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IWA Wales  
Media Audit  
2015  
**Executive  
Summary**

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## Executive Summary and Recommendations

Since the IWA's first media audit in 2008 the main developments have been the continued growth of online communication and the increased availability of digital means of communication across Wales, contrasted with a serious contraction in the funding of content related to Wales. It is becoming more difficult for Wales to retain its visibility in a more complex and fragmented media world.

Output and spend on English language television by BBC and ITV has further diminished, with an inevitable narrowing of the range of programmes. S4C has suffered the first ever cut in its funding, losing a quarter of its funding. Ownership of commercial radio has undergone further consolidation, usually, but not always, with consequent reductions in locally originated output. Ownership of indigenous Welsh newspapers is also consolidating. In overall terms Wales is seeing market failure.

The decline in spending on television programming for Wales began before the banking crisis of 2007-08 and the subsequent squeeze on public spending. The total combined spend by BBC and ITV on English language television output for Wales has declined consistently since 2002 and accelerated after BBC Wales passed its peak spend of £26.8m in 2005-06. Up to 2006 the decline was worse in Northern Ireland (-23%) than in Wales (-18%) or Scotland (-3%). Since then it is Wales that has seen the steepest decline:

- i)* ITV Wales' programme provision outside news has further diminished, following an agreement with Ofcom in 2009, from 3 hours a week to 1.5 hours - in sharp contrast to the independently-owned ITV service in Scotland (STV) which has actually increased its output.
- ii)* BBC Wales' spend on English language television dropped to £20.2m in 2014-15, a reduction of 25% from £26.8m since 2005-06, and will reduce again in 2015.
- iii)* The BBC Wales English language television service for Wales has seen a 27% reduction in hours between since 2006-07, though a large part of this was the result of the withdrawal of the short-lived BBC2W service in 2009. Between 2008 and 2014 the reduction in hours was 15%.
- iv)* After the 2010 General Election S4C suffered a 24% cut in its central funding, with the bulk of its funding transferred from the DCMS to the BBC Trust (and the licence fee). The spend on the separate statutory 10 hours a week supplied to S4C by BBC Wales since the founding of the channel in 1982 is already reducing from £23.5m in 2010-11 towards the planned £19.4m in 2016-17. The future of the DCMS's residual spend on S4C - currently just over £6m. - remains uncertain.

This contraction has had a particularly severe effect on the amount of television content produced for the audience in Wales in English. This is of great concern as pluralism needs to be viewed not just in terms of the number of providers, but also in terms of the range, form, purpose and tone of programmes and the voices they carry. News and current affairs must not be the only prism through which Wales refracts and reflects its society.

In both 2010 and 2015 the UK Government imposed tough licence fee settlements on the BBC that imply significant real terms reductions. This is bound to threaten both BBC Wales and S4C. We endorse the demand by the First Minister of Wales that the BBC invest an additional £30m in its services for Wales, and that S4C's funding be sustained. S4C and BBC2 should also be made available in high definition.

The BBC's decentralisation of network television production and the creation of a drama production centre in Cardiff has not resulted in increased portrayal of Wales in television drama. This should be addressed by the devolution of some network funding to BBC Wales.

The BBC remains a highly centralised organisation in its decision-making. It has yet to adjust fully to the new shape of the United Kingdom. Within the BBC the apparatus already exists to create a more federalised structure that could allow a greater degree of local decision-making and accountability within each country, while still retaining an essential unity of purpose and values essential to the delivery of its UK-wide services. This is not a zero sum game.

In newspapers online communication is now the priority for the main groups in Wales, as print circulations continue to drop. Print circulations continue to be important as the main source of advertising revenue. There has been a substantial increase in the accessing of news on the digital platforms of the newspaper groups, but a continued reduction in the number of journalists employed. WalesOnline has become the main online national platform for news, outside the BBC. The BBC should make its audio and video content available for use on the online sites of local newspapers in Wales. Hyper-local newspapers need to be encouraged.

There is a strong case for a thorough review of local media embracing both local and hyperlocal newspapers, local and community radio. The Welsh Government should also establish a Media Advisory Panel to ensure regular monitoring of media developments in Wales.

# Recommendations

## The Welsh Government and media

- 1 The Welsh Government should reconstitute a Media Advisory Panel under independent chairmanship, with a remit to monitor media trends in Wales and to commission studies as necessary.
- 2 The panel should work with relevant academic departments to ensure a coordinated approach to contemporaneous monitoring of and research into media developments.

## Television: English language

- 3 In assessing Welsh needs pluralism must be viewed not just in terms of the number of providers, but also in terms of the range, form, purpose and tone of programmes and the voices they carry. News and current affairs must not be the only prism through which we refract and reflect our lives.
- 4 Investment in the BBC's services in Wales should be increased by at least £30m. per annum, ideally by an increase in the licence fee but, if not, then by a reprioritisation of the BBC's funding.

## Television: Welsh language

- 5 S4C's funding must be sustained if it is not to be pushed into a cycle of decline.
- 6 S4C's editorial, operational and managerial independence must be safeguarded, not only in its own interests, but also because that independence is of benefit to the whole creative ecology in Wales.
- 7 S4C and BBC Wales must, however, maximise their collaboration across radio and television, without losing the distinctiveness of each others' services.
- 8 The Secretary of State should consult on the range of criteria he intends to apply in exercising his duty under the 2011 Public Bodies Act to secure sufficient funding for the S4C service. The criteria should include the necessity of transferring to HD transmission.

## Network television

- 9 The BBC should create a funding and commissioning system that devolves a significant tranche of network funding, so that commissioners in the nations can have the freedom to bring other cultural perspectives to bear, to improve 'portrayal' and so diversify the output.

- 10 Channel 4 should lay its annual report before the National Assembly for Wales, including detail of its implementation of the 'out of England' quota in each of the other nations. The Welsh Government or a Committee of the Assembly should provide a response.

### HD in Wales

- 11 BBC2 Wales should be transmitted as an HD service as soon as possible.
- 12 S4C must be enabled to provide its broadcast service in high definition. The Secretary of State for Culture, Media and Sport should take this factor into account when exercising his duty under the 2011 Public Bodies Act to secure sufficient funding for the S4C service.

### Radio

- 13 The effectiveness of DAB coverage in different parts of the UK should be assessed before any decision is taken to switch off FM or, indeed, BBC Radio Wales's medium wave frequency. It must not be done on the basis of average coverage across the UK.
- 14 Radio regulation in Scotland, Wales and Northern Ireland, should be devolved to the Ofcom Advisory Committees in the nations, operating under the overall umbrella of Ofcom.
- 15 The abandonment of local content requirements for DAB services should be reconsidered.
- 16 The Welsh Government and Ofcom should collaborate to explore the feasibility of a radio-based Independently Financed News Consortium for Wales. This should include consideration of participation by commercial and community stations as well as hyper-local news sites.
- 17 The BBC should provide an opt-out news service BBC Radio 1 and BBC Radio 2.
- 18 Some part of the additional funds for BBC Wales should be devoted to strengthening its radio output and creating a flexible mix of on-demand radio output.

### Online

- 19 The Government should support the BBC's proposal for an interactive online service for Wales.
- 20 Separately and/or integrated with the interactive online service the BBC should create a separate iPlayer service for BBC Wales, also accessible on main iPlayer site's home page. This should act as an aggregator for all content made specifically for the Welsh audiences.

- 21 Government and Ofcom should explore options for new sources of revenue that could support a contestable production fund whose output would be accessed via the PSB app.
- 22 A similar approach should be adopted for radio.
- 23 The UK Government and the devolved administrations, together with the European Commission, should institute an urgent review of current regulations and legislation to ensure that international manufacturers can guarantee a level playing field for public service broadcasters at the sub-national level.
- 24 In return for gaining prominence for the ITV Player app via Smart TVs, ITV plc, along with UTV and STV, should be mandated to give greater promotion and prominence to its nation and regions programming.
- 25 Convergence should be encouraged by furthering dialogue between book publishers and video publishers in Wales. Liaison between BAFTA Cymru, the Welsh Books Council and Creative Cardiff suggest a route by which this could be achieved.

## Governance

- 26 Responsibility for broadcasting and media matters should be shared between the UK Government and the devolved administrations. We reject the notion that nothing in this field should be devolved unless everything is devolved.
- 27 The appointment of the Welsh Member of the BBC Trust (or its successor body) should be subject to the approval of relevant Welsh Minister – in effect a joint appointment with the DCMS.
- 28 Appointment of representatives of Scotland, Wales and Northern Ireland to the Ofcom Board should be subject to the approval of relevant Ministers in the devolved administrations – in effect a joint appointment with the DCMS.
- 29 The current Audience Councils in Scotland, Wales and Northern Ireland should be replaced by National Broadcasting Trusts, operating under the umbrella of the BBC Trust. The spirit and intent of this recommendation should be implemented whatever changes are made to the governance and regulation of the BBC centrally.
- 30 These National Broadcasting Trusts should be responsible for the shape and delivery of a national service licence, implying responsibility for the policy, content and allocation of resources for all services delivered solely for audiences in their respective countries.
- 31 The BBC, the S4C Authority, ITV Wales plc and Channel 4 should be required to lay before the National Assembly for Wales annual reports on all their operations relevant to Wales. The Welsh Government or a Committee of the Assembly should provide a response.

## Print and online journalism

- 32 The Welsh Government and Ofcom should jointly commission a study of the future of local media in Wales to embrace commercial and community radio, local newspapers and hyper-local sites. The study should include consideration of:
- the future of FM and Medium Wave transmission in a DAB environment
  - local content requirements for DAB radio
  - the relationship between commercial and community radio and the possibility of hybrid models
  - the future of Papurau Bro
  - the likely impact of the BBC's proposals for a shared journalistic resource
- 33 The Welsh Government should create a challenge fund for the development of innovative local online news services, administered by the Arts Council of Wales or the Welsh Books Council.
- 34 The BBC should make its regional and local audio and video content available to newspapers.

## Employment and training

- 35 S4C should resume immediately the monitoring of its staff composition.
- 36 BBC, ITV and S4C should agree on a method of monitoring staff composition across the sector and implement it as part of their standard commissioning procedures.
- 37 The Welsh Government should consult with employers in the sector and agree on a means of co-investing in skills and supporting Creative Skillset Cymru through core and/or project funding.