



# Department for Digital, Culture, Media & Sport

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Delyth Jewell MS  
Chair of the Culture, Communications,  
Welsh Language, Sport and International Relations  
Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
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Dear Delyth,

Thank you very much for your letters of 8 December and 20 January, and also for the copy of your report *Response to Small Screen: Big Debate*. I am responding as the minister responsible for public service broadcasting (PSB) policy. As I set out in my response to your previous letter of 17 November, I am grateful to the updates you have provided regarding the Committee's work, and I am always interested to discuss the challenges and opportunities facing the sector, and PSBs specifically.

First, regarding your report – a response to which is attached to this letter – the UK Government has also warmly welcomed the recommendations from Ofcom's latest review of PSB, *Small Screen: Big Debate*. We tasked Ofcom with being ambitious and forward-thinking in their approach, and we believe that this is reflected in the conclusions they have drawn. The UK Government's strategic review of PSB – which will draw on a number of sources, including Ofcom's review – is ongoing, and we will set out its conclusions in due course.

You have raised concerns around the recent announcement of the Licence Fee Settlement. I wish to highlight that the Secretary of State was clear that she wants the BBC to continue to thrive and be a global beacon in the UK and in the decades to come.

The Licence Fee Settlement is a distinct process that will provide financial certainty for the BBC for the next six years. In reaching a decision, the Government assessed both the BBC's commercial income and activities and the level of funding required so that the BBC can effectively fulfil its mission and public purposes. In addition, this Government set out our own relevant factors to consider during the charter review in 2015-16: evasion, commercial income, household growth and industry costs. We have published details of correspondence between the Government and BBC to provide transparency on how the decision was made - <https://www.gov.uk/government/publications/letters-from-the-culture-secretary-to-the-bbc-and-s4c-on-the-2022-licence-fee-settlement>.



In reaching this settlement, the Government had to be realistic about the economic situation facing households up and down the country. This settlement sends an important message about keeping costs down while also giving the BBC what it needs to deliver its Mission and Public Purposes.

As Tim Davie said in his first speech as director-general of the corporation, the BBC must be a “simpler, leaner organisation” that offers “better value” to licence fee payers. Ultimately, this settlement strikes the right balance between protecting households and allowing the BBC to deliver its vital public responsibilities, while encouraging it to make further savings and efficiencies. We believe this is a fair settlement for the BBC and, most importantly, for licence fee payers across the United Kingdom.

I am pleased that you welcome the Licence Fee Settlement for S4C. A compelling case was put forward for an uplift in funding to support S4C’s digital transformation plans, and the settlement will support S4C in reaching more Welsh language speakers, including younger audiences. I note your concerns about the impact of the Licence Fee Settlement on the BBC’s provision of Welsh language content and the future of public service broadcasting in Wales more widely. As the BBC is operationally and editorially independent it is up to the BBC to decide how it spends its licence fee settlement as it ensures provision for the United Kingdom’s nations as required by the Charter.

I note your request for Welsh representation on the Mid-Term Review. Preparatory work has begun and we will fulfil the Charter requirement to consult with the BBC, Ofcom and devolved administrations on the terms of reference in due course.

Finally, I’m afraid my schedule still means that I cannot commit to joining one of your upcoming meetings at this stage, but I shall continue to take an interest in the Committee’s work moving forward.

With best wishes,



Julia Lopez MP  
**Minister of State**  
**Minister for Media, Data and Digital Infrastructure**