. We propose that, subject to a vote in the Assembly, the Welsh Government should be able to contribute objectives for Wales in the overall requirements set out for the BBC in the next charter. It is of course important that once a charter is granted, the BBC decides how to implement its objectives, free of political interference.
12. In 2018, the BBC produced 615 hours of programmes for Wales, 338 hours of news, 42 hours of current affairs and 235 hours of all other genres, at a total cost of £27.3 million. ITV Wales produced 343 hours, 268 hours of news, 45 hours of current affairs and 30 hours of all other genres, at a total cost of £6.3 million pounds. (All these figures are taken from Ofcom's report *Media Nations: Wales 2019*).
13. Although not on the scale of the BBC, ITV Wales makes an important contribution to the diversity and range of programmes made for Welsh viewers and ensures a plurality of sources of news and current affairs. This extends to S4C, which buys most of its current affairs programmes from ITV Wales. It is important that the public service broadcasting

obligations on ITV in Wales are not reduced when the current Channel 3 licences end in 2024.

14. Although ITV may try to argue that the same obligations are no longer affordable, it is worth noting that in 2016, ITV took over UTV, the Channel 3 licensee in Northern Ireland. In addition to funding very similar PSB obligations (368 hours of programmes, including 257 hours of news, 57 hours of current affairs and 44 hours of other genres, at a cost of 6.1 million in 2018) ITV has to write off over the eight remaining years of the licence £100 million spent on the acquisition of UTV (less €10 million raised through the resale of UTV's assets in the Republic of Ireland). It is clear that ITV attaches a premium to owning all available Channel 3 licences.
15. We propose that, subject to a vote in the Assembly, the Welsh Government should be able to contribute objectives for Wales in the overall requirements set out by Ofcom for the Channel three licences after 2024. It is of course important that once the licencing process is underway, Ofcom is able to negotiate with ITV, free of political interference.
16. The future of public service broadcasting, delivered via "linear television" channels, is uncertain. However, experience to date suggests that they will remain crucial sources of news and entertainment for Welsh viewers for a considerable time to come. Politicians should not be afraid to continue to set high standards from Welsh broadcasters but also be careful to do nothing to hasten its demise.