



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Darlledu
The Broadcasting Committee**

**Dydd Llun, 19 Mai 2008
Monday, 19 May 2008**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Julie Barton	Cydlynnydd Hyfforddiant Partneriaeth Radio Cymunedol RhCT Training Co-ordinator for the RCT Community Radio Partnership
Andrew Jones	Rheolwr Project Partneriaeth Radio Cymunedol RhCT Project Manager for the RCT Community Radio Partnership
Martin Mumford	Rheolwr Gyfarwyddwr y Grŵp, Darlledu Gwlad a Thref Group Managing Director, Town and Country Broadcasting
Yr Athro/Professor Justin Lewis	Prifysgol Caerdydd Cardiff University

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Aled Eirug	Ymgynghorydd i'r pwyllgor Adviser to the committee
Gwyn Griffiths	Cynghorydd cyfreithiol i'r pwyllgor Legal adviser to the committee
Chris Reading	Clerc Clerk

Dechreuodd y cyfarfod am 1.38 p.m.
The meeting began at 1.38 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Alun Davies:** Hoffwn ddechrau drwy groesawu aelodau'r pwyllgor i'r cyfarfod. Nid oes gennym unrhyw ymddiheuriadau. Byddwn yn cymryd mwy o dystiolaeth heddiw fel rhan o'n hymchwiliad i ddarlledu cyhoeddus yng Nghymru.

Alun Davies: I wish to start by welcoming committee members to the meeting. We do not have any apologies. We will be taking more evidence today as part of our inquiry into public broadcasting in Wales.

1.39 p.m.

Tystiolaeth ar gyfer Ymchwiliad y Pwyllgor
Evidence for the Committee's Inquiry

[2] **Alun Davies:** Byddwn yn clywed tystiolaeth yn gyntaf gan yr Athro Justin Lewis o Brifysgol Caerdydd. Fe'ch croesawaf i'r cyfarfod, yr Athro Lewis. Diolch i chi am eich papur ysgrifenedig, yr ydym oll wedi cael cyfle i'w ddarllen. Bydd yr Aelodau yn eich holi ynghylch y dystiolaeth honno. A fydddechystal â chyflwyno eich hunan ar gyfer y Cofnod a gwneud ychydig o sylwadau agoriadol?

Alun Davies: We will hear evidence first from Professor Justin Lewis from Cardiff University. I welcome you to the meeting, Professor Lewis. Thank you for your written paper, which we have all had an opportunity to read. Members will ask questions on that evidence. I would be grateful if you could introduce yourself for the Record and make a few initial comments.

[3] **Professor Lewis:** I am Professor Justin Lewis, the head of the Cardiff School of Journalism, Media and Cultural Studies at Cardiff University, which conducts a great deal of research on broadcasting and the media in general for a variety of institutions in Wales, the UK and Europe. Much of those data inform my views about the broadcasting sector, where it should go and how it has got to where it is.

[4] I will briefly outline some of the key points in my paper. I begin by looking at where we are in terms of the health of democracy in Wales, and the health of any democracy depends on the quality of the information available to people. There is clearly a problem in that regard in that surveys show that people in Wales are not well informed about Welsh government. A recent survey showed that only 39 per cent of people in Wales were aware that the Welsh Assembly Government is a Plaid-Labour coalition, which is a shockingly low proportion. Other surveys that we and others have carried out show similarly low levels of knowledge about governance, politics and public affairs in Wales. If you look at UK-wide data, you find similar sorts of results.

[5] One of the problems in Wales is that most people get their information from UK-wide media, which do not necessarily spend a great deal of time looking at Wales, either generally or in terms of public service issues or politics. That is clearly a huge problem in terms of getting information to people in Wales about what is going on in Wales.

[6] The policy at the UK level thus far, certainly since the digital era, has tended to focus on the opportunities provided by digital multi-channel television and, in my view, has ignored many of the risks. The opportunities, which are to do with technological advancement, interactivity and plurality of choice, are fairly clear, at least theoretically. However, I feel that there are a number of risks, and I have mentioned some of them in the paper. For example, the huge increase in the number of channels has not been accompanied by a huge increase in the amount of income available. That means that the income available has been spread much more thinly across a larger number of channels, and there is a huge risk in that regard. If you have a smaller number of well funded channels, they are in a position to produce high quality programming, but lots of not-so-well funded channels are not in such a position and will be competing for the same pot of money.

[7] The proliferation, if you like, of easy-viewing broadcasting has had a consequence regarding people's consumption of public interest or public affairs television and broadcasting. For example, we knew very early on that people in multi-channel homes watch less news than people who do not have access to multi-channel television. Their consumption of news drops off simply because they can watch re-runs of their favourite programmes on other channels and there are lots of other options available. Consumption of news decreases, which clearly has consequences. That is part of the general picture of a decline of public

involvement in politics. Broadcasting, from that point of view, has not helped, even though many broadcasters have tried quite hard in that context.

[8] So, S4C's audiences have declined significantly in the multi-channel era for two reasons: partly because there are many other things to watch, and partly because it has been decoupled from a mainstream broadcaster, namely Channel 4. That coupling had the effect of increasing audiences for S4C's own programming as people would watch the Channel 4 network programming and then a large section of the audience would stay around to watch S4C's programming. That clearly increased its audiences, and we have done a great deal of analysis of that and looked at the way in which that has happened. As a consequence of those changes, S4C's audiences have declined.

[9] Another consequence of light-touch regulation has been that, although markets are supposed to produce competition, which decreases the cost to audiences, that has not really been the case as the cost of broadcasting for audiences has gone up significantly in recent years. If you take something like sport, the cost of watching sport for many audiences has gone up, not down, so it does not necessarily have the effect of increasing availability and lowering the cost. For example, if you are a supporter of the Welsh football team, whereas in the past you could have watched the matches on BBC or ITV for nothing, a recent deal means that you can no longer do so and you have to subscribe to a service to watch the Welsh national team play football. Again, that is not necessarily in the interest of the audiences.

[10] I also talk about the effects of the rise in cheap imports and repeats. We have begun to document that and it is happening very clearly. Also, there has been a huge rise in the amount of advertising on the system. I will not go through it here, but I think that there are a number of potential negative consequences when you have a system that is increasingly dominated by commercial messages. Those messages are often looked at purely as a source of income, but they are not, they are a form of programming and, as such, I think that we need to take them seriously.

[11] Finally, I suggested that one thing that we almost never talk about in relation to the shift to a digital age is the environmental consequences. If you think about just radio, for example, if it becomes impossible to pick up analogue radio, and they become obsolete, because of the digital switchover, the environmental consequences will be monumental. I have about seven radios in my household and I am not unusual in that, but they will all become junk and the consequences of that are huge, especially combined with the fact that digital takes more power than analogue, so your wind-up radio becomes much less viable in the digital age than it is now. So, there are huge environmental consequences that I do not think have really been considered.

[12] In terms of recommendations, one thing that would certainly be a step forward would be if broadcasting were devolved to the Assembly. That would give people in Wales a much more direct say over the direction of broadcasting and also a lobbying position in terms of UK legislation. I also think that, in Wales, we need to work with people in Scotland and Northern Ireland to look at the kind of models that they are developing. If there is a degree of common interest, that will make lobbying the UK Government easier. I also mentioned suggestions to do with creating more Welsh influence generally and looking at other forms of funding for public service broadcasting. I will leave it there for now.

[13] **Alun Davies:** Thank you, professor; we are very grateful for that introduction. I will call on Nerys Evans first, but before I do so, I have a question. While reading your paper and listening to you this afternoon, I noted that you have picked out some very interesting facts and figures and brought them together, but I could not help thinking that yours was a very conservative view. Technological change is not something that we are unfamiliar with and we have always replaced the radios in our households—I remember my grandmother's valve

radio, but nobody would suggest that we should go back to that sort of thing because of issues about disposing of radios. Technological change is taking place—that is a given—and rather than finding problems with it, surely the role of this committee and the role of any decision maker is to understand that change and then move forward in a positive way to ensure that that change is regulated in a way that will benefit the audience.

[14] **Professor Lewis:** The key here is that we should use policy to shape the way that the technology develops, rather than looking at what is technologically possible and then adapting policy to think about how best to make it happen. I think that, until now, policy has been more inclined to do the second—it has been determined by what the technology can do. The problem with that is that it does not look at the social consequences and I think that they are very important. Policy is often being driven by technology, as you say, ‘Look at what this technology can do—is this not great? Here are the possibilities, but how can we make it happen?’. Decision makers have not been thinking about the social consequences of that. I remember predictions from decades ago about what technology would do, which proved to be completely incorrect because they did not understand people’s social viewing patterns. For example, I remember people saying that, by the year 2000, people’s computers and televisions would become the same object, but they have not because people regard them as different technologies—one is a lean-forward technology and one is a lean-back technology and people do not necessarily want them mixed up.

1.50 p.m.

[15] People do not necessarily want to interact with their television; they want to be entertained or informed by it, but they do not want to work with it. So, we need to drive what the technology can do rather than assume that technological advancement is always a good thing. That has always happened. The fax machine was invented in the 1930s but was not adopted until the 1980s, because various other conditions were not in place. So, the social consequences are the key.

[16] What has been ignored—this may be seen as a conservative view, harping back to a golden era where there was no multi-channel broadcasting—are the consequences of technological change, which are serious. The consequences for democracy are troubling. I would take a conservative position only if I thought that we were going backwards. In some areas—I think, socially—we are.

[17] **Alun Davies:** It is difficult to put the genie back in the bottle, is it not?

[18] **Professor Lewis:** Sure.

[19] **Alun Davies:** Your example about the computer and television sets is interesting. I probably watch as much television on my computer as I do sitting down to watch it with the family. I certainly catch up with a lot of news online rather than watching it in a more traditional fashion. You will find that this will be the case for increasing numbers of people, particularly those who are more familiar with the technology than others. I accept that futurologists will always tell you that changes will happen quickly and immediately, but, for social reasons, that virtually never happens. That is to be anticipated. However, it is an interesting view of the world. Technology has led social change since the industrial revolution.

[20] **Professor Lewis:** I do not agree. I think that social change has used technology. Again, take the fax machine, which was around in the 1930s; it was not developed then because the conditions were not there to make it viable. It is a question of how technology is used and controlled, and what the various regulatory mechanisms happen to be. The regulatory climate in the UK for broadcasting was extremely tight. The BBC had a monopoly

on broadcasting for a long time. Policy regimes will shape the way in which technology develops. We have shifted quite radically from a philosophy that said that we had a public service broadcasting system in the UK that had both commercial and BBC providers towards a commercial broadcasting system with light-touch regulation, with a big chunk of public service broadcasting in it. That is a huge shift. I am not convinced by the evidence that that shift has produced good outcomes.

[21] **Nerys Evans:** Diolch am y papur ac am y cyflwyniad. A wnewch amlinellu sut yr ydych yn gweld Cymru yn cael ei hadlewyrchu—neu ddim yn cael ei hadlewyrchu—ar y rhwydwaith newyddion Prydeinig? **Nerys Evans:** Thank you for your paper and for the presentation. Will you outline how you see Wales being reflected—or not being reflected—on the British news network?

[22] **Professor Lewis:** I must apologise to the committee that I am slightly stymied here. We have just done a large piece of research for the BBC Trust, looking at exactly this issue—the way in which the four nations are represented on UK networks, on the BBC and elsewhere. Unfortunately, it has told me that I am not allowed to make the findings public as yet; hopefully, I will be able to do so soon. What I can tell you is what we knew going into that research. Coverage of Wales, Scotland, and Northern Ireland on UK network media is low, or certainly appeared to be low. There is not a great deal of coverage. The nations are under-represented. For example, even if you went purely on the basis of population and said that there should be a Welsh story proportionate to the Welsh population, you would find that previous research suggested that there were fewer stories than that about Wales. Combined with this is a sense that devolution has not been fully understood in London by UK network broadcasters. In other words, they do not really know what has been devolved, how it has been devolved, or how to deal with it. That was the climate that we were looking at when we started the research. Our research will show what it shows, but that is what we knew going into it.

[23] **Nerys Evans:** Yn eich barn chi, a yw pethau wedi gwaethygu ers datganoli? A oes opsiynau tebyg i'r rhai a gynigwyd yn yr Alban ar gyfer newyddion am 6 p.m.? Pa gyfleoedd fyddai system o'r fath yn eu cynnig a beth fyddai'r gost o ddatblygu model tebyg yng Nghymru ac yng ngwledydd eraill y Deyrnas Unedig? **Nerys Evans:** In your opinion, have things deteriorated since devolution? Are there options similar to those suggested in Scotland for the 6 p.m. news? What opportunities would this present and what would be the cost of developing a similar model in Wales and in the other countries of the United Kingdom?

[24] **Professor Lewis:** It would not necessarily be costly; it could be more costly, depending on how you use resources, but the resources all exist to do that. There is a strong case for it, because if people are watching, for example, the *BBC News at Six*, and are not watching at 6.30 p.m., they will get a particular view of the world that will not tell them a great deal about Wales.

[25] You could have a news broadcast that was about the UK, but that had a much larger Welsh angle that told it from a Welsh perspective. That would be helpful. Many people watch those broadcasts and if it increased understanding even a little bit, it would clearly be a good thing. However, I suppose that those things require regulation. If there is one drum that I would like to beat—and it is not like Ofcom's drum—it is that we have too quickly forgotten the advantages that regulation can bring. Regulating broadcasting allows you to do all kinds of things simply by saying, 'Yes, you can broadcast, but only under these conditions'. That is what we always used to do, but we do rather less of that now. There is no reason why we cannot think much more creatively about regulation, because, from our point of view, it is a much cheaper way of doing things than to say, 'Let us find ways of funding that'.

[26] **Nerys Evans:** Mae gennyf un cwestiwn arall. A allwch ymhelaethu ar eich pwyntiau yn y papur ar sut y byddwch yn cyllido darlledu gwasanaeth cyhoeddus y tu allan i'r BBC?

Nerys Evans: I have one more question. Could you expand on your points in the paper on how you will fund public service broadcasting outside the BBC?

[27] **Professor Lewis:** Ofcom's position says, 'Here is the future of public service broadcasting', and in none of their options does it say that we should, perhaps, think about regulating Sky and ask Sky to produce public service broadcasting. That option is never discussed and I would like to ask Ofcom why. That seems to me an obvious thing to do. However, if we accept that that is not going to happen, then the first condition of looking for other sources of funding for public service broadcasting is to try to increase funding for it. Top-slicing the BBC does not do that; it maintains the same amount of money for public service broadcasting and, as far as I can see, that is not a step forward.

[28] There are other funding options. I am sure that you are aware that President Sarkozy in France has begun to talk about how various forms of taxation can lead to cross-subsidy. So, you would tax certain parts of the telecommunications industry in order to fund other parts of it. There is probably a lot of scope there, but that is not a new idea. It was suggested back in the 1920s and 1930s by the head of Radio Corporation of America in the United States, who said that RCA could pay for public service broadcasting. However, RCA backtracked on that when the regulatory climate shifted, because it saw that it did not need to opt for that anymore. So, that is one source.

[29] There is also public money, but that is difficult, because the moment that public money is involved, it raises the spectre of governmental interference, which I think even those in Government would probably want to seek to avoid. You could, perhaps, create some lottery-fund-type initiative where you have a distinct revenue raising method, like the licence fee, which means that a pot of money is overseen, not politically, but by an independent body. That is the key with any form of public fundraising. However, why should we not have public money in broadcasting? Broadcasting is extremely important; it is much more important than making shoes, for example. It is about how much people know; it is about democracy and our culture. We need to take this seriously, so I think that there is a strong case for it.

[30] **Paul Davies:** I am interested in your earlier comments when you said that the multi-channel age has consequences for democracy and that that is troubling you. Can you expand on that?

[31] **Professor Lewis:** For example, we have to remember that watching television is an activity that most people do to relax. It is about being lazy and not necessarily about being active and engaged. One study in the US monitored people's brain patterns while they were watching television and found that their brain activity was marginally higher than when they were asleep. It is not that there is not a lot of stimulating television, but we have to deal with that and recognise that if you give people an easy option, they may well take it. So, if they want to watch a rerun of *Friends* rather than the news, because they can, they will—and they do.

2.00 p.m.

[32] We used to have a framework and we could say, 'Let us make sure that there is always news around in the system, and that there are always public service options', but we no longer have that, and the consequences are that people watch less news. The internet has not replaced that. I hear people saying over and again that young people get their news from the internet, but they do not. There is no evidence to support that. Young people use the

internet but they do not get their news from it; they just do not get their news. They go on social networking sites, such as Facebook, which, whatever one thinks of it, is not primarily a news site, and neither is YouTube. That is not where most people are going most of the time to get news. News may exist there but, on the whole, the people who get their news from the internet are people who are already very well informed, and they do not rely on it as a source. So, we are approaching a troubling age when there are vast amounts of information that you could get but, because the choice is so big, people go for easy options. So, they are not being very well informed. There is the danger of creating a two-tier society where you have the well informed who take part in democracy and who vote, and those who are less well informed and who increasingly withdraw from it.

[33] **Paul Davies:** Are you therefore saying that we should limit consumer choice?

[34] **Professor Lewis:** Yes. The notion of consumer choice as being the answer to everything and automatically a good thing is misguided. Let us face it: the consumer in the broadcasting system is not the audience. If I watch ITV, I am not paying for it; the advertisers pay for it. It is a market system and the market is advertising. That distorts the system from the point of view of the audience. For example, audiences have never said, 'We would like more advertising', but commercial broadcasters have said that for obvious reasons, and it does not necessarily mean that they are delivering what the audience wants. In policy circles, we often forget that this system is not designed around audience demand; it is often designed around advertising demand. With subscription services, there is some change to that, but most subscription services are also funded by advertising.

[35] The beauty of limiting choice meant that you were able to create a very healthy ecology in broadcasting. You could say the same about education and health. The solution to the education and health systems is not to maximise the amount of choice that you give; it is to ensure that what you provide is the best that it can be. We should have a broadcasting system that is the best that it can be, not one that has the most number of channels. I remember a delegation from China coming to visit our school and the delegates began by gloating about the fact that China had so many more channels than some people could receive in the UK, but I think that that is a pretty empty boast. If all the channels are showing cheap imports and reruns, that is not a choice. We have just done some research on this and found that we might be getting less choice of domestic, quality programming. In other words, the amount of domestic, quality programming on a multichannel system may be going down, not up, even though there are far more channels to watch than ever before, and yet the proportion of reruns and cheap imports on the multichannel system is, as I am sure you all know, huge. So, the notion of creating spaces for choice is not the same as creating more choice. I am all in favour of real choice, but that has to be very carefully designed, as the ecology of broadcasting is a delicate thing.

[36] **Paul Davies:** In your paper, you make it clear that broadcasting should be devolved, and you have mentioned that today. How do you think that that should be achieved?

[37] **Professor Lewis:** Politically, you may know more about that than I would. I have spoken to people in UK Ofcom and others about this, and have been surprised by the degree to which the idea is well received. They do not say, 'That could never happen'; in fact, they seem quite open to the idea that that might be a good thing. So, I do not necessarily think that it is politically a non-starter. There may be potential there. It is achievable, and it has to be so. If there is a real problem with the quality of public service broadcasting in Wales, that is more likely to be dealt with seriously within Wales than if you are relying on UK agencies to deal with it. That seems to me to be an obvious political point. So, I think that that will be of benefit to people in Wales if that happens, regardless of who is running Wales.

[38] **Alun Davies:** Before I bring Peter in, I would like to come back on that final point.

Michael Grade was here last week, and he was forthright in his view that regulation of the sort that you are describing and proposing this afternoon would not provide better television or better choice, but would in fact destroy the services that we currently have, and Ofcom accepts this argument. However, the economic model that underpinned the ITV regional service for the past 50 years has collapsed as a result of the market pressures that you describe in your paper. So, how can you demand more regulation if the economic model that has underpinned broadcasting of that nature is close to collapse, and if, in the next few years, the digital switchover will not make that sustainable?

[39] **Professor Lewis:** I would argue that the reason for the collapse has much to do with light-touch regulation. It is true that, if you were to regulate ITV and Channel 4, and require them to produce public service broadcasting, but not do the same for Sky or anyone else, that would put ITV in a difficult position to compete. I would agree with that, as it is not viable, from ITV's point of view. However, if you told all broadcasters that they had to do that, and if you said to Rupert Murdoch, 'Look, I am sorry, but we have a set of regulations here, and you have some public service requirements', Sky would not be in a different position from anyone else, and it would be no more or less viable than anyone else.

[40] The problem is created when you have a system in which some broadcasters are seen as public service broadcasters, albeit commercial, who have obligations, and others who do not, because those without obligations have an advantage in the marketplace. However, if you take that advantage away, by regulating across the board, you get a very different outcome.

[41] Michael Grade was probably thinking about a two-tier regulatory system, with regulation that applied to him but not to his rivals elsewhere in the system. I can see why he would be against that; I think that I would be against it, too. However, regulation across the system is a real missed opportunity in policy terms. We shifted just at the time when we moved to a multichannel, digital age. There was a shift in the ideology of how broadcasting was viewed, away from the notion that it was good to have regulation to promote public service broadcasting and towards a light-touch system, and there are huge consequences to that. That is the legacy that we are living with.

[42] So, it is not a question of undoing the technology, or uninventing anything; it is about the regulatory framework in which all broadcasters must work. That is the key. If you are to tell ITV to do things, you have to tell Sky to do them, too.

[43] **Alun Davies:** What would you tell Sky to do? What sort of public service requirements would you see on Sky One, or UKTV Gold, or Bravo, or whoever?

[44] **Professor Lewis:** You can have all sorts of public service requirements to do with the provision of news, educational programming, or documentaries. All those provisions have existed in the past. There already are provisions, so Sky is currently obliged to ensure that its broadcast news is impartial and objective. That is a regulatory requirement. If it were not there—and Rupert Murdoch would prefer that it was not—it would not be doing it.

[45] So, we already oblige broadcasters such as Sky to do things, and there are many other things that we could oblige it to do. We have in the past, and there is no reason why we cannot again. There is nothing in the technology that makes that difficult. It is to do with political will, and we must have the political will to do it. I recognise that this is difficult, politically, because people like Rupert Murdoch are powerful operators in the political world. He does not want more regulation, so, if you threaten it, you are de facto an enemy of Rupert Murdoch and his empire. That is clearly not a good position for any politician to be in. So, I accept that it is difficult, politically, but we must recognise why it is difficult.

[46] **Peter Black:** Going back to one of your earlier answers, you talked about advertisers,

effectively, determining content. It seems to me that the biggest demand of an advertiser is a big audience, and so the content is designed to attract audiences. Are you saying that it is wrong for television to aim for big audiences to satisfy their advertisers?

2.10 p.m.

[47] **Professor Lewis:** No. There is a sense that if you are pleasing advertisers, you are pleasing big audiences. However, there are many distortions in the system that come from that kind of mediation, where the audience is mediated by advertising. For example, at one point, the most popular programme on a Saturday night in the United States was *Dr. Quinn Medicine Woman*, starring Jane Seymour. Whatever one thinks of that programme, it was the most popular programme in its timeslot and had bigger audiences than anything else. However, it was taken off the air, because the advertisers said, 'The audience is too old and too poor'. So, it might have had the biggest vote, if you like, but that is not the only thing that advertisers are interested in. They are interested in audiences' disposable income. So, smaller audiences with high disposable income are much more attractive to advertisers than larger audiences with less disposable income. It is not a democracy, from that point of view.

[48] There are a number of other pressures that advertisers will put on programming that would not come from audiences. For example, advertisers will say, 'You must make sure that your programming delivers the audiences in the right frame of mind, so, your programming must work around the advertising so that the audiences are in a buying mood for the advertising'. That makes certain kinds of programming less viable from an advertiser's point of view. Hard-hitting news programmes that show grisly things are bad, from an advertiser's point of view. During the first gulf war in the United States, even though audience figures rocketed, advertisers pulled out in their droves, because they said it was a lousy environment in which to sell things. So, I do not think that it is as simple as saying that advertisers want big audiences, and, therefore, it is a democratic system. Advertisers have needs that go against the needs of audiences. I agree that they coincide in many areas, but there are also areas where they conflict, and we need to recognise that. I could go on; there are many other areas where they conflict, and the US system is a good example. Sitcom writers in the US now write shows around the advertisements to deliver certain things at certain points. It is a huge limitation on the impact of our most important creative cultural industry if everything has to be written around the needs of advertisers. I think that it should be around the needs of the audience, not the advertisers.

[49] **Peter Black:** You are talking about the US system, but do you have evidence of that happening in the UK?

[50] **Professor Lewis:** We have evidence that it is inevitable that things will become more like the US as the UK system becomes more like that in the US. It is the simple law of market economics. If the people who are paying you are saying, 'You know, we would like this', and you can get away with doing it, you will do it to respond to that market. The audience does not have the same power. As audience members, it is hard to say, 'I will stop buying the product that is advertised on that particular show in protest about the way in which that happened'.

[51] The other thing is that audience figures tell you nothing about audience appreciation. From an advertiser's point of view, you would rather have a show that mildly entertains 10 million people than a show that 9.5 million people absolutely love, and which moves and inspires them. The second is much less valuable than the first, but, in social terms, you would probably say that the second was more valuable, but it does not measure that. So, mediating the system distorts it in many ways, from the point of view of audiences having a direct input into broadcasting.

[52] **Peter Black:** To go back to the issue of regulation, you have said a number of times that it would make a difference to the quality of programming that we see in the UK if we regulated Sky in the same way as we regulate other channels. We are, effectively, living in a multinational, multimedia age, and technology is important. It is difficult to get around it. It is possible to beam television signals to the UK from outside the UK, using satellites, which would, in effect, put those broadcasters above regulation. The only way to force regulation on those broadcasters is either to shoot down the satellites or to block the signal—and blocking the signal is probably the preferable way forward. However, then you become like China. There is a contradiction here, is there not? We have an open democracy in which people value the choices presented to them, and the opportunity to choose channels, albeit channels that show similar imports—and there are high-quality imports as well as what we might refer to as ‘dross’—but the only way to regulate people’s choice is by restricting their democratic rights, and the rights of broadcasters to put their point of view across to ordinary people. Is that a valid way forward for the United Kingdom?

[53] **Professor Lewis:** I do not think that we are in the same position as we were in the 1960s, say, when there was huge demand for a certain kind of music programming, which the BBC was not meeting, and hence you had pirate radio stations that began to get huge audiences, thereby putting pressure on the system to change. There was a demand for a certain kind of music that was not being met. I do not think that we are in that position. Also, regulation occurs, de facto, through platforms. Platforms provide programming, and those platforms become a kind of regulatory level. For example, in China, it is not the Chinese Government that has censored the BBC; it is, effectively, Rupert Murdoch who has done it, because he does not want to displease the Chinese Government by providing a platform. He is saying, ‘Okay, we’ll take the BBC off the platform’. It is, if you like, in the commercial providers’ best interests to do that at that moment, and you can control that in all kinds of ways.

[54] I do not think that there is anything particularly democratic about it, either. The reality of what we are talking about is flooding the UK broadcasting world with cheap American imports. They are cheap because the US system and market is so big that most American programming makes its money domestically and can therefore be sold cheaply abroad. Realistically, that is what will happen, and I do not think that there is anything particularly democratic about the right of Disney or whoever else to make sure that we in Britain are watching their programmes.

[55] **Peter Black:** I accept that, but, at the same time, democracy is about people choosing whether or not they want to watch something. I accept that the people who might beam this stuff to us are not doing it to give us quality, but to make money, but how do you stop that?

[56] **Professor Lewis:** We already do. There are regulatory conditions under which people can broadcast. There are things that you are just not allowed to do. Regulation already exists; the question is how you use it, I suppose. Here again, we are not talking about censoring ideas that are seen as unacceptable; clearly, you would not want any system to do that, and no regulation should do that. It should be about encouraging the free flow of ideas. Similarly, an unregulated system might discourage a free flow of ideas because it will privilege certain kinds of content over others. I guess that that is my fear. So, I agree with your sentiment entirely—you do not want heavy-handed censorship, absolutely not. However, you do want to create a system in which a thousand flowers may bloom, and not one in which a few very large plants take over.

[57] **Peter Black:** Like *The Day of the Triffids*.

[58] **Professor Lewis:** Indeed.

[59] **Peter Black:** This leads on to the other issue. You talk about Wales taking control of regulation of broadcasting, and you suggest that, if we did that, we would be able to influence things much more. However, in a situation in which the UK is having difficulty controlling things, if you then reduce that down to Wales, where something like 40 per cent of the population do not even watch Welsh television, as they tend to tune into stations from across the border, surely, we will find ourselves even more impotent in that respect.

[60] **Professor Lewis:** I would not necessarily agree with that. At the moment, people in Wales are completely impotent in the sense that even their Welsh Government does not have a say over the broadcasting that they get. The arguments for the devolution of health and education are exactly the same for broadcasting. It seems to me that being able to have more say over how things are controlled in Wales will be a democratic step forward.

[61] One of the things that has always been absent in the last two decades in broadcasting policy is public discussion. The market has been allowed to stand in for public discussion, and there has not been any public debate about the introduction of digital television and so on. In fact, you could argue that the market has almost been distorted to bring it in, to force it through, by regulators. That is not as the result of any great demand, however. When channel 5 was created as a space, the Government could not find anybody who wanted to run it. The response was, 'Look, there is no demand for it. The demand is already met by the existing four channels. What are we going to put on?'. The creation of the expanding spectrum has not been in response to huge public demand—it has not been demand led from that point of view.

[62] **Peter Black:** Do you think that, if Wales had this regulatory power, we could make the public service broadcasters sit up and take notice in terms of the content that they provide, particularly in taking more notice of Welsh news? *Question Time* came from Cardiff on Thursday. A question was asked about the Assembly, and David Dimbleby said, 'No, we are not going to talk about Wales; it will confuse the English'. Is that going to change?

2.20 p.m.

[63] **Professor Lewis:** There was an opportunity there to say, 'You did not say that when you discussed top-up fees in England', or, 'You did not say that when you discussed other issues in England'. Clearly, it does not work both ways. I would like to think that that would happen, but who knows? It could not make the situation any worse. At least there would be a seat at the table, as it were, and you would be a serious player. It may not improve things, but I do not see how it could be a step backwards; it must be a step forward.

[64] **Alun Davies:** On that point, throughout your evidence you are very critical of regulation, or rather the lack of it. Ofcom, of course, is the regulator and has established the consumer/citizen model, if you like, of light-touch regulation. I presume, therefore, that, in your view, that model is a failure.

[65] **Professor Lewis:** Yes. I worked in the US for 12 years, so I watched a lot of television there, and that is the model that it has had since the late 1930s. I suppose that one of the things that I felt nostalgic about was the quality of British broadcasting, simply because even though the market in the US is so big that it has the potential to produce the best broadcasting in the world by some way, that was not happening. On any given night, you might find that, during primetime, there were no new domestically made programmes on any of the 57 channels available. So, I suppose that I am very aware of the limits of that approach. While I was there, I always held up the UK model—it is often held up as the success story of how you can make popular public service broadcasting. That is the key. Public service broadcasting has to be popular; it cannot be a worthy little ghetto for certain people. The whole system has to be a popular one that also produces the best-quality broadcasting possible. In other countries, there is evidence that it does not work, so the situation saddens

me. I almost feel like saying to many of the policy-makers at Ofcom, ‘I will strap you to a chair somewhere in the US and make you watch US television all day for a week, then try telling me that this is the best possible way of regulating the system’.

[66] **Alun Davies:** There is probably a convention on torture that stops you from doing that. [*Laughter.*] You cannot fund public service broadcasting based on nostalgia; it is like telling people in rural Wales that they can pay the mortgage with a view. Your paper refers to the decline in advertising revenue as a result of greater competition. At the same time, although your paper does not refer to it, the whole TiVo and Sky+ broadcasting environment means that people are now choosing when they watch programming, in a way in which would have been inconceivable a decade ago, and the advertisements are chopped out of that. So, there is a crisis. If you had an advertiser sitting next to you, he or she would be describing the crisis that will face advertising in the future, in terms of looking for space. Michael Grade has spoken about increasing the minutage on ITV 1 for advertising to try to increase the number of commercial impacts that ITV has during its broadcasting time. Are you not harking back to that golden age by saying that we can regulate this heavily and still have investment? We all see Rupert Murdoch as the villain of the piece but, in reality, he bet his house on digital and satellite television, and he created a market and a business. It is easy to criticise him—we have all done it at certain times—but that investment created the demand and people wish to have that choice, which you seem to wish to deny them, to watch rubbish occasionally as well as other things.

[67] **Professor Lewis:** I do not think that we will ever be in a situation where there is not enough rubbish to watch on television. If we ever get to that point, I will speak out in favour of the rubbish. Clearly, that has to be the case, but that is not where we are at the moment. I take your point about advertising. However, Rupert Murdoch achieved his success with satellite broadcasting not necessarily by competing on a level playing field and making better quality programmes, but by taking something off elsewhere. He gained exclusive rights to sport and that is what turned it around. There was no real market for Sky before that. In a way, that was a kind of distortion of the market, and it could have been done only with massive capital backing. No small-time entrepreneur could have done that—it could have been done only by a massive media conglomeration. So, it is worth looking at the context.

[68] Your point about advertising is an important one. We cannot go back to that system because we have a real problem: technology is potentially making advertising obsolete. I now watch television in such a way that most of it is saved on a hard drive and I watch it later; I can then zip through the advertisements at 32 times the speed and they are gone. Many people are doing that, and that will make advertising less and less viable. That is a serious issue, and we must think about other sources of funding, as the Ofcom paper suggests, to an extent. For years, we have been able to think in terms of advertising and the licence fee, but that does not work anymore—we must come up with other forms of advertising. The worst option that I can see is saying that we will increase the amount of time available for advertising, but that would be a short-term fix. What will it do to the cost of advertising? It will decrease. So, in the long run we will not be any better off, and, as a society, the last thing we need is more advertising. The audience does not want it, and it is a socially backwards step, and even in economic terms it is a short-term measure. So, that is not the way forward, and we need to look seriously at how else we can raise money for broadcasting. To some extent, the Ofcom paper deals with that. Ofcom is now suggesting ways of raising income that are nothing to do with advertising or the licence fee, and that is the way forward—

[69] **Alun Davies:** Which ways would you suggest? Ofcom was very coy about alternative sources of funding when its representatives came here a few weeks ago.

[70] **Professor Lewis:** Ofcom is coy, but it is talking about the Sarkozy option—or at least it is in Wales—as a way of taxing the telecommunications industry at its profitable end in

order to subsidise public service broadcasting. That would seem to be an obvious thing to do. It is a nicely ring-fenced form of taxation, and is probably a good way forward. Other funding schemes are like the lottery, and produce programme funds that can be dispersed for public service broadcasting; that is another potential way forward. To be honest, I think that we will need to use all these measures, because the advertising pot will run out. Again, why did the policymakers not anticipate that? Many people could have seen that coming, but they did not anticipate it, and relied on the idea that the market will sort itself out; it will not, if it depends on that source of funding. So, yes, we absolutely need to look at other sources of funding, and we need to do it soon.

[71] **Alun Davies:** Diolch i chi am yr amser yr ydych wedi'i dreulio gyda ni y prynhawn yma. Yr ydym hefyd yn gwerthfawrogi'r amser yr ydych wedi'i roi i mewn i'r papur ysgrifenedig. Dylwn ddweud y bydd Syr Michael Lyons, cadeirydd Ymddiriedolaeth y BBC, yn dod ger ein bron ar 16 Mehefin, a gobeithio y cawn y cyfle i drafod eich adroddiad bryd hynny. Diolch yn fawr am hynny. Caiff trawsgrifiad ei anfon atoch er mwyn ichi ei weld. Diolch eto am eich amser y prynhawn yma.

Alun Davies: Thank you for the time that you have spent with us this afternoon. We also appreciate the time that you have put into your written paper. I should say that Sir Michael Lyons, the chair of the BBC Trust, will be coming before us on 16 June, and I hope that we will have an opportunity to discuss your report at that time. Thank you very much for that. A transcript will be sent to you so that you can take a look at it. Thank you again for giving of your time this afternoon.

[72] **Professor Lewis:** Thank you.

[73] **Alun Davies:** Gwahoddaf Andrew Jones a Julie Barton at y bwrdd. Diolch a chroeso. Gofynnaf i chi gyflwyno eich hunain ar gyfer y Cofnod, os gwelwch yn dda, ac wedyn i ddweud ychydig eiriau neu wneud cyflwyniad byr am y prif faterion sy'n deillio o'ch papur. Gallwch ei gymryd yn ganiataol bod Aelodau wedi cael y cyfle i ddarllen eich cyflwyniad ysgrifenedig.

Alun Davies: I invite Andrew Jones and Julie Barton to come to the table. Thank you and welcome. I ask you please to introduce yourselves for the Record, and then to make a few remarks or a brief presentation on the main points arising from your paper. You can take it for granted that Members have had an opportunity to read through your written presentation.

[74] **Ms Barton:** I am Julie Barton, and I am here with Andrew Jones. We have a lot of experience in radio—me at the BBC, and Andrew with GTFM. I would like to thank the committee for inviting us to give evidence here today. Often, when people talk about broadcasting, they mean television, and when people talk about radio, they mean commercial or BBC radio, and community radio is the cinderella of the broadcasting industry, being relatively new and relatively underfunded, so it is great to have the opportunity to be here to talk to you directly about it. It is a very pertinent time to do so given that Ofcom is holding its public services broadcasting review and, as we mention in the document, is in discussion about the future of radio—although that has produced pronouncements, it is still ongoing—and there is more work being done on digital. So, it is a very good time to be looking at the radio sector.

2.30 p.m.

[75] As we said in the paper, we feel particularly strongly about news in radio in Wales, for commercial radio as well as for community radio. We believe that community radio, although it is the Cinderella of the sector and is relatively new, has huge potential in a public service broadcasting world, not just to inform communities but also to empower communities and individuals within communities. That has been our experience in operating the Rhondda Cynon Taf community radio project, which has been about having part-time broadcasting in

three communities in Rhondda Cynon Taf. That has been very successful from a community point of view and also from an individual point of view.

[76] There are several issues around the licensing of radio in Wales, and we have drawn the committee's attention to them in our paper.

[77] Picking up on the points of the last speaker, Professor Lewis—and I have also heard Geraint Talfan Davies say this—too often in Wales in the past, technology has driven the way in which broadcasting has developed, and no-one has sat down and thought about what Wales needs and how we can make the technology work to produce what Wales needs. Hopefully, the Assembly now has the opportunity to take that particular bull by the horns.

[78] **Alun Davies:** In terms of community radio at the moment, you say that you have a potential reach of 675,000 people across Wales from the nine stations that are currently licensed in Wales. Can you talk us through the impact and the reach that community radio has in the areas where it is currently broadcasting?

[79] **Mr Jones:** I set up GTFM as a community project in May 1999, so we share a birthday. That station went on to become the first full-time community radio station in Wales in 2002, and we were on air long before most other community radio stations were on air in the UK, because we were one of the first 15 trial stations. For many years, we were the only community station broadcasting in Wales, so we had no peers within the community radio world this side of the border.

[80] It was very much down to me and the small team there to create a profile for community radio in Wales and to create a profile that was distinctive. At that time, we faced a lot of issues with the commercial radio world as our station was not what the commercial radio world thought it should be. As a community station, we knew that if it was going to succeed in all of the things that Julie mentioned, it had to gain an audience, often in deprived areas. We were based in Rhydyfelin and our background was on the Glyntaff estate, which, as you know, is one of the most deprived areas in Wales and is a Communities First area.

[81] In order to attract a listenership, we needed to make the service populist, but in order to become a community station that achieved what it was supposed to achieve, we had to think very carefully about our use of speech and about the type of programming that we would have. We quickly gained a fairly healthy audience. The research that we did at the time showed that we were getting a reach of around 20 per cent to 25 per cent in that area. Obviously, it was hard work and we had few resources but, as a very local station, we were able to do what we did best, which was to serve that very local audience. That is the blueprint for what community radio should do, and it is definitely a blueprint that I would advocate. With the support of the Welsh Assembly in Wales, we would like to see community radio achieve that in other areas.

[82] **Ms Barton:** In terms of the restricted service licence stations that we have operated in Treherbert, Penrhys and Penywaun, although they have been on the air only twice for four weeks at a time—it is a bit complicated to explain—they have quickly built up a local following. That is because they have used local volunteers as presenters and as back-room staff. We have been there as the professionals to advise and to train, but it has really been a local enterprise in terms of everyone who has been involved, and a terrific empowerment, not just of the individuals who have taken part, but also of the community as a whole. Everywhere that we have been, a petition has spontaneously sprung up asking for there to be a full-time station.

[83] It was interesting, Chair, that you mentioned the fact that we have a reach of potentially 600 plus, but the very nature of community radio means that there are many little

stations working in isolation. One thing that we believe would be good in the future—and, again, we mentioned this in the paper—would be to draw together those community stations. What has been done in the Republic of Ireland with its association of community radio stations is amazing: by sharing content and by using the mass pressure of all of the community radio stations lobbying together, they are now recognised and receive public money to support community radio. Given what community radio does and how important it can be in conveying basic messages, particularly to deprived communities that may not get that message from anywhere else, we believe that it is important that the Assembly—and we congratulate it on having the community radio fund—supports the present community radio sector, but also ensures that it looks strategically at where other community stations need to develop, because, at the moment, it is down to individuals. A group of individuals can say, ‘Let us get together and apply for a community radio licence’, which is a very bottom-up approach and is to be admired, but if you want a strategy that says that community radio should touch every part of Wales, someone has to take that strategic overview, and Ofcom is not the body to do that because that is not what it does.

[84] **Alun Davies:** That leads me to ask why that is the case.

[85] **Ms Barton:** As Professor Lewis said, Ofcom is a light-touch regulator; its work is not about energising a broadcasting sector. That is why issues of licensing should be dealt with in Wales, as that could lead to some body in Wales being able to take that kind of strategic approach.

[86] **Peter Black:** When the Institute of Welsh Affairs came to this committee to give evidence, it suggested that, in reality, there is little difference between independent local radio stations and community radio stations. How would you define the difference in terms of content output?

[87] **Ms Barton:** How long have you got? There are huge differences. Some people in the commercial radio sector were very against the idea of community radio, and that is why it took so long for community radio to develop in the first place in the UK. Commercial radio is now becoming much less local—and Ofcom recognises this in its ‘The Future of Radio’ document—and multiple ownership means that more content is shared across groups. The Guardian Media Group, for example, announced recently that it was cutting its news provision. So it is becoming less local. Community radio is all about providing content that local people want and, most importantly, it is about having control of that radio station in the local community. It is not about someone who sits in London and who owns 25 stations around the UK deciding that the station in Llandeilo—to take a case that does not exist—will include content from Yorkshire; community radio is about localness and local content. It is not a replacement for commercial radio, because it does not have the resources that commercial radio can have. It is smaller and can involve individuals from the local community and, therefore, it is a very different beast.

[88] **Mr Jones:** I will just make a few points on that. When I was setting up GTFM, I learned that one thing that is distinctive in community radio is that, very often, it is run by people whose background and focus is on community development and regeneration, not radio. For them, radio is a tool to enhance community development and regeneration, which was our experience.

2.40 p.m.

[89] On programming, there is specialist programming of the type that the BBC would recognise—but that commercial radio unfortunately very rarely does these days—including the whole spectrum of community programming, specialist music programmes, local live music and Welsh-language programming and so on. In community radio, even in Wales, we

now have examples of community radio stations that may not serve a place, but part of the population, as in Cardiff with the black and ethnic minority station. Finally, in terms of speech, I guess that we set the benchmark in community radio in Wales because our editorial policy was based on the local authority's community plan. That was simply because it was a way of ensuring that we covered the issues that we knew were important at grass-roots level and in a social gain context, which was something that the regulator was looking at.

[90] **Peter Black:** You referred to news content. The scale of community radio stations means that they often rely on the commercial stations for their news content.

[91] **Ms Barton:** No. Like many of the commercial stations, they will use the Independent Radio News service or Sky News. We heard from the person who gave evidence previously about the issues with the BBC in terms of understanding the UK and devolution as it happens. If the BBC does not understand it and does not operate on those principles, what chance is there for IRN and Sky News, which are where commercial radio stations in Wales, as well as community stations, get their news from?

[92] We have taken IRN as part of every single community broadcast that we have done. However, most of what IRN reports is not relevant to Wales and it does not have any reporters in Wales—it is the same old story. In my view, the most important thing that could be done in conjunction with the PSB review—if we could find the money from somewhere to support PSB outside the BBC—would be to ensure that there was a Welsh independent news service because it could be fantastic for democracy in Wales to have that. Radio listening is still as strong as ever; the young are not listening as much, but they will get older and research shows that they will probably listen to radio in future. It is a really fantastic way of getting messages out there. The market is not going to provide for an IRN Welsh service, so somebody else needs to step in and do that.

[93] **Peter Black:** What are the barriers to community radio stations growing across more communities in Wales? How can we overcome those barriers?

[94] **Mr Jones:** I think that the key barrier is funding. For a community radio station, by its very nature in terms of how it comes about, the funding is obviously going to be difficult. At best, you can take 50 per cent of your income from commercial means. As an operator of a station that was deemed quite successful, I know only too well that getting commercial funding is easier said than done, particularly for the type of work that we were doing. As I said, most of our activity was actually off air; training up local people is not something that is normally acknowledged. To be able to provide speech programming and a news service, which we did, we set up a newsroom at GTFM; as difficult as it was to staff it, we did so because I always felt that it was very important, from day one, that that content was there on our station. Even at the stations that Julie referred to, which we currently operate for a month at a time, we still do local news, but we do it in conjunction with GTFM so that our audience still gets an hourly local news bulletin.

[95] I know, from the interaction that we have with our listeners, that that was very often the only source that they had of the type of local news we are talking about. I do not mean local news in the sense that a commercial station would; we were talking about initiatives that might have been going on in the town that were supported by the local authority or the Assembly. Very often, it was the only way that people knew about such things. They would see a building going up down the street but not know what it was. That was the case in Rhydyfelin, where we were; it was an early years learning centre, and we were able to tell the local community what it was. Many commercial stations and the BBC would not have touched that.

[96] **Ms Barton:** Under that point, we also need to pick up on the point about strategy. At

the moment, it is too dependent upon individuals in a community having the spark to get up to start it. They then find that they are in competition with everyone else in applying for the same grants. However, there is no strategic overview; the sector is just developing. Unfortunately, not every organisation has an Andrew Jones.

[97] **Peter Black:** Are there barriers in terms of the requirements that Ofcom places on the licences, which are not particularly difficult in Wales? I am thinking of Afan FM, in my own region, for example, and which had ambitions to cover the whole of Neath Port Talbot. However, because of the number of broadcasting points that it would require to do that, it would be broadcasting outside the area covered by its licence. The topography that it was trying to cover conflicted with the licence requirements. Is that a common issue in terms of Ofcom's failure to understand the needs of Wales?

[98] **Ms Barton:** It has certainly been the case in Brynmawr; I have heard that there are reception issues in Brynmawr because of its topography. It is wider than just coverage areas, though; it is also, for example, about the length of licences. Most community radio stations have come about as a result of people who regularly hold restricted service licences—Afan FM did that before it applied for a full-time community radio licence. However, Ofcom limits the amount of time that you can be on the air as an RSL to four weeks. I spoke to Sue Williams from Ofcom about this at a recent conference on community radio. In terms of our own project, eight weeks would make a lot more sense. At the end of four weeks, you have real audience involvement, volunteers who are geared up and can run the station almost without any help, then you have to come off the air. I asked why it could not be for a period of eight weeks. Her reply was that, in England, in the big urban areas, there are so many applications that it would be really difficult to have eight-week licences. That is not the case in Wales. So, why not have a different rule for Wales?

[99] **Mr Jones:** I do not think that we should underestimate the point about the geographical coverage, and Neath Port Talbot is a good case in point. It is certainly the same for us in GTFM, because we were covering only a small part of Rhondda Cynon Taf; we were tucked away in the south. That made it very difficult. The licences are meant to cover a radius of around 5 km. That is small and it makes it very difficult in terms of sustainability. At the end of the day, if Afan FM's signal is reaching the whole of Neath Port Talbot, so what?

[100] **Peter Black:** I think that the concern was that it would reach Swansea.

[101] **Mr Jones:** How many commercial radio stations communicate way out of their area? Ofcom does not seem to be so worried about that.

[102] **Ms Barton:** If it is not relevant to the people in that area, then they will not listen.

[103] **Peter Black:** Are there any other changes to the regulatory framework that you would recommend that would accommodate the Welsh situation?

[104] **Ms Barton:** Personally, I would like to see all licensing decisions on radio in Wales to be taken in Wales. The present system is that there is a radio licensing committee of Ofcom, which is a sub-committee of the content board. Technically speaking, I understand that the Welsh Ofcom content board member and the director for Wales of Ofcom are invited to give any views that they might have on licence applications, but there is no formal Welsh representation—hence, not so long ago, a licence was awarded for Hereford and Monmouthshire. Why Ofcom decided that awarding a licence for Hereford and Monmouthshire made sense in political or economic terms—or any other terms—is completely beyond me. Similarly, when it came to the last big licence that was awarded in Wales, which went to Xfm, had I been involved—which I probably would not have been—I would have wanted to see another speech-based station for south Wales; Wales is well served

by music stations. Granted, it was a different kind of music station, but there are needs that should be addressed in Wales that cannot be addressed by a committee in London that has no Welsh representation whatsoever.

[105] **Alun Davies:** You are a member, I believe, of Ofcom's advisory board for Wales. Can you explain to us the role of that body in making representations to Ofcom on such decisions?

2.50 p.m.

[106] **Ms Barton:** I can. I hesitate to say that I am not speaking on behalf of Ofcom today. The Ofcom Advisory Committee for Wales is almost like a critical friend for Ofcom. It is a competitive process to become a member of the Ofcom Advisory Committee for Wales and we get to make our points to Ofcom officials and paid staff regularly. I can assure you that, as the Ofcom Advisory Committee for Wales, we make those points strongly, to the extent now that some people from Ofcom are reluctant to give us evidence. However, we are a voice and we press hard on this. Looking at how Ofcom documents are being written and framed, it is now taking more account of the fact that the UK has nations and not just regions. However, it is not an easy process.

[107] **Alun Davies:** Given the membership of that panel, I have no doubt that you are making Ofcom's life difficult. Do you think that the role of that panel could be expanded—speaking personally, of course?

[108] **Ms Barton:** I would like it to have a more prominent role. At the moment, members of the advisory committee for Wales are not permitted to speak about Ofcom officially, although I have clearance from Ofcom to be here today to give this evidence in a personal capacity. I would like to see its role being strengthened and I would like us to be taken a lot more seriously by Ofcom in London.

[109] **Alun Davies:** Sorry, to pursue this further, but do you believe that the views that are expressed are always taken seriously at present?

[110] **Ms Barton:** I think that they are starting to take such views seriously. To be fair, the membership of the committee on which I sit is the second tranche of members. Members of the first committee, who were appointed—with all due respect to members of the first committee—came from a much more diverse background than those who currently sit on the committee. So, there were no broadcasters or former broadcasters on the old Ofcom advisory committee. Now there are people who have expertise in the media and digital dividends and so on, as well as ex-broadcasters. I think that the current committee is stronger. So, we are getting there.

[111] **Paul Davies:** Could you expand on how you would like to see Assembly Government support for community radio being developed?

[112] **Mr Jones:** As Julie said, the fact that the Assembly has provided this funding stream for community radio is absolutely magnificent, although we all recognise that it is a small amount of money—it is a small pot going around 10 stations. However, the fact that it is there is significant. It is only the second pot of money in the whole of the UK. As far as I am aware, from a conference that we recently attended, places like Scotland are now asking if they can have such a pot. This money gives credence to community radio in terms of attracting money from other funders. In all the years that I was at GTFM, if we went to the likes of the lottery, they could not understand why a radio station would ask for funding. So, the fact that there is this other stamp of approval is significant.

[113] On developing it, the key is that, in Wales, community radio can support the flagship regeneration strategy that exists here. That goes hand in hand with what we do. Phase 1 of our project is virtually at an end now and we decided from the outset that we would undertake an in-depth independent evaluation of it, which is due to report. We will obviously make that available to the Assembly and it will, hopefully, touch on those important issues. With that in mind, that is the key to future work with the Assembly.

[114] **Ms Barton:** If I could add to that; at the moment, the Assembly community radio fund is available to applicants who have been awarded a licence by Ofcom. The weakness in that is that Ofcom does not currently have any plans on further developing community radio. It rolled out the licensing on a geographical basis. So, south Wales was done fairly early on and north Wales more recently. There was a big gap between the two, but there are no other published or unpublished plans, as far as I can see, about how more community radio stations will be licensed in future. We cannot believe that we will end up with only nine community radio stations in Wales, but we need to draw those stations together. Will there be a mechanism in the future for, say, a community radio station or somebody who was involved with community radio to apply to set up a Welsh news service or a community radio association for Wales? It needs to be looked at and, possibly, broadened.

[115] **Paul Davies:** Are you saying, therefore, that the Assembly Government's community radio fund might affect community radio stations' ability to apply for Ofcom's UK-wide fund?

[116] **Ms Barton:** It is a worry because there are community stations in England and Scotland looking with envy at the fund that exists in Wales, and it is really important that Ofcom does not say, 'There is a Welsh fund for the Welsh stations; we will use our fund for stations in the rest of the UK', because that is not fair.

[117] **Paul Davies:** How do you think that Welsh language or bilingual community radio services might be provided?

[118] **Ms Barton:** There is a group, as you are probably aware, that is looking to develop Welsh-medium community radio. It is amazing that, up until now, there has not been any grass-roots demand for community radio through the medium of Welsh. I think back to the project that Radio Cymru ran in Blaenau Ffestiniog, called Lleisiau. It spent a long time in that community and left it with a lot of equipment and it is a shame that no-one from Blaenau Ffestiniog has thought of going for a community radio licence. However, this again is about strategy and encouragement from somebody outside of the sector saying, 'Did you realise that this opportunity exists and that you can get funding from x, y and z?'. It is too disjointed and it needs pulling together. The potential, if you can do that, is huge.

[119] **Paul Davies:** How do you think that that can be promoted in the 'Futures' document to ensure that people in communities can do these sorts of things?

[120] **Ms Barton:** Somebody should seedcorn a community radio association for Wales that starts to draw together not only those stations that have been awarded full-time licences but also those people who already operate regular restricted service licences—there are several in Wales. In west Wales and in north Wales, regular RSL services are held. Those licence holders will be the community radio stations of the future and they need to be brought in. Somebody needs to put together a pot of funding that would enable the setting up of an association.

[121] **Nerys Evans:** Pa mor gystadleuol **Nerys Evans:** How competitive was the oedd y broses o ennill trwyddedau? process of attracting licences? You Soniasoch am y lefel o ddiddordeb, ond nid mentioned the level of interest, but nothing

oes dim wedi'i gyhoeddi. Faint o ddi-ddordeb has been published. How much interest is
sydd i greu gorsafod radio cymunedol ar there in creating community radio stations
draws Cymru? across Wales?

[122] **Ms Barton:** There was only one place where there was a competition for licences, and that was in Wrexham. Two different groups went for the licence there and, in the end, Ofcom awarded it to Calon FM, which is the service that has just started broadcasting. There has not been a lot of competition and I think that that is because it is so dependent on individuals. That is where a strategic approach in thinking and imparting the information to people about how they go about setting up such a station comes in. I would love to see the project that we have been working on—if it gets funding for a phase 2—being more mobile, so that we could take it to other communities, because if people are given a taste of the power of having a radio station on their doorstep for four or eight weeks, they can see the potential for individuals and for the community. All the places that we have visited—Treherbert, Penrhys and Pen-y-waun—would love to have a full-time community radio station. Whether it would be viable for each of those three to have its own community radio station is probably questionable, given all the funding issues, but, again, those three stations could work together in partnership, so you could have some output from one place and a central co-ordinating figure. There is a huge potential there, but funding is needed to do some work in bringing the whole thing together.

3.00 p.m.

[123] **Mr Jones:** On that, as has been said, community radio has been quite slow to take off in Wales initially. There is no big history of it as in parts of England—and Scotland, for that matter. I am sure that there are many communities in Wales where there is big potential, and I speak as a native of mid Wales, where whole areas are unserved, which could easily benefit from community radio. However, I guess that there are not the people in the community who know that it is a realistic proposition. That is the problem.

[124] **Ms Barton:** Look at Newport. It is Wales's second biggest city, but there is no radio station, be it commercial or community. That seems mad, although there are a few groups—

[125] **Alun Davies:** I think that we will have some complaints from Swansea about that claim. [*Laughter.*]

[126] **Ms Barton:** Yes, but Swansea has many stations.

[127] **Mr Jones:** Newport's population is about the same size as Oxford's, and Oxford has, I think, four local radio stations.

[128] **Ms Barton:** Sorry, Peter. As a former student at Swansea, how could I possibly have said that? [*Laughter.*]

[129] **Peter Black:** It is the second or maybe the third biggest city in Wales.

[130] **Ms Barton:** Sorry, I stand corrected on the population figures. [*Laughter.*]

[131] **Alun Davies:** Faint mae'n ei gostio i **Alun Davies:** How much does it cost to run a
redeg gorsaf radio gymunedol? community radio station?

[132] **Mr Jones:** While I was operating GTFM as a full-time community radio station, once it was established, I was asked this question at an Ofcom meeting several years ago. The annual operating costs of a station the size of GTFM at that time were probably about £150,000 a year, for the full operation, including staffing, all the licences, overheads, and so

on.

[133] **Alun Davies:** Was that funded by a mix of advertising and grants from local and central Government?

[134] **Mr Jones:** It was grants, service level agreements and advertising. One thing that I ensured from the outset, with my knowledge of the voluntary sector, was that we never had an attitude of expecting to be grant funded. We knew that that was a scarce resource, and that we might not be able to get it for ever and a day, so it was about trying to tap into whatever commercial activity we could. We were quite successful with that, because we got to a point at which probably about 35 per cent of our income was coming from commercial sources.

[135] **Alun Davies:** To conclude, in different ways, you have both spoken about the need to strengthen the community radio sector in Wales. You have talked about community radio stations working together on producing the news, and so on. As a committee, we acknowledge and support those sorts of moves. However, is there not a danger that you might lose sight of the purpose of community radio, which is to be rooted in a particular community, whether that is a geographical or an interest community? Could there be a danger of a syndicated community radio, which is very much centrally led and centrally produced, but broadcast locally, in the same way as we have seen with other local radio in the past? As the communications legislation was being passed, there was a clear emphasis on definitions of localism, and what it meant to be a community and operating in a specific community, in relation to output and news content. Do you recognise that danger, or do you believe that you can deal with that?

[136] **Ms Barton:** I can see why you might worry that that would be a danger. However, in the experience in the Republic of Ireland, that has not been the case. Although it has a strong, thriving and co-ordinated community radio sector, it is not about taking away the localness of the individual stations. It is a wonderful opportunity to share content. When I was editor of BBC Radio Wales—a position that I held for six years, at the time when community radio was starting in Wales, and where I first met Andrew—I wanted to encourage community radio. If the BBC really wanted to attract people into employment from different backgrounds, community radio was a fantastic way of getting people in who would not normally ever consider a career in broadcasting. However, although we worked closely together, and some of the staff helped out with GTFM training, and so on, it never meant that we, in any way, took over GTFM, but there was the possibility of sharing content.

[137] If you have made a fantastic feature about a man or a woman with a brilliant story to tell, why not have that heard on other stations beyond your 5 km reach, and share that story with people in other parts of Wales, who may find inspiration from it or who may just enjoy hearing a fantastic piece of radio? That would be my vision, namely a situation where there is no dictating going on from the top, but where people come together to share information, stories and so on, and strengthen the whole by strengthening the parts.

[138] **Alun Davies:** Diolch yn fawr am eich amser y prynhawn yma. Yr ydym yn ei werthfawrogi'n fawr. Caiff trawsgrifiad o'r sesiwn ei anfon atoch, er mwyn i chi ei weld. Diolch yn fawr i'r ddau ohonoch am eich cyfraniad.

Alun Davies: Thank you very much for your time this afternoon. We greatly appreciate it. A transcript of today's session will be made available to you, so that you can have a look at it. I thank both of you for your contribution.

[139] Yr wyf yn eich croesawu at y bwrdd, Mr Mumford. Diolch am gymryd yr amser i fod gyda ni heddiw. Bydd yr Aelodau yn gofyn cwestiynau i chi am eich gwaith gyda

I welcome you to the table, Mr Mumford. Thank you for taking the time to be with us today. Members will shortly ask you questions about your work with Town and

Darlledu Gwlad a Thref yn y man, ond, yn gyntaf, gofynnaf i chi gyflwyno eich hun ar gyfer y Cofnod, ac, os oes gennych unrhyw sylwadau agoriadol i'w gwneud, bydd y pwyllgor yn gwerthfawrogi eu clywed.

Country Broadcasting, but, first of all, I ask you to introduce yourself for the Record, and, should you have any introductory comments to make, the committee would appreciate hearing them.

[140] **Mr Mumford:** My name is Martin Mumford, and I am the managing director of Town and Country Broadcasting, which is pretty much the holding company for the local commercial radio stations west of Cardiff. We run and operate Bridge FM in Bridgend county, Swansea Bay Radio across south Carmarthenshire, Neath Port Talbot and Swansea, the highly local services for Carmarthenshire and Llanelli, which are Radio Carmarthenshire and Scarlet FM, and Radio Pembrokeshire over in the county of Pembrokeshire.

[141] It is hugely refreshing to have sat through a session dominated by radio. When many people talk about broadcasting, they tend to confine it to the world of television, yet in some of the markets in which we broadcast, we are seen as the market-leading radio service and we are the mechanism by which many people find out their local news in that marketplace.

[142] One area that was not touched on by the preceding evidence is the mechanism of delivering that in the long term. All of the radio stations that we currently deliver are delivered on an FM/VHF platform, and an element that the community radio representatives did not talk about was whether that platform is really secure as a means of broadcast over the long term. It is that area that is causing uncertainty, particularly for commercial radio, with the dual problem of having to hedge your bets in a potentially digital future. Digital television is secure, but digital radio has not yet reached that stage.

[143] **Alun Davies:** Thank you for that. Before I bring in Paul, a number of different commercial broadcasters, particularly in the field of radio, have said that, since the BBC's audience share has been growing year on year, it has become impossible to compete with the BBC. Is that your experience?

[144] **Mr Mumford:** We run our radio group on a very different model from that which others have chosen. Our radio group has been born out of the success of our business in Pembrokeshire: we have reinvested the profits and crept along the M4 corridor, in effect, so we have quite a successful business. Part of the reason for that success is that we recognised pretty early on that the UK-wide BBC radio services—Radios 1 to 5, and Radios 1 and 2 in particular—were simply seeking an audience. They had repositioned themselves right where commercial radio was, traditionally. Instead of spending time and energy arguing whether the BBC should be allowed to do that in our markets, we very much recognised that people do not make the distinction between listening to the BBC, community radio and commercial radio. They listen, because they enjoy what they hear. So, we took the decision early on to move our services away from being personality led, because we cannot afford to employ the likes of Chris Moyles or Terry Wogan, and thought about the reasons why people tune in to our local services, which is for local provision that you simply cannot find anywhere else on your radio. When you boil down to the minutiae, you find that that is about how people live their lives, and the local news and the travel news that affects them. Those are the things that simply cannot be delivered via another media form.

3.10 p.m.

[145] The Welsh marketplace is very distinct from that in England. It is not my view that a platform of BBC local radio really exists here in the way that county-wide services exist in England and compete for the ground that I have just talked about; it is very much our radio group, west of Cardiff, that provides what perhaps the BBC would provide in other marketplaces.

[146] **Alun Davies:** As Members, we are all familiar with at least one of your stations, and I think that the three of us who represent Mid and West Wales are particularly familiar with Radio Carmarthenshire, Scarlet FM and Radio Pembrokeshire, and you spoke briefly about where you position yourselves in the locality that you serve. Can you talk us through your model? How much importance do you give to local coverage, and how do you define that sense of locality?

[147] **Mr Mumford:** To do that, you have to leave aside the stereotypical view of how a radio station has run in the past, which is that you have a person sat in a studio playing records. We recognise that it is actually what comes out of the speakers that drives radio listening. It does not matter where the studio is located or who the presenter is; what matters is the content that you deliver.

[148] We were probably five years ahead of the rest of the commercial industry when we were granted permission to launch Radio Carmarthenshire's service from our existing facilities in Pembrokeshire. That meant that, instead of investing in bricks and mortar and studio and technical equipment, we were able to invest in the content for our listeners in Carmarthenshire to hear. That freed up the mechanism to visit local schools weekly and to go into businesses daily to find out about the people we serve. That model has been adopted in our secondary base at Neath, where we broadcast services for Bridge FM and Swansea Bay Radio. In essence, the model is that we have two geographic locations serving five different broadcast areas. With those synergies, with the studios literally next door to each other, it is possible to turn radio presenters, who in the past would perhaps present a four-hour programme on one radio station, into channel managers, so they might be responsible for more than one service at a time. Remember that it is the background, and not who is there delivering it now; it is about what content there is. By 'content', I mean reaching out to touch people, broadcasting from local events, and following up items of interest to our audience. Economically, for us, that means that we are able to run five separate services.

[149] We do not network much of our programming at all. So, it is not about shared content, but about the mechanisms of delivery being dramatically different from that adopted elsewhere, certainly in the commercial sector. That model has been adopted by other radio groups as time has gone by. People have come to see our operation in Narberth, and they have now adopted that model, particularly the smaller-scale commercial groups in England.

[150] **Paul Davies:** You will no doubt be aware of the concern about the importance of plurality in news, to include information about the work of the Assembly and improve political coverage in Wales more generally. How do your stations contribute to that plurality of information and news?

[151] **Mr Mumford:** We do, because we are not the BBC. That is the short answer. [*Laughter.*] It is right, however, to have that concern about news. We are entirely separate from other news providers. As has been touched on earlier, it is disappointing that some of the bigger Welsh radio groups, such as the Guardian Media Group, are talking quite seriously about moving news provision outside Wales, or about dramatically reducing current provision. We have a news centre in our Neath operation. We recognise that being on the ground and in the marketplace at the grass-roots level is the way to deliver news.

[152] I have to say—and you may not want to hear it—that I do not view commercial radio's position as being necessarily about the work of the Assembly. However, as the Assembly's powers have grown over time, so its importance has grown to our listeners. Julie made the point earlier that one of the key ways that we gain news of international and national importance is through a service linked to ITV, which is the independent radio news service. That is proving more and more problematic for us in terms of output, because if we put out on

community radio a three-minute news bulletin delivered by London, then, as we said earlier, some of that news, although not the majority of it, will be irrelevant to our audience. Certainly, I would support the provision of an all-Welsh news service, whether in the form of print media, internet or radio; that is certainly missing at the moment, and particularly in radio. The only Welsh radio news provider at the moment is the BBC, because we do not take a Wales-wide view. In each of the markets that our radio stations serve, the most important news will be their local news—what is happening in Pembrokeshire, and so on.

[153] **Paul Davies:** Could you tell us what news provision you make, and how you source that news?

[154] **Mr Mumford:** We broadcast news throughout the day on all of our services—we are quite traditional in that respect, so it is at the top of the hour. It may be compiled completely in-house, by making a jigsaw of news from IRN, press releases, or people phoning us up or sending us details. During peak times, we set the complete news agenda. Outside peak times, we tend to broadcast three minutes of national and international news, which is provided by IRN in London, and then a summary of the main local news for the station's broadcast area. That is purely a resource issue—if we had a larger newsroom, then we could provide a mixed bulletin right through the day, and I set a proper Welsh news agenda in keeping with the audience that we serve. I would passionately like to do that. However, the economic reality of commercial radio audiences after 7 p.m. is that it is easier for us to put a fader up and have that news delivered than to provide it ourselves. We also have reporters out in the marketplace, and in Pembrokeshire in particular, one of our staff, Jim Hughes, is renowned. I have probably put forward an argument that even better-resourced broadcasters than ourselves would get their news from Jim in the Pembrokeshire marketplace.

[155] **Paul Davies:** Are you therefore saying that you would be prepared to provide more news if the audience demanded it, or that funding dictates that you cannot?

[156] **Mr Mumford:** News is important, but not critical, to our services. The danger—and potentially, it is a danger that this committee could look at—is that many sectors that are not exclusively public-funded will look at the pace of change elsewhere in radio and say that this model of having a breakfast show presenter who does a three-hour programme and gets a nice branded car and a full-time salary is now eroded. The cost per minute of producing these bulletins is much higher than for any other form of broadcast output, certainly on our radio stations, and so there is therefore a danger that news will also get eroded, and you will probably see some convergence between local newspaper reporters and radio reporters. When I was discussing this with our news editor last week, we agreed that there was a trend towards news delivery as opposed to news gathering. There is far less grassroots, on-the-street journalism, and that is not just in radio. Therefore, you end up with news being processed rather than gathered, if you like. Our radio group does not see our role as anything other than reporting the news that affects our listeners—we are not there to sensationalise in the way that newspapers perhaps have to do to sell their services. So, across our radio group, we have a matter-of-fact, 'this is what has happened' approach, and therefore we will broadcast only news if we believe editorially that it is of relevance to the way in which people who consume our services live their lives.

3.20 p.m.

[157] **Peter Black:** I am interested in how the technology is impacting upon your service, in particular digital radio. I am not aware that your services are broadcast on digital radio. Will that be a problem? Do you need digital licences to move on to that platform?

[158] **Mr Mumford:** As I mentioned in my opening comments, it is almost the case that we need a better steer and a better understanding of whether digital radio, as a platform, will

happen in this country. I think that it is as stark as that, because I do not think that it is a done deal in the way that digital television is. We are beginning to touch on regulation at this point. To give you some background, recently we were the sole applicant for what was the old county of Dyfed and mid Wales digital licence area. That is a huge geographic area and it is a huge potential burden for us to launch that as a platform and it begins to compromise the broadcast areas that our existing services provide. If we came to a commercial agreement with the people who own the Swansea multiplex, we could potentially access space to put our Swansea radio station on, but as the current framework lies, it is difficult for us to see routes to digital broadcasting for Scarlet FM in Llanelli and Bridge FM in Bridgend county, which sits between two multiplexes. It is a big area of concern, because these are profitable, market-leading radio services, and yet in order to progress a digital platform, ultimately someone has to have the courage to say 'We are going to switch off the existing platforms', and you are caught in that chicken-and-egg situation as a potential digital provider. Commercially, it makes no sense for us to provide our services digitally if that will not drive profitability for us. Yet, we have a perfectly successful company running on FM. So you are almost trapped by regulation.

[159] In terms of digital coverage, there is perhaps an argument in Wales that does not exist in England, in that there are lots of mountains here. People will listen to a medium wave or an FM signal, even when it is degraded. They want to hear that service, and so they will make that choice. With digital, you either have a signal or you do not; there is nothing in-between. Potentially, the way in which digital radio roll-out is currently planned, you could end up with less choice rather than more. In relation to the colleagues who spoke earlier on community radio, you potentially erode their platform completely. So, from my perspective, we are almost waiting to be led to say that we will go to a digital platform—and we would probably want some support with that if that is the outcome—or we will not. It might be right for England, Scotland and everywhere else, but in terms of the efficiency of resource and the social gain that radio can deliver in Wales, perhaps keeping FM and the existing medium wave services would be a better outcome. However, that is a decision for policy-makers, rather than individual operators.

[160] **Peter Black:** Is the leadership vacuum on the part of Ofcom or the Government? Is it a particular issue for Wales, or is it a UK vacuum?

[161] **Mr Mumford:** There are some items unique to Wales; the topography of Wales is important. Some of the issues about the route to digital for existing services apply elsewhere. The uncertainty in the commercial sector has been caused by one of the biggest commercial radio players, GCap Media plc, almost throwing up its hands to investors at the start of this year to say, 'Actually, this is not working; we are not making a commercial return on this platform, we have been delivering it for years, and we would rather withdraw'. That creates uncertainty across the commercial sector, because it is commercially funded and we have to bear the costs of these transmitters through their licence period. Ultimately, it is therefore an economic argument—is it worth us doing this in the long term?

[162] As regards Ofcom, I think that it did the best job that it could. Ofcom has continually trailed behind technology platforms, and almost every communications Act is out of date by the time it is enacted. What Ofcom does not have—and this is why I think it gets criticised so much—is the flexibility to say, 'The world has changed since the Communications Act 2003'. It is not given the flexibility in legislation to deal with changes. That is why you end up, as I said earlier, with a situation in which almost everyone views broadcasting as television only. Different circumstances exist for the radio platforms.

[163] **Peter Black:** Are you further hampered by the lack of a Welsh perspective from Ofcom?

[164] **Mr Mumford:** The creation of Ofcom's national and regional offices was almost an afterthought in the legislation, and you are left, unfortunately, with a bit of a vacuum or duplication, rather, of services. So I would support the view—and I am being strongly helped by the evidence that you have heard this afternoon—that decisions about Welsh radio should be made by people in Wales. Decisions about frequency planning are probably international issues, but once you have decided that there should be a licence, I genuinely think that the make-up of radio within the London and the English markets is dramatically different from that in Wales. As I mentioned, there is no tier of BBC local radio within Wales, and Ofcom, as it stands, is a very London-centric organisation and that is where the decisions are made. We get on very well with the Ofcom Wales office, but we feel that it is not particularly empowered to deliver a Welsh perspective—you also heard that earlier from someone who is seconded to Ofcom.

[165] **Alun Davies:** We have also heard that from many other witnesses, to be fair.

[166] **Nerys Evans:** What is your view of Ofcom's review of public broadcasting?

[167] **Mr Mumford:** Again, as I you have heard me say, it was almost that radio was not included—I think that there were a few paragraphs on radio—and, yet, certainly in terms of some of the services that we run, radio is the way that people get their news and information. One important point is that this is a wider review and that it is a whole look at public-sector broadcasting, rather than an approach that says, 'We have decided what public-sector broadcasting is, now how do we deliver it?'. That, to me, is pleasing, because I long held the view in all of the companies that I have run across the UK that commercial radio is a bit of an unsung hero—it is, in effect, delivering significant social gain and significant parts of public-sector broadcasting, almost as a by-product of chasing audiences, and, yet, it gets no recognition for that, and certainly no funding. So I am pleased to see it on the agenda, and I think that it is time to look at different ways of delivering public-sector broadcasting other than through the BBC.

[168] **Nerys Evans:** Welsh-language content usually forms part of any licensing agreement for commercial radio in Wales. Do you feel that the existing requirements are fair and, if not, how would you like to see that changed?

[169] **Mr Mumford:** I am in favour of less regulation rather than more—and I am sure that you will get that answer from almost any commercial radio representative. This is a hugely sensitive issue and it is different in each of the markets that we serve. In summary, I would prefer that there was no regulation at all, but I accept that there will always be some. The difficulty is that, in each of our services, we have only one transmitter. The BBC is blessed with two sets of transmitters, and, yet, very rarely does it use them for bilingual programming—they are used either for solely Welsh or solely English programming. The problem that I have in some of our markets, Pembrokeshire in particular, is that I get people phoning me up to complain when they hear items, or even advertisements, that are broadcast in Welsh, and, as a commercial provider, I have to provide a service that appeals to most of the people, most of the time. Unlike the press, where you can turn a page if there is an article or advertisement that you do not understand, you cannot do that with radio. So I have one platform and one transmitter to deliver on.

3.30 p.m.

[170] That does not mean that I am against providing Welsh-language content; I think that it should be a matter for us to reflect the way in which people live their lives locally. The danger—we have seen this with our Carmarthenshire service in particular—is that we are almost pushed at both ends: we are pushed by people who do not wish to hear Welsh-language broadcasting and, on the other end, by people who think that we are not doing

enough or that we are just paying lip service or that we are not doing it properly. So, we suddenly end up in a position that the BBC does not end up in because it has two transmitters. From an economic point of view, I do not think that we would currently choose, certainly outside our Carmarthenshire station, to broadcast in the Welsh language. We are driven by audience and, potentially, by commercial and revenue means. If that situation changes, we have to change with it. That is almost the same as my saying that Ofcom is stuck because every bit of legislation that it must work to changes the moment that it is published. Similarly, we change our services to reflect the changing nature of this country. I think that Welsh-language provision will become more and not less important, but that must be commercially driven for us, against the backdrop of having only one transmitter available to us, unless the diminished commercial output that we might see currently is met by an alternative source of funding. In terms of the whole area of public service broadcasting, the use of the Welsh language potentially falls into that category, along with other issues.

[171] **Alun Davies:** To follow up on that, you say that if public funding were available, you would have no principle objection to using it to provide public service broadcasting services, be that news or Welsh-language services.

[172] **Mr Mumford:** Absolutely not. I think that the danger when you regulate is that you cause inflexibility rather than greater flexibility. You end up with commercial providers doing things because they have to and not because they want to or because they believe that it is the right thing to do. I have outlined the current context, and my view about the regulation of Ofcom and what is happening at the National Assembly is now different because there is more power here now and that affects our listeners in a very different way. In the current economic context, the promotion of Welsh-language programming would be viable only through some element of public funding. The same would be true—although I do not think that the spectrum or the frequency space is there—if a proposal were made to provide a commercial, Welsh-language, all-Wales service. I do not believe that that would be economically viable at the current time and it would need some element of public funding to provide it.

[173] **Alun Davies:** We have certainly heard some very different views on regulation today. We are very grateful for your contribution to the debate.

[174] Diolch yn fawr iawn i chi am yr amser yr ydych wedi ei dreulio gyda ni heddiw. Os nad oes gan neb arall gwestiwn, deuf â'r sesiwn i ben. Fel y dywedais eisoes, Mr Mumford, bydd copi o'r trawsgrifiad ar gael i chi. Diolch i chi unwaith eto.

Thank you very much for the time that you have spent with us today. If no-one else has a question, I will bring the session to a close. As I have already said, Mr Mumford, a copy of the transcript will be available to you. Thank you once again.

[175] Ni fydd cyfarfod ddydd Llun nesaf oherwydd gŵyl y banc. Felly, bydd cyfarfod nesaf y pwyllgor yn cael ei gynnal ar ddydd Llun, 2 Mehefin, pan glywn dystiolaeth gan y Gweinidog, Rhodri Glyn Thomas, S4C, Awdurdod S4C a Phrifysgol Aberystwyth.

There will not be a meeting next Monday because of the bank holiday. Therefore, the next meeting of the committee will be held on Monday, 2 June, when we will hear evidence from the Minister, Rhodri Glyn Thomas, S4C, the S4C Authority and Aberystwyth University.

*Daeth y cyfarfod i ben am 3.34 p.m.
The meeting ended at 3.34 p.m.*