



Welsh Affairs Committee

Oral evidence: Broadcasting in Wales, HC 620

Wednesday 19 April 2023

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Members present: Stephen Crabb (Chair); Virginia Crosbie; Wayne David; Geraint Davies; Ben Lake.

Digital, Culture, Media and Sport Committee member also present: Kevin Brennan.

Questions 188 - 264

Witnesses

I: Eleanor Marks, Director Wales, Ofcom; Kate Biggs, Content and Media Policy Director, Ofcom.



Examination of witnesses

Witnesses: Eleanor Marks and Kate Biggs.

Q188 **Chair:** Good morning and welcome to this session of the Welsh Affairs Committee, where we are continuing our inquiry into broadcasting in Wales. I am delighted to be joined this morning by Eleanor Marks, director for Wales at Ofcom, and Kate Biggs, who is the content and media policy director at Ofcom UK. Thank you very much for giving us your time and expertise this morning. Could I start the discussion by asking Ms Marks, in the first instance, how Ofcom's approach to regulation takes account of the distinctiveness of Wales when it comes to media, political and cultural context?

Eleanor Marks: Thank you for the invitation to be here. Ofcom really regards the value of the public service broadcasters in Wales. Our regulation is aimed at making sure that we demonstrate that we are an independent, impartial regulator that gets the best out of everything for the viewers in Wales.

The public service broadcasting landscape in Wales is really important for the people of Wales. It makes a huge contribution to the plurality of news in Wales. TV news in particular adds so much to the availability of information and how people get their news about democratic processes and civil society, and we really value that space. Equally, we are aware that people get to see their lives reflected through the public service media in Wales. There is an enormous amount of good work that goes on to make sure that people see what they do and how they do in both Welsh and English through the public service broadcasters. Our aim, through regulation, is to make sure that people have high-quality content and that they see themselves reflected on the screen in Wales.

Q189 **Chair:** Obviously Wales sits within a United Kingdom context. Presumably you meet with counterparts in Scotland and Northern Ireland. Does Wales feel to you like it is one of the most challenging or more complicated parts of the UK in a broadcasting context? How does that affect your approach to the job of regulation?

Eleanor Marks: I meet regularly with my colleagues in the other devolved nations and my colleagues who work in England. My answer would be that they feel different; each of us has different challenges. Also, we all have the challenge in a global world and a global market where audiences of linear TV are falling, but there is an enormous desire to support the public service broadcasters to move on to digital platforms, balancing the need for existing audiences with those that seek the younger audiences, and to go further in getting the audiences in in a new way of watching content.

Q190 **Wayne David:** I notice that in your plan of work for 2023-24 you say, "We will continue our collaborative and creative approach to engaging with all our stakeholders," and it mentions a number of stakeholders,



including Members of Parliament. I have been an MP now for over 20 years. I cannot remember any approaches from you during those 20 years. How do you engage with Members of Parliament?

Eleanor Marks: We do engage with Members of Parliament, and we often have contact from Members of Parliament asking us about issues in their constituency or wider questions around broadcasting and/or digital. I know that my colleagues have been engaged with Ben on a number of issues in his area. We are hoping to host a session in the Senedd in Wales, hosted by politicians, to talk about particularly VoIP, not a broadcast one. We are open to that engagement and we would be happy to do more engagement. If you have not had any, I would be happy to pick that up with you.

Q191 **Wayne David:** You mentioned the Senedd and I know that you do a lot of work in the Senedd, quite rightly. I know that you respond to particular concerns that MPs have, but I cannot think of any instances where you actually held a meeting, reception or presentation here for MPs to come along and question you generally, as we are doing today.

Eleanor Marks: We are always happy to accept the invitation to come along, as we have done today. If you would like us to be more proactive, we would be happy to do that. We tend to engage with people through the events we hold in Wales. We held an event at the Royal Welsh Show to which people were invited.

Q192 **Wayne David:** MPs work up in Westminster, not so much at events in Wales. Can I take it from you that you accept that point that I am making and that you give a commitment now to hold events regularly in Westminster?

Eleanor Marks: If somebody would be happy to host us, we would be happy to have an event here.

Wayne David: I would be more than happy to.

Eleanor Marks: We will take you up on that.

Q193 **Ben Lake:** In terms of the structure of Ofcom's work across the devolved nations, you mentioned their meeting counterparts in Scotland, England and Northern Ireland. I am interested in how the resources and staffing for the Ofcom team in Wales compare with those in the other devolved nations.

Eleanor Marks: There are two types of staff in all of the nations' offices. The Wales team itself is about eight people; we are currently recruiting three posts into that team. Generally, the nations' teams are about the same size.

We have other Ofcom colleagues based in Wales. We took a decision to expand the office space that we have. It was completed just before lockdown, so it has been a little slower getting off the ground that we would like to have seen it. We can accommodate up to about 30 people



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there now. I think we are now about 18 Ofcom people in total. We have an aspiration in Ofcom to grow Ofcom outside London.

It is a much higher number in Scotland. The Edinburgh office started growing before the Wales one did. I do not have the final numbers in there, but they are about to take new premises. Similarly in Northern Ireland, the specifically Northern Ireland team is slightly smaller than the Wales team, but there are some other Ofcom people there. We have a commitment to grow outside London and I would love to see more Ofcom people in the office across a range of subjects that we do.

Q194 **Chair:** Could I follow up on Ben's point? Why would the Scotland office be significantly larger than the Wales office, given that we have a Welsh language broadcasting channel, which Scotland does not have? This comes back to my earlier question about the complicated broadcasting environment there is in Wales. Why would Scotland need a significantly larger Ofcom office than Wales?

Eleanor Marks: There is the Ofcom team in Wales. There is team Wales and team Scotland, and team Wales is actually a bigger team than team Scotland. We will have three posts dedicated to the Welsh language in the Ofcom team in Wales, as well as people who work on broadcasting and across the sectors in Wales.

I think that it is historic. I know that when I started in Ofcom, which is just over four years ago now, one of the first things I wanted to do was to expand that space. That is part of why I was taken on. We have a commitment to grow outside London. I would have hoped, if it had not been for lockdown, that we would have grown more in that space, but we are growing.

Q195 **Chair:** In terms of answering my specific question, functionally, there is no greater need in Scotland to have more people working on broadcasting policy in the Scottish context than there is in Wales.

Eleanor Marks: There is not.

Q196 **Geraint Davies:** Kate Biggs, I think that you are responsible for media content across the UK. You will know that the Ofcom Broadcasting Code says that no politician may be used as a newsreader, interviewer or reporter in any news programme unless, exceptionally, it is editorially justified. Why is it that that is not the case with GB News, where we have Jacob Rees-Mogg down our throats four nights a week?

Kate Biggs: We have published a statement around this to try to provide greater clarity to the public, who, rightly, have an interest in how we approach this. There are different expectations around news and current affairs programmes compared to factual panel type shows and discussion. There is a balance. When we are talking about non-news programmes, how do you balance, editorially, the right to have freedom of expression and freedom of speech with protection from harm? That is how we have approached the further guidance that we have set out.



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As you may know, there is a live investigation relating to GB News, not Jacob Rees-Mogg's show. We are looking at that, so it would not be appropriate for me to comment further on live investigations. As and when we see instances where we think that the code may have been breached, we are obviously considering any complaints and will take appropriate action. We have a range of tools available to us.

It is important that there is range and diversity in our broadcast environment and that there are different editorial decisions and different voices. Audiences expect and want that, but you need to do that within compliance with our code.

Q197 **Geraint Davies:** What I am getting at here is that specifically in the code it says that no politician may be used as a newsreader, interviewer or reporter in any news programmes unless it is exceptionally justified. Yet, for example, there was a case with Philip Davies and Esther McVey, a married couple who are MPs, interviewing Jeremy Hunt, the Chancellor of the same party. They have made £121,000, which they declared in their interests and which they said was for presenting episodes of a news programme. They have openly declared that they are clearly in breach of your specified code, yet you are sitting here telling me, "We are looking into it." This breach is continuing. You are not doing your job, are you?

Kate Biggs: Breach of the code is a serious offence, so it would not be right or proper for us to make quick, reactive responses. It is proper that we gather evidence and make a decision based on the evidence. That is a live investigation and I am very happy to update you when a decision has been made, but I do not think it would be appropriate for me to comment on something while it is in that process.

Chair: We will move on now.

Geraint Davies: I understand.

Chair: We will move back to broadcasting in Wales. Can you move on to broadcasting in Wales, please, Geraint?

Q198 **Geraint Davies:** I wanted to ask about broadcasting in Wales. What has been received from GB News is a relevant consideration. People are saying they are being paid for reading the news and they are not supposed to be. That is my only point. Did you want to add anything, Eleanor Marks?

Eleanor Marks: No, not to that point, thank you very much.

Q199 **Geraint Davies:** I want to move on to the relevance of the broadcasting in Wales accurately representing the diverse communities of Wales. In the round, do you think Wales as a nation—I know we get bits and pieces—gets an accurate reflection, not just culturally and language-wise but a reflection of the political demography?



Eleanor Marks: There is accurate reporting and accurate portrayal and representation of life in Wales. Clearly, there is always more that can be done. With the advent of the draft Media Bill, we will allow more freedom to the broadcasters to do that. However, there have been lots of programmes presented that show life in Wales. There is ITV's "Coast & Country" There are the Welsh language ones, "Ffermio" and the soap, "Pobol y Cwm".

On top of that, the co-operation between the broadcasters is actually producing a lot of really good quality content now that is filmed in Wales and depicts Welsh life. Historically, the current film that is out from S4C, "Y Sŵn" or "The Noise", shows the story of how S4C was created, which is a very Welsh-specific story but is available to other people as well. The PSBs do a good job of representing Welsh life on screen. Is there more that can be done? Possibly, but actually there is a lot there.

Q200 **Geraint Davies:** Kate, specifically, I wanted to ask about news coverage in Wales. Perhaps you could comment on how relevant it is to Wales. By way of an example, we have a problem with the River Wye being so massively polluted by chicken farmers, which is a big issue in the area, and it spans into England as well. Other news items that are geographically specific, relevant and of interest do not really seem to be picked up. We receive London news, for want of a better word, and obviously Jacob Rees-Mogg does not live in Wales.

Kate Biggs: No, just over the border. ITV, BBC and S4C play perhaps a particularly important role in Wales, compared with some of the other nations, given some of the challenges in the press media in Wales. I would want to give them credit for the investment they have made in local journalism.

There is also a role for the wider commercial sector. A combination of commercial radio and community radio, which we have seen grow and expand across the UK, including in Wales, plays a really important role in making sure some of those more local or regional stories are told.

Could more be done? Yes, but there are difficult decisions in terms of budgetary pressures and escalating costs in production. Local journalism is really at the heart of public service broadcasting. Audiences tell us that it is the number one characteristic in why they continue to value PSB so highly. PSB is very widely valued by Welsh audiences.

Q201 **Geraint Davies:** You are not here to represent the BBC as such. They have their massive new centre in Cardiff. They have a very small office in Swansea. Let's go further afield and ask, "When did we last have some news coverage from and about Aberystwyth, or Machynlleth, for example?" The answer is, "On very few occasions." There is an issue about various parts of Wales being left out. It is all very well saying, "We have 'Pobol y Cwm'" or something. I am talking about news coverage.



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Eleanor Marks: I am here to represent Ofcom, not any other organisation.

Geraint Davies: Do you think that there is something to be said there?

Eleanor Marks: The importance of TV news coverage in Wales in providing news about Wales for Wales is incredibly important. The lack of plurality in Wales is well documented. I know that last year S4C set up its new news programme and new news app and invested in that. The ITV news has changed so that it has the regional programme on first and then an hour's worth of news. It has invested in journalists across the country, across the UK, and puts more Wales coverage in that.

It is the place that people go to. Both on linear TV, though that is less, and on digital, people go to the PSB sites to get their news about Wales, for Wales and about what is happening in the wider world in Wales. Could there be more done or not? The point of our regulation is to ensure that people get good-quality content and good-quality news representation. We would continue to look at that.

Q202 **Kevin Brennan:** Kate, I welcome the fact that that investigation has been opened around GB News following Melanie Dawes' appearance before the Digital, Culture, Media and Sport Committee, where I am normally sitting—I am just on loan here today to the Welsh Affairs Committee. What is your reaction from Ofcom to the draft Media Bill as proposed?

Kate Biggs: It is very much welcomed. It reflects a number of the recommendations we made in our last PSB review, *Small Screen: Big Debate*, which we published in 2021, I think. It delivers on the online prominence for PSB, which we suggested was an urgent requirement if we were to protect the availability and discoverability of PSB in a world where more and more people are going online first, rather than broadcast. We have worked quite closely with DCMS officials around its development. They are currently in a phase of technical engagement with industry, which is important because the Bill contains a few novel areas that technically could be quite complex.

Q203 **Kevin Brennan:** Have they given you any indication of when they expect it to be introduced as a real Bill?

Kate Biggs: I am afraid that our understanding is, I am sure, the same as yours around when parliamentary time allows.

Q204 **Kevin Brennan:** Is there anything in it particularly relevant to Wales? If not, what is relevant to Wales that is in it in general?

Kate Biggs: Bringing in the reforms around S4C is going to be really important to Welsh audiences, but also to Welsh-speaking audiences across the UK. The reforms proposed around prominence and availability of PSB are really important for all Welsh audiences and for being able to see a range of services relevant to them. Eleanor mentioned ITV's



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investment in regional news. Being able to see more news when you are going through players, as opposed to live TV, will be really important in supporting the PSB remit around democratic values and cultural relevance.

Q205 **Kevin Brennan:** Eleanor, what do you think of Made in Cardiff?

Eleanor Marks: I do not take a view on Made in Cardiff.

Q206 **Kevin Brennan:** Have you ever watched it?

Eleanor Marks: Yes, very briefly.

Q207 **Kevin Brennan:** Is it channel 7 or something like that on the electronic programming guide?

Kate Biggs: It is always 7 or 8.

Q208 **Kevin Brennan:** Is it 7 on Freeview? If you turned it on, what would you expect to see?

Eleanor Marks: That is an interesting question. I am not sure what I would expect to see. The issue around local TV, which is part of that, is that I would expect to see content that relates to the locality of that area.

Q209 **Kevin Brennan:** That is not what you see though, is it? You might have expected to see some local programming or maybe some old American reruns or something like that on there. What you will actually see is TalkTV, Rupert Murdoch's propaganda news channel.

Eleanor Marks: I know that DCMS is considering the licences at the moment, but I will hand over to Kate for local TV.

Kate Biggs: The local TV system is very different from public service broadcast channels. There is a clear requirement around local provision and original local content. That varies licence by licence, so the Cardiff licence looks different from Swansea.

Q210 **Kevin Brennan:** These different channels are actually all owned by the same people, are they not?

Kate Biggs: They are not all owned by the same people. There are two different owners for the three local TV channels available in Wales. They have different models across the UK. Some are run as not-for-profits. Some are run as part of a wider network. There have been issues around sustainability, which explains some of the different models you see. Above and beyond the minimum requirements in the licence, they can make decisions about what sorts of programmes they acquire.

Q211 **Kevin Brennan:** In Ofcom, what do you think about the fact that prominence, which you are saying is so key in public service broadcasting, has been awarded in exchange for a fee to Rupert Murdoch's TalkTV channel in Wales? When I turned on Made in Cardiff for the first time and saw that, I thought, "What is going on?" I thought that



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that should be channel 85 or something like that, or two-hundred-and-whatever. Do you not have a view on that in Ofcom?

Kate Biggs: We do, because we determine what appropriate prominence should be. Appropriate prominence was awarded to local TV and they make decisions, whether it is, as you say, acquiring US repeats on a non-exclusive basis or acquiring TalkTV programmes. They make those decisions. We ensure that they are complying with the obligations set out in their licence.

We have opportunity to revisit our code around EPG prominence, so that is the existing prominence regime, if we were to have any concerns or have concerns around any of the agreements that might be made locally. It is important that local TV is in control of the channel.

Q212 Kevin Brennan: It is farcical that that is the situation that we have got to. I will not bang on about it.

Can I put a couple of figures to you, Eleanor? In the BBC's annual report from 2021-22, it showed a drop in time spent watching TV in all four nations of the UK, but the drop was the largest in Wales. In Scotland, it showed 20 minutes less per week. In Northern Ireland, it was 56 minutes less per week. In England it was 60 minutes less per week. In Wales, it was 90 minutes less per week. That is three times the fall seen in Scotland in time spent watching BBC television. Why is it so bad, if we could call it that? Maybe I should not say that. Why is it so different in Wales? Is that a good thing or a bad thing?

Eleanor Marks: It is partly that they face the same challenges, but the fall is greater in Wales. We are left in a situation where the fall is greater but the importance of TV news is increasing in that space. We are not 100% sure what those reasons are. There is a bit about more people in Wales having smart TVs than the rest of the UK and they are going straight to digital.

Q213 Kevin Brennan: They do not have three times as many as in Scotland though, do they?

Eleanor Marks: I do not know whether they have three times the amount in Scotland. It is a challenge for the BBC, in particular, to attract those audiences. It is not for us to tell broadcasters what content to put on. We are very keen that they use the regulation and the draft Media Bill to make sure that they are attracting new audiences and that the prominence is there on digital to attract—

Q214 Kevin Brennan: It sounds like you do not really know, apart from maybe more people on smart TVs. Do you have any thoughts on it, Kate?

Kate Biggs: The baseline was higher. Audiences of the BBC in Wales are traditionally relatively high. I would caution against taking too many conclusions from one year of data, particularly when we have seen quite turbulent viewing figures over 2021 through to 2022. That is one of the benefits of our approach.



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We are very transparent, I hope and think, in our regulation of the PSBs and in our view of the BBC's performance, to look at trends year on year to see what might be happening. We do look at some of the quantitative measures, such as amount of viewing, which are important, but we also look at some of the attitudinal research, such as whether Welsh audiences feel well served. Do they feel that they see themselves? Do they see relevant, accurate news, et cetera? We monitor that, year on year, independent from any particular broadcaster or other body.

Q215 **Kevin Brennan:** Eleanor, is devolution of broadcasting to Wales a solution in search of a problem?

Eleanor Marks: Ofcom does not offer a view. It is a matter for Government on whether it is devolved to Wales or not. We have engaged with the expert panel set up by Welsh Government and its co-operation agreement. We have provided evidence. In fact, Kate was part of the team that provided evidence to the expert panel. I am happy to share our research with them. As to a view on whether it should be devolved, that is a matter for Government.

Kevin Brennan: If we do not have it, I am sure that the Committee would like to have that.

Q216 **Chair:** Can I follow up on Kevin's question there about the drop in amount of viewing time of BBC in Wales? I have not seen the figures but I am going to take it as given that those are correct. Is that something that you will discuss with BBC Wales? It sounds like quite a significant drop in Wales. Is that going to become a discussion point? I do not know how you go about your hands-on regulatory activity with BBC Wales. Whose job is it to poke around in those figures and understand what is driving that decrease?

Eleanor Marks: It is something we discuss and something we have discussed. We will continue to discuss it, but it is a challenge for the BBC to work with those figures, rather than Ofcom to tell it exactly what to do.

Q217 **Geraint Davies:** Can I move on to young people's viewing and social media? We have done some outreach, in particular, in my constituency, in Gower College, to talk to young people, who were basically saying that they get much more of their news online and in a personal capacity. They may not be sitting round as a family, watching the news and discussing what it means. They accept that online coverage can be less accurate and perhaps misleading in some cases, according to where you get it from.

I was wondering what the Ofcom position was on this. Increasingly, people are getting less reliable news from channels such as TalkTV or GB News, but also from anybody posting anything on all sorts of online sites. Then the algorithms get them to get more of the same sorts of views coming across. There have been problems with, as you know, for example, far-right views locking in to young people who are sitting on their own perhaps in a bedroom, watching a mobile phone. What is



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Ofcom doing to ensure that there is accuracy and safety in terms of the information delivery in these modern forms of receipt?

Eleanor Marks: Clearly, younger people look to get their news in a very different way. There is not the same model for younger people as sitting round with the family, watching the news, as it was in the past. We will be getting responsibility for online safety, and part of it is in the online safety regime. Equally, some of the public service media are developing their own websites. It is still the most trusted source of news, even if access by younger people is the online version of the public service media. Part of what we are thinking about is the prominence in that space, which is in the draft Media Bill.

Kate Biggs: The Media Bill will help with the prominence of news and PSBs on connected TVs, et cetera. In terms of your point about a young person whose first place for news is TikTok, as Eleanor says, online safety may, and hopefully will, help with that. We are also very supportive of the PSBs' ambitions and investment in their own digital footprint, so that there are trusted brands, whether that is ITV Cymru, the BBC or Channel 4, making sure that they have a good footprint on those platforms—TikTok, YouTube et cetera—where young people are going for their news.

Q218 **Geraint Davies:** One thing that we heard is that TikTok is addictive, because it moves very quickly and sends you on to the next piece. It is a very effective bit of technology. In terms of content, it is quite unreliable in many instances.

We have a situation in Wales, which I support, where young people who are 16 can now vote in local elections, so they are expected to find out the information and make reliable choices. There is a concern that they are not in a safe, informative and inclusive environment, as they had been in previous generations, where they were just watching the BBC. I was wondering what you were doing about that and if there is anything you can do about it.

Kate Biggs: There is a combination around preventing harm through online safety, promotion of the good—the increased availability of those reliable, trusted news sources on those platforms—and the work we do around media literacy and our being able to expose and show some of the patterns of behaviour we see. We have just recently published our *Children's Media Lives* report, which is a mix of quantitative and qualitative work, setting out how we see children's habits evolving and where some of the issues are to contribute to the debate and, hopefully, shine a light on where some of the concerns may be arising.

Q219 **Geraint Davies:** Finally, some of those young people mentioned programmes such as "In My Skin", which is a programme that you may be aware of, about young people—teenagers—in school in Wales that they specifically related to. There is an issue here about having the budgets to provide a very targeted and relevant product in Wales to people in parts of Wales that reflects their lives, rather than having to



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consume enormous amounts of American-produced generic stuff or stuff from London. Does Ofcom have a view on that as well? There is a feeling among younger people that they are being left out. I am talking about young people in Wales. Do you have a view on that, Kate?

Kate Biggs: When it comes to under-18s, children, we have announced in our plan of work that we want to take an in-depth look at that. Last time we looked at it was 2019.

Q220 **Geraint Davies:** I am talking about 16, 17 and 18, that sort of age group, the people who are voting and are young adults.

Kate Biggs: We consider it in terms of our regulation of the PSBs and how well they are providing to younger people. We have recognised the challenge in that because those younger people, as you say, are not tied to scheduled TV on a TV. They are using their phones to watch content from a range of sources, whether that is video on demand, such as Netflix, or through to, as you say, TikTok and YouTube, et cetera.

How do you ensure that there is still investment in and availability of that content? That is something that we talk to industry and the production sector about, as well as the broadcasters. Also, how do you ensure that it is easily discoverable? There are not easy solutions, I do not think, to any of that. It is something that the broadcasters are particularly challenged around, because it is important to them that they have a relationship with those 16 to 24-year-olds, because they are their viewers for the future.

I am not sure whether Eleanor has anything to add, but I do not think that there is a terribly easy solution. Things such as the Media Bill ensuring that the PSBs are prominent on connected devices is a step. Online safety is important in terms of regulating around some of the harm that we can see on those platforms. There is also enabling and supporting the PSBs in their digital transformation. All that plays an important role in how we ensure that those 16 to 24-year-olds continue to find enough relevant information that reflects, as you say, their lives and cultural and social experiences.

Q221 **Chair:** Can I move on to the online subscription platforms? One thing we have been thinking about as a Committee in this inquiry is how that is changing the landscape of broadcasting in Wales. Kate, could you tell us how Ofcom is changing the way it is going about its business of regulation to take account of these large subscription services that are obviously taking up more and more of people's attention, time and money?

Kate Biggs: Absolutely, yes. The majority of homes in Wales—something like 70%—now subscribe to at least one of those services, whether that is Netflix or Amazon.

Q222 **Chair:** Would that explain the drop in the amount of time viewing BBC Wales that we were talking about?



Kate Biggs: It may be a factor, although the subscription rates are pretty comparable across the nations, so not particularly higher, although there is a higher smart TV rate. There will be changes under the Media Bill to which of those services we will be regulating. Our scope will expand if the Media Bill is pursued in its current form.

It is important for us to have a good understanding of audiences' expectations. How do they differ between your traditional push media being scheduled and broadcast into your homes versus the more pull-down things I am choosing to watch on an on-demand service? We are keeping a very close eye on investing. We did some more work recently around what people's expectations are around different standards.

We are looking at the investment pattern. We are looking at how the production industry is being affected by the emergence of more established SVODs and their investments in studios across Wales and the rest of the UK.

Eleanor Marks: The accessibility of S4C on both Click and the iPlayer is important. The accessibility of information on ITVX is important. Also, there is an opportunity for the wider creative industry in Wales to capitalise on being able to sell content to the SVODs in this place. A recent example of this is when the drama series "Dal y Mellt", or "Rough Cut", was sold to Netflix. There are opportunities on the other side of the coin for the creative industry in Wales and the production companies to be able to take advantage of the global investment.

Q223 **Chair:** Absolutely, yes. We have taken evidence on that. When Netflix was sitting in that seat there, it used its appearance in front of us to announce that investment in Welsh language drama commissioning. That was very good. What I am getting at is the extent to which you think that particularly Amazon Prime and Netflix are in direct competition with the public service broadcasters.

Eleanor Marks: There is no doubt that there is a challenge from the global market that we are in. Part of what we have welcomed in the draft Bill is the ability of someone such as S4C to go beyond its natural geographic boundaries to be able to compete in that global marketplace. We always keep in mind that we want high-quality content for viewers to be able to see, whether that is digital or linear.

There is no doubt that it is a challenging environment but the PSBs continue to offer a really good look at Welsh life as well, with the coverage of cultural events in Wales, such as the National Eisteddfod, the Urdd Eisteddfod and the Royal Welsh Show. People being able to see themselves on the PSBs is important. We absolutely accept that the huge budgets, the instant accessibility and the way that viewing is changing with the SVODs really has made a difference in this space. It is a challenge.

Q224 **Chair:** I think that you just talked a few moments ago about S4C



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competing globally against these players. Amazon has a balance sheet that is bigger than some nations on earth. How on earth can S4C compete against the resources of Amazon? We are going to come on to sport in a minute. When Amazon wanted the rights to the autumn international rugby, it got them. It did it in Welsh language, and S4C was completely frozen out of the picture. Are we going to see more of that?

Eleanor Marks: There is undoubtedly a challenge in this space. We have seen collaboration between S4C, BBC and ITV in this space. The changes in the Media Bill will make it easier for this to happen as well. Producing good-quality programmes and high-quality content in that space and shared ones, like the worldwide success that “*Craith*” or “*Hidden*” has had, like “*Un Bore Mercher*” or “*Keeping Faith*” has had, is the other side to this coin and competing in that space.

Budget-wise, yes, you are absolutely right. They have huge budgets, but there is a competition and an opportunity for Welsh-based broadcasters to be able to produce high-quality content that can be seen on those platforms.

Kate Biggs: It is fair to say that there is opportunity and challenge. There is investment in skills and in studios, all of which is important. Also, broadcasters still do something different. If you look at SVOD catalogues, it is very much around drama and some entertainment. In terms of news and current affairs, that is still in the DNA of our broadcasters. The amount of UK original content is quite unique about our broadcasters when you compare it to the catalogues of some of those global online providers.

Q225 **Kevin Brennan:** Eleanor, S4C has said that eight out of its 10 most-watched programmes were sports and 28% of the hours viewing on S4C was spent watching sport. What is your view about the whole issue of Welsh language broadcasting but specifically the need for it to be on the public service broadcaster that Parliament legislated to set up in order to nurture and protect the Welsh language, rather than just a tokenistic Welsh language commentary being offered behind a paywall?

Eleanor Marks: Undoubtedly, the most-watched sporting event was the France-Wales match in 2021, where, sadly, Wales lost 32-30 to France. Sport continues to be a really important part of the viewing, whether that is sport supplied by the BBC to S4C or the Welsh language commentary in that space. The listed events regime is a Government regime and Ofcom operates it, rather than frames it.

Kate Biggs: The listed events regime does not guarantee that the sports are shown, because it comes down to editorial and budgetary decisions the broadcasters need to make around what they want to prioritise and how much money they have available. We commissioned some research to look at trends in sports rights and what might happen. I am very happy to provide a copy of that to the members if that might be of interest. We have been speaking to the DCMS around its digital rights



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review. It is important that the subject of access to sports is not limited to the linear full programme but also some of the digital rights and clips, et cetera. They are increasingly important, particularly to some of the younger audiences.

Q226 Kevin Brennan: There is a specific role that sport plays in both Welsh identity and preservation of the Welsh language. If you look at Welsh football, the national team in recent years has almost had a cultural revolution around it, where the Welsh language has become very important in that culture. It is also very important in other sporting contexts, including rugby obviously.

If part of the purpose of the public service broadcasting regime is to help support, nurture, preserve and protect the Welsh language, which is still under pressure, as we know from the last census, despite many gains that have been made, taking away from it the one thing that is the most popular thing that allows the language to be seen and heard in an everyday context of sport, a national conversation and all that sort of thing, is much more serious than just a matter of whether there is a Welsh language commentary available somewhere on a red button. That is why S4C and public service broadcasting is important. I know that you are regulators at Ofcom. You do not make the rules and the laws. Do you see my concern and the concern of people about what this could mean for the language and its prominence in coming years?

Eleanor Marks: The Welsh language is a really important part of the culture of Wales. The memorandum of understanding between S4C and the Welsh Government to get towards that million speakers in 2050 is really important.

The Amazon coverage that there was had Welsh language commentary on it as well, but it was behind the paywall. When you looked at it, there was the Welsh language and the English language next to each other. We are regulators; we do not dictate where that comes. We do not make the rules. We implement the regime.

Q227 Kevin Brennan: I am suggesting that there should be a red light of concern about it. There is one final question on this from me to you, Kate. The Welsh Language Commissioner gave evidence to this Committee that the Ofcom code on specific sports and events could require a Welsh language commentary to be provided. Is that correct? Would that potentially be a change you could make to the code?

Kate Biggs: I would need to check on the specifics. There are elements in the Media Bill about bringing into force some aspects of the listed events regime that might be helpful in that regard, but I would want to just check with a colleague, if I might just write to you on that.

Q228 Chair: On the Welsh language point, do you ever sit down with the Welsh Language Commissioner, BBC Wales, the other public service broadcasters and other players with an interest in this issue to have a behind-closed-doors discussion about what is going on and why we are



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not seeing more gains coming through in the census figures for Welsh language speakers?

Eleanor Marks: We sit down with each of those stakeholders in separate meetings and have conversations about a range of issues.

Q229 **Virginia Crosbie:** Thank you for coming to the Committee this morning. You have talked quite a lot about the Welsh language and this 1 million target by 2050. It is disappointing that we seem to be moving away from that target. I am certainly trying to do my bit. Rhaid i mi ymarfer mwy. I need to practise a little bit more. In terms of TV and what Ofcom is doing here—I must say that it is good to have some ITV journalists here, who do their part to promote the Welsh language on TV—how do you see your Ofcom role specifically?

Eleanor Marks: Our role is about the content rather than the language necessarily. We are really supportive of it. We are really pleased that S4C delivers such high-quality Welsh language content. The importance of this is about reaching audiences so that people have every opportunity to hear the language spoken and watch programmes and listen to radio in it. The fact that there are extra hours on BBC Cymru 2 makes a difference. Every opportunity to hear the Welsh language is important. We are supportive of that and the Media Bill will hopefully allow more space for that Welsh language content to be produced.

Q230 **Virginia Crosbie:** You mentioned the Media Bill in terms of what it means for S4C, the reforms and the communities there, and ITV in terms of these regional programmes. What specifically are you actually doing? You have mentioned what other people are doing. What are you actually doing?

Eleanor Marks: Ofcom's remit is more as a regulator than as a supporter of the Welsh language, though we are committed to supporting the Welsh language in what we do, in the events we run in Wales and in how we operate.

Q231 **Virginia Crosbie:** We had some evidence to the Committee here about Ofcom actually having a role and the power to require Welsh language content in commercial radio licences. Can you give us an update on where you are with that in Wales, please?

Eleanor Marks: With both community and commercial ones, we cannot mandate the use of the Welsh language in programmes. When we offer the licence opportunities, people let us know what they are going to produce and what is going to be on the channels. We then regulate them to make sure that they do what they have done. If somebody does not offer the Welsh language contribution, we cannot regulate them to have that. We would encourage it. We would be very pleased to see it, but we regulate to what the provider is going to put on there, what is in their application.

Q232 **Wayne David:** If public service broadcasters are to fulfil their



obligations, they require adequate funding. One point made by a number of witnesses we have had, including the Media Reform Coalition, is that there has been a sharp reduction in advertising revenue, which has hit ITV. There has been reduced funding, because of the freezing of the licence fee, to the BBC. There has been reduced funding for S4C as well. Other people have said that there is too much focus on finance. We need to move away from that. What is your view? Do you think that funding is adequate? Is it absolutely essential, as I am inclined to believe it is, for those stipulations to be fulfilled by PSBs?

Kate Biggs: It is essential that the PSBs are sustainable. It is something on which we take a view. Quite recently, we set out advice to the Secretary of State about the sustainability of the Channel 3 and 5 licences for the next 10 years. Under the Media Bill, there are proposals to add a sustainability objective for Channel 4. We have an ongoing responsibility to look at the PSB review at least every five years to set out our view on whether we think, as a whole, as an ecosystem, it is sustainable.

The challenges are material. As you mentioned, there are the pressures on some of the revenue streams. Also, there are pressures on increasing costs of production. It is something that we look at and discuss with the broadcasters and production industry. Some of the reforms in the Media Bill will help. Whether it is enough is something we will have to see and continue to monitor carefully. We have a role and an interest in ensuring that the system remains sustainable across the UK.

Q233 **Wayne David:** Could I ask you specifically about ITV? The appropriate committee in the Welsh Senedd made some scathing criticisms of ITV, accusing it of having a laissez-faire approach. That was a few years ago and, in fairness, there is evidence that the situation has improved as far as ITV is concerned, but are you confident that the improvement we have seen in recent months will be continued? What measures are you taking to make sure that that is the case?

Kate Biggs: We have ongoing conversations with ITV. I was recently out in Cardiff visiting Phil Henfrey, who I know you have spoken to as part of your inquiry. We will continue to discuss with ITV how they are facing the challenges that they face and how they can deliver the best possible to audiences they serve across Wales.

The reforms in the Media Bill are very important for them. Apologies if we sound like a stuck record, but the Bill is warmly welcomed by us as it opens up the PSB system beyond the linear channels through to digital services, which play an increasingly important role across Wales.

Q234 **Geraint Davies:** I want to ask Kate first about the quality of the BBC. If I can set a context, I mentioned TikTok previously. The feedback we got from young people, again in Swansea, was that they knew of cases of very young children, seven-year-olds, getting addicted to TikTok and then having algorithms to make them view that on an ongoing basis.



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Meanwhile, lots of people subscribe to Netflix and Prime, et cetera.

Within that space, we are going to move to a position where people will be saying, "We do not watch as much BBC, so why should we pay for that subscription when we are paying for Netflix, et cetera?" Part of the remit for the BBC—I appreciate you are not the BBC—is about information and education. There are a lot of predatory forces out there, such as TikTok, as I have said, that perhaps are not educating our young people in the right way. What should the BBC do about that to help to ensure that it can reinforce its remit of educating people when there are all these distractions and commercial pressures?

Kate Biggs: As you might expect, it is not for the regulator to make editorial or creative suggestions to the BBC. We have challenged it about how it might better connect and better serve those younger audiences so that younger audiences have a relationship with the brand and continue to value the BBC now and into the future. It really is for the BBC to make those creative editorial decisions about how it might best do it.

We are trying to support their innovations. We recently published a revised operating licence, which seeks to give them some more flexibility in key areas, while holding them to account and requiring more transparency. The reason we are making that trade-off around greater flexibility and more transparency is to ensure that we can hold them to account for the impact. It is not around, necessarily, viewing hours but whether audiences are continuing to value and turn to the BBC.

There may be a slightly different question there as well around media literacy skills and parents and children not accessing platforms at an age where it is not appropriate. Something like TikTok, I believe, is 13 and over. I am not sure that is entirely for the BBC to solve, but it is a more societal issue and something that hopefully our media literacy programme and a future online safety programme may be able to help with.

Geraint Davies: Maybe I was unfair in almost blaming the BBC in the sense of saying, "What can it do?", because you are not the BBC. You have a wider remit of protection and fair play within the marketplace. The BBC is doing whatever it can within its space and it is under pressure from TikTok and commercial global interests such as Netflix. We should respect the position of ITV, which is under this pressure of global players as well. Up until now, we have been reasonably comfortable, but it seems to me that there is a real danger of not just the market being taken over by these big global players but Ofcom not doing anything to ensure the quality of the overall output and therefore the input of young people is fit for purpose for the future if we want an informed and educated young person.

Finally on that, it was pointed out by young people again that they thought that TikTok undermined the ability of young people to concentrate for long periods of time and therefore have the skills required



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to become lawyers, et cetera, and to study. They would just continuously be flicking through different content for entertainment. It was distracting them from building themselves for a credible future. What are you doing?

Kate Biggs: There are people better placed than us to comment on the neuro impact of these services.

Q235 **Geraint Davies:** What are you doing as Ofcom to protect people?

Kate Biggs: We regulate to protect the quality of the PSB system to ensure that what they are delivering is as effective and impactful in meeting the PSB remit as possible and to do that on as many platforms as they can. I know that ITV Cymru have done some really excellent work with an apprentice scheme with getting a social media footprint established. The BBC has done similarly, and Channel 4 and S4C. They are really trying to build that digital footprint so that those young people, when they are on the platforms, see high-quality original UK content. That is incredibly important.

Q236 **Geraint Davies:** On that last point, what are you doing in Ofcom to encourage young people in Wales to come forward, because they are not being represented, and to protect them? ITV is stepping up to the mark in terms of local news coverage, certainly in my view. What are you doing in the round to ensure that our overall content improves, young people are protected and indeed the market is protected from global players just ousting traditional platforms?

Eleanor Marks: It is a global challenge and we are very conscious that we do not have all the answers in this space. We regulate the PSBs to make sure that they deliver against the regulation that we have. Around TikTok and social media platforms, the online safety regime, when it comes in, will make a big difference in that space. We would be happy to write to the Committee with more details of progress through as online safety becomes enacted.

Kate Biggs: With regard to the amount of competition and choice, there are benefits to the range of services available to young people. We have an ongoing piece of work looking at media plurality specifically beyond the more traditional media forms to say, "Is that competition working effectively in audiences' interests? Are there some concerns?"

We hosted an event with industry a couple of months ago now. There are a couple of things there. There is something around the audience protection. There is something around ensuring that competition is working effectively in audiences' interests and perhaps that there are good sides to some of these platforms and people being able to pursue and access a whole range of content, while recognising you need to protect from the harm and potential harm.

Q237 **Chair:** Does Ofcom itself, in your own communications activities, make use of some of these social media channels?



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Eleanor Marks: Yes.

Kate Biggs: Yes, we do. We use social media platforms to try to publicise what we do and why we do it. We have done that more so over recent years than we perhaps historically did.

Q238 **Chair:** Does Ofcom have a presence on TikTok?

Kate Biggs: We do not.

Eleanor Marks: No, I do not believe so.

Kate Biggs: We did. There were some videos. Our policy around that has been reviewed recently, but I would need to double-check with our press colleagues.

Q239 **Chair:** Is that in light of the concerns around data and the potential involvement of the Chinese Government?

Kate Biggs: I would need to check.

Q240 **Chair:** Can I move on to radio? In this inquiry, we have also been looking at the state of play when it comes to radio in Wales. I want to begin this section by asking you, Eleanor, to give us a sense of how Ofcom Wales sees the current landscape for radio broadcasting in Wales and how well Welsh audiences are being served by both commercial and public radio in Wales.

Eleanor Marks: There is a range of radio services in Wales. The most listened to are the mainstream BBC channels, but alongside that there is BBC Radio Wales, BBC Radio Cymru. The community radio sector in Wales is important because it serves small geographical areas about five kilometres from where a station broadcasts. That could also be used for groups of interest as well as geography. There are about nine of those community radio stations in Wales.

Ofcom also believes that small-scale DAB often represents an appropriate use of a spectrum, and it can meet the needs of community radio. There is a relatively affordable pathway in that space. We are about to advertise the fifth of nine rounds of small-scale DAB. In each of the first four rounds, a Welsh station has been successful in getting a licence in that space. They are important. They add to the multiplicity of radio that is available in Wales.

Q241 **Chair:** Does Ofcom take a view on what constitutes "local" when it comes to radio broadcasting in Wales? The reason I ask that is because we had an interesting discussion when we had the commercial radio stations in front of us, some of whom are small-scale startups who have grown on digital platforms and who are really serving very immediate local audiences.

Given the trend of, if I can call them this, the traditional commercial local radio stations becoming more agglomerated into a generic block, how do



you define “local” when it comes to radio in Wales?

Eleanor Marks: When we look at what is local, we look at what the station has applied for in its licence. When it comes to community radio, there is a very small geographic coverage in that space. One or two have expanded slightly beyond that.

On the commercial ones, the provision of local news is important, but there is some freedom for them to do other things. I know there is provision of wider content on there, but they still have to do some local news in that space as well.

Q242 **Ben Lake:** You have mentioned a few reports, audience surveys and the data you might have on viewing and listening trends across the UK. I also take it that there are bespoke studies for the population in Wales. We have heard about the drop in the number of hours of BBC channels being watched by people in Wales. There is a suggestion that the high percentage of ownership of smart TVs in Wales, which is quite surprising, might be a factor in that. In all of your data, is there any study suggesting that access to superfast broadband services also precipitates a fall in more traditional linear viewing?

Eleanor Marks: I would have to go and look at that. I have not seen anything that tells me that, but I would be happy to go away and ask the question and come back to you.

Kate Biggs: We are doing some work to look at the future of distribution and how that might play out over the next 10 or 20 years. That is very much more strategic future looking rather than what has happened historically. I am very happy to update you on that when we have got a bit further in our work.

Eleanor Marks: We are also doing some research on how prominence might work on smart speakers and what that might look like. I believe that is due to be published next month. We would be happy to share that with the Committee.

Q243 **Ben Lake:** Thank you. That would be very useful. Looking at future distribution, I am very fortunate my car can pick up digital audio broadcasting channels, but driving across my constituency of Ceredigion, I am seldom able to pick up any of the DAB stations. I note that some 38% of people in Wales in the first quarter of 2022 listened to radio on AM or FM.

Bearing in mind the logistical barriers in terms of accessing digital audio broadcasting, is it a concern for Ofcom that infrastructure issues might be alienating people, if we are moving more towards digital broadcasting in terms of both radio and smart TVs and online streaming as well?

Kate Biggs: Maintaining universality is a key theme in our work looking at the future of distribution. We are also looking at the huge growth in online radio listening. There is streaming; there is digital; and there is



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linear. How those three might complement and support each other to maintain universality, rather than potentially leaving any listeners or viewers behind, is really important to us.

It is clear in our remit. Our focus is around protecting all audiences and their ability to access a range of quality content. Yes, this is something we are considering and looking at in terms of not just the availability but the take-up and usage of these things.

You mentioned superfast broadband. It is one thing to have it available; it is another thing for it to be taken up. An area where we would like to develop our understanding and research is exactly how some of these services and devices are being used within homes or within cars, in the instance of a lot of radio listening.

Q244 **Ben Lake:** With that in mind, then, would it be fair to suggest that there might be a discussion about maintaining the more traditional terrestrial linear broadcast services for quite some time? With all the goodwill in the world, the people of Ceredigion will not all have fibre to the premises in the next 10 years.

Kate Biggs: We are very clear on this. You call it traditional, but DTT and FM and AM listening are still at very high rates. People are still watching live TV for more than three hours a day. There is a long and strong future for broadcast media. It is just about how you continue to support that. What does the picture look like when you have digital and online running alongside it? There is absolutely a clear need. We are thinking about 20 years hence.

Q245 **Ben Lake:** Forgive me, but, in layman's terms, would it be fair to suggest that there is at least a discussion within Ofcom of perhaps there being a continuation of the more traditional means of broadcasting until such time as the digital infrastructure is in place for—

Kate Biggs: We have just renewed the national multiplex licences through to 2034. We are looking at what might happen beyond that point.

Q246 **Chair:** On digital radio broadcasting and the multiplexes, my understanding is that, certainly for a large part of Wales, the multiplex is owned by the same company that owns quite a number of the actual stations that occupy space on the multiplex. Is that correct?

Eleanor Marks: Yes. For a large part of Wales, it is, yes.

Q247 **Chair:** Does it not present potential competition concerns if the gatekeeper to access the spectrum for broadcasting, if that is the right phrase, is controlled by the same company that has a vested interest in seeing its own stable of brands occupy that spectrum?

Eleanor Marks: Ofcom regulates the spectrum and the application of broadcasters on that space. We regulate both sides of it.



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Q248 **Chair:** You are content that there are no live competition concerns at the moment with regards to commercial radio?

Eleanor Marks: No, not that I am aware of.

Q249 **Chair:** Did you hear the evidence that was presented to us by Toby Ellis from Pure West Radio about his travails and the hoops he has been trying to jump through in order to expand Pure West Radio?

Eleanor Marks: I believe he was talking about FM frequency. At the moment, Ofcom has taken the policy decision that we are going to make the best use of spectrum by running these rounds of small-scale DAB rather than FM. Even if it were FM, it would be through a competitive process, which we are not running at the moment.

Q250 **Chair:** Part of the evidence that really resonated for me, and I hope for other members of the Committee as well, was when he described the niche that they fill. It is a role that was being served by the traditional commercial radio stations in Wales, if I can call them that. As I was saying earlier, they have been grouped together. They now look and feel more and more generic and they have lost that very local feel.

Is Ofcom playing a really proactive and positive role in facilitating the growth of those start-up stations, some of whom have become quite significant operations, as we were hearing?

Eleanor Marks: Our regulatory remit encourages us to have small radio stations. It is really important that they exist. I heard the evidence, and we would be more than happy to speak to him a bit about the challenges that he had. We do think that the expansion in small-scale DAB at the moment is the best use of spectrum. We think that is the way forward in this space.

There is the community radio fund, which is a DCMS fund, that is about £400,000 a year. We do not know how long that will go on for or how long people will be able to apply for help in this space. A number of the challenges around small registrations have been to do with volunteers, funding and the ability to get started in that space. On occasion, we have been really flexible with some of these stations to try to get them going. We are keen to see radio serve the people of the world.

Q251 **Chair:** Do you have any ideas or views on how the community radio fund should develop to serve Welsh audiences?

Eleanor Marks: It is a UK Government fund. We operate it on their behalf. Currently, it is there to enable people to get on air. I do not really have a view on how it should go forward.

Q252 **Wayne David:** Why do you not have a view?

Eleanor Marks: We are an independent and impartial regulator. It would not be for me to take a view on how the Government want to take that policy forward.



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Q253 **Wayne David:** Nevertheless, we heard earlier about you making comments about PSBs, funding and Government policy on that.

Kate Biggs: That was around sustainability rather than the funding level.

Eleanor Marks: Yes.

Kate Biggs: It is not our job to take a view on the level of the licence fee as a specific, nor the level of the community radio fund. When it comes to public funding, that is rightly for the Government and Parliament to take a view on.

Q254 **Wayne David:** Nevertheless, I made the point earlier—you seemed to accept it then—that having a high standard of service requires money, and you have a duty to say that.

Kate Biggs: We have a duty to check the sustainability. There is an important distinction between us taking a view on the sustainability of services in a sector versus us setting out what a particular funding level should be.

Q255 **Wayne David:** I suspect many people will say that is playing with words. You are saying there should be adequate money.

Kate Biggs: It is important that Ofcom acts within its role and remit, which does not extend to having a view on levels of public funding. It is rightly the role of democratically elected officials to be involved in those decisions, not regulators.

Wayne David: It is an interesting point.

Q256 **Kevin Brennan:** With reference to what the Chair was asking you earlier about social media and Ofcom, I did have a look at your Twitter account. There is an Ofcom Twitter account, and there is an Ofcom Cymru Twitter account. None of them is featuring this morning's proceedings. Are we not worthy of a little push from your social media team?

Kate Biggs: I will take that feedback back to our press team.

Q257 **Chair:** With what we have in Wales—the issues around bilingualism, the Welsh language broadcaster and the issues around plurality—there is an opportunity, is there not, for Wales to become a test bed or a case study example of good regulation and good broadcasting practices, where new online platforms exist alongside public service broadcasting and where English language services and Welsh language services exist together? You could go out there, champion and sell Welsh broadcasting to your colleagues in other parts of the UK and further afield.

What I am not hearing today is where the points of opportunity and excellence are and how Ofcom sees its role in encouraging that. I am sorry if I have been unfair to anything you have said, but I am not getting that sense that there is a really clear and exciting vision of what Welsh broadcasting could be and look like in the future.



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Eleanor Marks: I genuinely believe that Welsh broadcasting and the creative sector in Wales is really exciting. There are lots of opportunities for it. In terms of what we can do, it is the phrase, “Good regulation makes for good media.” If we get the regulation right—and the draft Bill helps us to do that—we will absolutely shout this from the rooftops. I will shout for Wales, but Ofcom will shout for the UK in terms of what we can do in that space.

Q258 **Ben Lake:** I want to go back to the rugby and the sports question about the Welsh language commentary option that was provided on Amazon Prime. You mentioned sustainability there. I appreciate this might not be strictly in your remit, but I would be interested to know your thoughts anyway.

How likely is it that Amazon Prime will continue to find value in offering Welsh language commentary for sports fixtures, whether that be autumn internationals or, in the future, other sporting competitions? Is there a commercial incentive for them to do so? I am struggling to see it.

Kate Biggs: That question is probably best targeted at Amazon to get their view on their strategy. A number of the SVODs have told us about the value in authentic local content. Global and placeless content has limited value, and really local stories can work on a global stage.

We support the Welsh broadcasting industry. In our view, it is a jewel in the broadcasting industry. It has the opportunity to extend to the global stage and for people outside of Wales to see Welsh language and Welsh cultural stories. The opportunities are there. As you might suspect, as a regulator we are a bit more focused on where the challenges lie and what our role is in mitigating those and helping the industry continue to grow from strength to strength.

There is a place for the Welsh language on a number of services, whether that is paid for or free to air. We have seen some positive developments in terms of partnerships between free-to-air services and services behind a paywall. I would hope that we might see more of those because it increases the opportunity for audiences to see Welsh language content wherever they might prefer to go.

Eleanor Marks: With the advent of good translation facilities, S4C has sold a Welsh language programme to Netflix. The barrier around the Welsh language or any language other than English is less than it was in getting on to other services. It would be good to hear more Welsh.

Q259 **Ben Lake:** I certainly would like to hear more Welsh programmes both on radio and television. If I can just come back, perhaps I am guilty of pessimism and cynicism here. We heard Mr Brennan mention just how important sports broadcasting was for S4C in terms of viewing hours.

I put it to you that Amazon saw an opportunity here to ensure they got the deal for Amazon Prime for the autumn internationals, something that is very popular, in order to butter people up for an approach in the future



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for the Six Nations. They are providing welcome Welsh language broadcasting and commentary for a period of time until S4C has taken a hit and its resources are much reduced because of the drop in viewing figures, only to discard the Welsh language element of their broadcasting in the future.

I say this because we have seen a similar dynamic happen before. This is fact. For many years, Radio Ceredigion was a very popular community radio station. It broadcast predominantly in Welsh. A larger company then took it over with promises and some token gestures. To their credit, those things did happen for a few months, but then they were dropped. Now we do not even have Radio Ceredigion.

Can you see why I am a little bit concerned? Unless there is some regulation and some stricter conditions placed on the rights to some of these sporting fixtures, we might be here in 10 years' time talking about how wonderful the Six Nations was and how the Welsh team have won another grand slam, ideally in both the men's competition and the women's composition, but there was no Welsh commentary at all. Is there an ability to strengthen some of the conditions on the Welsh language commentary for some of these very important sporting events?

Eleanor Marks: If I might start on that one, first, exactly as Kate just described, it is a question for Amazon. Secondly, the issue about sporting rights goes back to those listed events. As a regulator, Ofcom operates that regime. We do not take the decision on what is listed or not. That is a Government decision.

Q260 **Ben Lake:** I appreciate that. My concern remains that the Government may well think, "Hang on. Amazon has provided Welsh language commentary on a voluntary basis in the first case. There is no need for us to regulate it or push that further". I am perhaps interested to see what role Ofcom can play in flagging up the lessons from history.

Yes, it might be voluntary at the moment and you might not think there is a need to issue requirements and conditions, but we know from past experience that, if something is voluntary and then is not worded quite strongly enough, that provision can disappear as quickly as it has been voluntarily provided.

Kate Biggs: We do have a role in ensuring there is an appropriate amount of Welsh language content across the PSBs. Whether there is more we could do in our listed events code is a matter we will have to get back to you on, I am afraid.

Ben Lake: Yes, thank you. I would appreciate that.

Q261 **Chair:** That would be very helpful. Ms Marks, you said a couple of times that it is for Amazon to answer. We have tried and tried to get Amazon to appear where you are sitting, to take questions and to have a discussion about where they want to go with their coverage of sports in Wales and Welsh language provision. They provided written evidence, but they have pointedly refused to appear in front of this Committee, unlike Netflix,



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which, as I said earlier, engaged with us. We had a very useful and positive discussion with Netflix. Do you not share our disappointment that Amazon are ducking the opportunity to come and participate in a discussion about broadcasting in Wales?

Eleanor Marks: All I can say to that is, when we got the invitation, we were very happy to come and talk to you about it because broadcasting in Wales is so important.

Q262 **Chair:** We are genuinely grateful for the time that you have given us today. There is a point here about the changing landscape that we have been talking about, where we have public service broadcasters and the new online giants, which are answerable to shareholders in the States and headquartered on the west coast of the States. Frankly, they are not vested in the same way as the public service broadcasters in communities in Wales and across the UK. They do not necessarily feel any compulsion to come and participate with legislators here in the House of Commons on the future here.

Is this not just part of the same discussion about the changing landscape and the uneven playing field that is emerging between quality public service broadcasters and high-quality, in some respects, output from global platforms? When it comes to some of the Welsh-specific concerns we have, they are just not vested in those in the same way.

Eleanor Marks: As a regulator, we are bound by the legislation and regulation that we operate on behalf of the UK Government. We want to do the best regulation we can to ensure that broadcasting in Wales provides as much high-quality content to audiences as it can. We have a really important position in terms of being both independent and impartial in that space. To comment on others' views on whether they attend or not would not be something we would do.

Kate Biggs: I would just add that the Media Bill would extend our remit to include tier 1 video-on-demand services, which would be those that are used by a significant number of the population. There is an opportunity, if the Media Bill is forthcoming, for us to take a slightly wider view of those services that all now play an important role in people's media consumption.

Q263 **Geraint Davies:** Are you studying what other regulators are doing in other countries to combat what is a global strategy by some of these companies, such as Amazon, to move in, possibly with loss leaders, and take out public service broadcasters by saying to consumers, "You do not want to buy this rubbish", and then depleting their resources and reducing the quality of their output? In our case, we are talking about Welsh output and taking out the jewel in the crown, which is sport in Welsh.

Have you looked at what other regulators are doing in other countries? That could help inform Government on how we should adjust policy to protect the public from cherry-picking, picking off the weakest and



removing resources to take out other broadcasters? I presume Amazon is doing this around the world.

Eleanor Marks: We could probably both answer in this space. Ofcom does a huge amount of work with other regulators across the world to look at how all the areas we are responsible for are regulated. We do have regular engagement with other regulators.

Kate Biggs: Yes, absolutely. It is really important. A lot of the issues we face around the sustainability of domestic broadcasting and the protection of a plural and diverse industry are faced by other countries around the world. We work very closely with other regulators.

Q264 **Geraint Davies:** Do you have any recommendations for us on how we can protect ourselves from what these global players are doing in the marketplace?

Kate Biggs: I am not sure I would frame it as “protect”. It is about how you make the most of the opportunity. They have brought investment into the UK industry. They are investing in talent and skills. There could be an ongoing positive impact from their investment in the UK. How do you ensure you build on that opportunity? That is how I might frame it.

Chair: There are lots of opportunities. On that note, can we bring this session to an end? Thank you both very much for your time and for answering our questions so comprehensively. Thanks as well to Kevin Brennan, guesting on the Welsh Affairs Committee today from the Culture, Media and Sport Committee. We are very grateful to you. Thank you to my colleagues. We will bring the meeting to an end.