

Supplementary written evidence submitted by S4C

We thank the Committee for the opportunity to contribute to its pre-legislative scrutiny of the Draft Media Bill. As already stated elsewhere, S4C welcomes the publication of this Draft Bill and we hope to see it progress through Parliament as a matter of urgency. A new Media Act will help ensure that S4C can deliver on its unique remit in a digital age and will support the long-term sustainability of public service media across the UK.

This submission is intended to supplement S4C's written evidence dated 17 May and our appearance in front of the Committee on 20 June, and follows evidence provided by subsequent witnesses pertaining to the provision of regional prominence for S4C.

We note that TV platform representatives have expressed some concern about section 362AL(2) of the Draft Bill which specifies that a designated internet programme service (IPS) need not be given prominence, or the same degree of prominence, in relation to every area of the UK. Under this subsection, we have assumed that Ofcom's new code will clarify what level of prominence S4C's IPS would have and that, as a minimum, it will mirror the EPG regime, thereby guaranteeing S4C a high degree of prominence in Wales.

We believe that any suggestion to amend this subsection to allow for user selection in lieu of guaranteed regional prominence risks undermining both the policy intent underpinning this Bill and a key component of the PSB compact.

In terms of securing the future sustainability of public service broadcasting, it is difficult to overstate the importance of establishing a new prominence regime for online services. The Draft Bill's provisions for the new online prominence framework constitute a long-overdue reform; it is a particularly critical reform for a smaller and minority language broadcaster such as S4C. Without primary legislation, it is highly unlikely that S4C would be able to negotiate availability and prominence on major connected TV platforms on a purely commercial basis. Indeed, it is our experience that this has already cost us viewers and growth opportunities in terms of Welsh-language audiences.

As the UK Government's impact assessment clearly notes, there is a multitude of social and economic benefits associated with minority language and regional prominence¹, especially in an increasingly global digital landscape. We also draw the Committee's attention to paragraph 187² of the Government's impact assessment for the new prominence regime, which warns that the status quo in terms of prominence risks adversely impacting some of the UK's diverse communities. S4C is the only Welsh-language television service and provides the only universal avenue to Welsh-language audiovisual content for viewers.

As you are aware, S4C's provision of Welsh-language services is funded through the licence fee. It is important that this is complemented with legislation making Welsh-language content easily discoverable to ensure the very best use of public funding. Moreover, regulatory intervention in this regard will allow for the delivery of the new

¹ See paragraphs 107, 136, 168, and 170 of impact assessment for a principles-based framework for a new prominence regime for PSB online services.

² A summary of the potential equality impacts

public service remit for television introduced by the Bill, which emphasises the importance of minority language programming.

Prior to the drafting of a new prominence code for online services, we recognise that for TV platforms the costs of providing regional prominence are highly uncertain. However, we do not expect these costs to be disproportionate in the context of revenues of multi-national businesses. Moreover, it is made clear that Ofcom will have responsibility for ensuring that the new regime is applied flexibly and proportionately.

Fragmentation of the UK TV market already exists with, for instance, Freeview, Sky and Virgin Media providing regional prominence for S4C in Wales; the proposed new framework seeks to reflect what already exists in the linear world. Whether Smart TV hardware is bought from a shop in Wales or elsewhere is irrelevant; it is the way the operating systems connect platforms and content with users that matters when it comes to online prominence. We presume that TV platforms already actively collect user data to some extent in order to target content offerings and advertisements and that the means of collecting user location data already exists.

Within the UK media ecology, where regional and national PSB services are important and valued, prominence is guaranteed as part of a balance of benefits and obligations that PSBs adhere to. Suggestions to rely on user selection for regional prominence undermines the PSB compact and the very aim of this legislation to boost PSB content which may not otherwise be easily discovered by audiences.

The policy intent underpinning the Bill is clear in terms of guaranteeing carriage and prominence for S4C on connected TVs. We would therefore suggest that TV platforms concerned with compliance when it comes to regional prominence under the forthcoming new code should offer a default UK-wide prominence for S4C until they are able to configure the delivery of regional prominence.

We hope that this submission helps clarify our position on this issue and we thank the Committee again for the opportunity to contribute to its inquiry.

7 July 2023