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IWA Media Audit 2020

Dr Marlen Komorowski

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IWA – Institute of Welsh Affairs, Room 6.01, sbarc | spark, Maindy Road, Cardiff CF24 4HQ
tel: 029 2048 4387
email: info@iwa.org.uk
www.iwa.wales

University of South Wales
Prifysgol De Cymru

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Preface: A Note on the text

This document was researched and written on behalf of the IWA by Dr Marlen Komorowski between October 2019 and April 2020. The bulk of the research, data analysis and stakeholder interviews therefore took place prior to the advent of Covid-19.

The pandemic obviously affected both the context for media organisations and media policy in Wales, and the short term impact on the IWA as an organisation significantly delayed the launch of the document itself.

We therefore recognise that some data sets referenced in the work will have been updated since it was completed. We took a decision not to attempt to revisit these data sets, but to present the work as it was originally intended: as a comparison between the state of play in our 2015 Media Audit and 2020.

It represents, we hope, a useful resource for reference as a snapshot taken immediately before a period of rapid change. One which can be used in a number of ways – as a baseline against which to measure the resilience of the media to the pandemic, to monitor future trends, and show a way forward.

We also took the decision not to present – as you might usually expect – a set of policy recommendations as part of this document. This was because we recognised that the post-Covid context meant too much had changed to sensibly base any recommendations on this data alone.

We have instead separately published our Media Priorities for the Next Senedd document which draws in part on this audit, as well as expert contributions to our 2021 Media Summit events (available to watch back via our website iwa.wales).

We will continue to work with our partners to monitor and comment on the health of the media landscape as part of our work to support a strong confident democracy in Wales.

Introduction

The media in Wales plays an important role for Welsh culture and the civil society

Media is one of the most powerful tools of communication in any nation. In today's world, media in Wales is playing an outstanding role in not only creating and shaping of public opinion but the media in Wales also shapes modern Welsh culture. This means that media acts in the social system in creating a sense of reality in Wales. And it collectively shapes the perceptions of people and their attitude towards cultural heritage, politics and civil issues directly or indirectly in the communication interactions. It is important to highlight that media as the fourth pillar of democracy – along with the judiciary, executive and legislature - has an important role in shaping Wales today.

Media has always played a pivotal role in shaping Wales' society. But today, we are living in an age, where the nation's media system is constantly changing. This presents a major challenge to our society and democracy and deserves to be taken seriously.

Media is in a constant state of change being challenged by new political, cultural and technological developments

Media organisations face many challenges that already have and increasingly will change Wales' media landscape. Continuous digitisation and new technologies have already had a huge impact. Media consumption patterns have shifted from traditional media outlets, like print and television to online media.

This brings new issues that the media landscape has to face including, for example, the implications of the spreading of disinformation as well as trust issues regarding news in the media. This continuous globalisation brings in new competition to Wales' market from international giants like Facebook and Netflix to global media production conglomerates. Brexit and the COVID-19 pandemic bring new uncertainties too and are additionally having a negative effect on Wales. This is why it is important to continuously look at such developments and changes in order to be able to shape the media system in Wales.

Because of the journalistic, economic and cultural responsibilities the media landscape carries, it is important for political and private stakeholders to secure the functioning of an independent media industry and further support Wales' media production in the future.

Political implications and the state of devolution of media in Wales

The definition of media is of course a contested one and perhaps best seen in terms of political influence. Media policy is a term describing all legislation and political action directed towards regulating the media, especially mass media, and the media industry. Media policy in Wales is a reserved matter under the direct control of the UK Government. However, the possible devolution of media policy areas is being discussed. In October 2019, the Culture, Welsh Language and Communications Committee opened a consultation on the issue of the devolution of broadcasting. Additionally, it should not be underestimated that the Welsh Government already has strong influence on the media landscape as the media industry is being influenced by policy areas that are part of the competences of the Welsh Government.

The media industry is an important part of Wales' economy. And economic development and therefore the development of the media industry and related skills falls under the competences of the Welsh Government. The media industry also greatly impacts cultural matters within Wales and the Welsh language, which are also both areas devolved to the Welsh Government. We can therefore see how bodies of the Welsh Government increasingly impact the media industry. This includes bodies and agencies like the Culture, Welsh Language and Communications Committee, the Arts Council of Wales, the Books Council of Wales and more. At the beginning of 2020, the Welsh Government launched Creative Wales, a new agency with an initial focus to support film and television, digital and gaming, and music in Wales.

While the Welsh Government does not have competences for media policy per se, it needs to be pointed out that Wales as a small nation faces different challenges in terms of its media system than its larger neighbour, England. In this sense the relationship between Wales and England becomes important as Wales' media landscape becomes increasingly dominated by English content. Welsh Government and representatives of Wales in Westminster can nonetheless influence decisions being made on a UK level impacting Wales' media industry. It is essential, therefore, that the Welsh Government recognises its abilities and acts on the needs and changes of the media landscape and the UK Government, too, should recognise the particular media needs of Wales.

Setting the scene:
The IWA Media Audit from 2008 till 2020

All of the above-mentioned challenges, initiatives, developments and political, cultural and economic implications of Wales' media will be discussed and highlighted throughout the Media Audit in more detail. We believe that it is necessary to start a new conversation about the media in Wales. And we hope that this Media Audit can launch a new discussion on common ground for all important stakeholders: the public, the media and political and private stakeholders to influence future policy making positively.

Detailed and comprehensive information is needed as a background to improving media policy in Wales. Many studies and reports on Wales' media landscape are published regularly. However, we have recognised that there is no single voice for the whole of the media industry. This Media Audit sets out to close this gap by bringing data and insights from experts and multiple sources together, along with policy recommendations rooted in the evidence.

Building on our previous audits in 2008 and 2015, we have updated the data and added new statistics relating to the media landscape in Wales. The 2008 Audit was commissioned from the IWA by the Welsh Government. The 2015 Audit was produced with the resources of the IWA and a grant from WISERD (The Wales Institute of Social and Economic Research, Data and Methods). The 2020 update of the audit has been supported by the University of South Wales.

When the IWA conducted its 2008 Audit it was clear that there were major media deficiencies in Wales. The 2008 Audit concluded: 'Of the three [nations], Wales has the weakest print environment, the weakest commercial radio sector, is the only country where none of its commercial radio stations is indigenously owned, is the only one of the three whose ITV franchise holder was absorbed into ITV plc[2], and the country where the BBC is most dominant in both radio and television.'

Seven years later, the IWA found in its audit from 2015: 'that although, with some exceptions, the availability of communications has significantly improved [since 2008], the position regarding content for audiences in Wales is considerably worse.' The audit from 2015 highlighted: 'Output and spend on English language television by BBC and ITV has further diminished, with an inevitable narrowing of the range of programmes. S4C has suffered the first ever cut in its funding. Ownership of commercial radio has undergone further consolidation, usually with consequent reductions in locally originated output. Like newspapers everywhere the print circulations of Welsh newspapers continue to drop, while their journalistic resources shrink.'

'An improvement on the current provision is a democratic, social and cultural necessity.'

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1   The Committee was established on 28 June 2016 to examine legislation and hold the Welsh Government to account by scrutinising expenditure, administration and policy matters, encompassing (but not restricted to): culture; the arts; historic environment; Welsh language; communications; broadcasting and the media. See https://www.assembly.wales/en/bus-home/committees/Pages/Committee-Profile.aspx?cid=445

2   UTV in Northern Ireland was subsequently sold to ITV plc in 2016.

Media provision in Wales

1 Television

Television broadcasters and channels

Only a handful of television broadcasters are located in Wales

On 15 August 1952, television became available in Wales for the first time. Since then, the television landscape in Wales has changed considerably. Yet still today, there are only a handful of television broadcasters who operate in Wales.

Table 1:
Television broadcasters and channels located in Wales

Broadcaster	Channels in Wales	Kind of broadcaster	Main location of HQ and / or production and studios	Launched in
BBC Cymru Wales	BBC One Wales	PSB	Cardiff	1964
	BBC Two Wales			1965
S4C	S4C	PSB	Carmarthen	1982
ITV Broadcast Ltd	ITV1 Wales	PSB	Cardiff	1958
Made Television Limited	Cardiff TV	Local television	Cardiff	2014
	North Wales TV	Local Television	Mold	2017
Bay TV Swansea Ltd (owned by That's TV)	That's Swansea Bay	Local television	Swansea	2016

As of 2020 these includes the public service broadcasters (PSBs) BBC Cymru Wales (BBC One Wales, BBC Two Wales), S4C (the Welsh-Language PSB), and ITV Cymru Wales. Since Ofcom opened up the possibility to apply for local broadcasting licences in 2014, Local TV (Cardiff TV and North West TV) and That's TV (That's Swansea Bay) have launched. Two local television broadcasting operators opened operations in Cardiff, Mold and Swansea. In 2018, Ofcom also announced it was stopping the future extension of the local television transmission network.[3]

Public service broadcasters in Wales and implications for future licence fee negotiations

PSB is provided in Wales not only by the broadcasters BBC Cymru Wales, S4C and ITV Cymru Wales, but also by Channel 4 and Channel 5. While S4C, and all the BBC television services are PSB, only the main channels of the other broadcasters are. In return for providing PSB services such as news and original productions, these broadcasters receive certain benefits: access to spectrum to broadcast their services; prominence on electronic programme guides on television (EPGs); and in the BBC's case, the licence fee (which also funds operations of S4C and partly supports local TV services).[4]

TV licence fee decriminalisation debate

In December 2019, Rishi Sunak, Treasury minister, confirmed Prime Minister Boris Johnson has ordered a review of the sanction for non-payment of the licence fee. Prosecution for non-payment can currently end in a court appearance and potential fine of up to £1,000. The BBC warned decriminalisation could cost it £200m a year.

A previous government review in 2015 looked into whether a fine for non-payment could be issued under civil law instead, similar to the fees for breaking parking. The review also examined whether unpaid TV licence fees should be considered a civil debt in the same way as unpaid utility bills or council tax. It recommended against changing the criminal sanctions regime, saying decriminalisation could bring with it an increased risk of evasion.[5]

At the end of April 2019, 25.8 million households had TV licences, bringing in £3.6 billion income. £184m (4.9%) of this income comes from Welsh households.[6] In April 2019, the cost of the annual television licence fee increased from £150.50 to £154.50. The BBC's Licence Fee Unit estimates that Wales has one of the lowest evasion rates for paying the licence fee with 6% in March 2016 (similarly to England and lower than in Scotland with 10% and Northern Ireland with 9%).[7]

Universal free TV licences for over-75-year-olds were abolished in 2020

In June 2019, BBC announced that people over the age of 75, except those in receipt of pension credits, would no longer get a free television licence.

Research by staff of Cardiff West MP Kevin Brennan has shown that in Wales it will impact 159,340 households, costing them £23,980,670.[8] Free TV licences for over-75s were introduced in 2000 as part of a government programme to reduce pensioner poverty however responsibility for the policy and funding of licence fee concessions was given to the BBC. The BBC said it could not continue to fund the scheme as it is today while the number of pensioners continues to grow.[9][10]

The UK government is responsible for setting the level of the licence fee and funding settlement is negotiated with the BBC (however, there is no fixed year cycle). Since 2017, under the BBC's current funding settlement, which runs until 2021/22, the licence fee rises annually in line with inflation. The UK Government will carry out a mid-term review of the Charter in 2022, focussing on governance and regulatory arrangements. While the licence fee funding model is secured as part of its Royal Charter, which runs to 2027, negotiations over a new financial settlement with the UK Government began in November 2020.[11]

Keep the licence fee, change the licence fee or no licence fee?
Implications for Wales and S4C

It has been argued that PSB organisations in the UK have become so-called (by the regulator Ofcom) 'PSB portfolio channels' to meet the commercial competition and take advantage of technological developments. This has led to concerns over the scale and scope of operations, as to whether they are trying to do too much in the area of commercial activities in order to protect market shares and political support.[12] This in turn also creates criticism about the legitimacy of the licence fee.

In January 2020, Gary Lineker called for a 'voluntary' licence fee and the Secretary of State for Digital, Culture, Media and Sport (until February 2020), Baroness Morgan, warned the BBC it would be a mistake to think the future of the licence fee was not an issue of public concern.[13] The National Assembly for Wales found a consensus among respondents to its 'Inquiry into the BBC Charter Review' in 2016 that the licence fee system should be retained for the next Charter period, although a number of responses suggested that it should be modernised, or that other models, including the German household-levy system, should be investigated further.[14] Switching to a 'universal media levy' system has attracted support from the UK Parliament's Digital, Culture, Media and Sport Select Committee, the Future for Public Service Television inquiry, and the BBC itself.[15]

Ofcom states in its '*Media Nations: Wales 2019*' report that there is concern among audiences in Wales that PSBs do not fully portray and represent the nations, regions and diverse communities of the UK (see below for a discussion).[16] The National Assembly for Wales highlights further that funding for BBC Cymru Wales faces an uncertain future and was concerned by the manner in which the latest licence fee settlement was reached due to openness and transparency issues.

With the changing funding structure of S4C (see below), the negative public discourse, concerns about national representation, and the potential to switch to a levy system to replace the licence fee, the future funding of media in Wales is uncertain.

Since 2013, the greater part of the public funding S4C receives has come from the television licence fee at a level set by the Secretary of State for DCMS. This financing structure is established in the current Charter. Based on this, we can anticipate the operations and financing structure of both BBC Cymru Wales and S4C becoming closer aligned.[17] From 2021, they will also be co-located and share technical broadcasting services at the new BBC Broadcasting Centre in Cardiff.[18]

In 2018, following an independent review of S4C,[19] it was announced that by 2022 all public money for S4C will come from the TV licence fee.[20] In the financial year, 2019/20, the UK Government guarantees and provides about 8% of the channel's budget with 90% coming from the licence fee and 2% from S4C's own commercial income.

From 2022 all of S4C's public funding will come from the licence fee. This means that the new settlement arrangements for the licence fee will be crucial to secure S4C's funding.[21] The Secretary of State for Digital, Culture, Media and Sport also has a duty under Section 31 of the Public Bodies Act 2010 to ensure that S4C has sufficient funding. Additionally, discussions about the devolution of broadcasting may crucially impact funding in the future (see also below).

Discussion about the funding structure of S4C in the future

The new arrangement was based on an independent review of the S4C, led by its former director of programmes, Euryn Ogwen Williams. UK ministers accepted all the recommendations of the review in 2018. It is foreseen that the new funding system would give S4C stability and certainty with 10-year settlements.

A BBC spokesman said the corporation opposed the change in funding arrangements saying that S4C and its audiences are best served by a funding model based on a plurality of funding sources.[22] The new licence fee settlement negotiations which are likely to start in 2021 will be highly influenced by the changes of the funding structure of S4C.

Local broadcasters diversifying Wales' television market

Since That's TV and Local TV (rebranded from Made Television in 2018) entered the local television broadcasting market in the UK in 2013/14, the television landscape in the UK has changed. However, the two local television operators are still finding their feet in the market. Local television services are supported via the UK Government's Local TV initiative, introduced in 2011 by former Culture Secretary Jeremy Hunt, which uses money from the TV licence fee to finance some start-up costs, including the cost of building transmission infrastructure. Ofcom's 'Media Nations' report stated that 'many local TV services continue to face challenges in generating revenue', adding that in 2015, 2016 and 2017 the services' expenditure was 'far greater' than their income.[23]

That's TV, UK's largest local television licence operator, closed 13 of its 20 studios in 2019 (not including its studio in Swansea).[24] However, it seems interest in local television services is growing. The Local TV network – chaired by David Montgomery – claimed a record 5.3 million viewers in June 2019 in the UK, which means it now has a bigger audience than regional newspapers circulating in the same areas (see below), although it is difficult to assess the reach and impact of these services in Wales.[25]

Broadcasters and their opt-out strategies

Even though the number of channels in Wales has increased in recent years, due to the local TV operators, it needs to be noted that only parts of the programmes on these channels are actually local to Wales. UK broadcasters can provide locally tailored content through national and regional variation, which is based on opt-out broadcasting or simultaneous broadcasts.[26] The only television broadcasters that broadcast national (ie for Wales) programming content are BBC Cymru Wales, ITV Wales, and S4C.[27]

BBC One Wales has to a large degree operated as a separate television channel (as also the corresponding channels in Scotland and Northern Ireland do), rather than a variant on BBC One as broadcast in England. BBC Choice also briefly had regional variations for these areas but stopped in 2003, when it was replaced by BBC Three and moved online.

ITV has traditionally included more regional variations than the BBC (similar to the corresponding channels in Scotland and Northern Ireland). However, with the consolidation of many ITV companies in the 1990s and finally the majority ownership by ITV plc in 2002, regional variations on the network are far fewer, and often no more than the minimum requirements as set by Ofcom.[28]

Channel 4 and Channel 5 provide no regional variations for programming or continuity but do sell localised advertising. A notable exception is of course S4C, which is the Welsh fourth channel and which is available throughout the UK.

Regulating non-locally based broadcasters and VOD services –
An opportunity for Wales to support future local content production?

In Ireland, it is currently being discussed whether the local levy on television channels should be extended to all channels that sell advertising in the Irish market.[29] A report commissioned by the Broadcasting Authority of Ireland (BAI) states that opt-out channels (including dozens of mostly UK-based channels like Sky and Channel 4) operate advertising opt-outs taking large shares of local ad revenues but are not included in current regulations. Changing regulations would create fair and equal ground in Ireland's television market. The report further suggests using the revenue of the levy to support production of domestic content.

The new AVMSD (Audiovisual Media Services Directive) from 2018 allows an EU country to impose levies on revenues that a broadcaster or video-on-demand service (VOD) (see below for more information on VOD) makes in that country, even if it is based in another EU country. Many EU countries are developing new regulations at the moment.

Other countries already have regulations in place.[30]

In Germany for example, the so-called 'film-levy' needs to be paid as a proportion of revenues generated in Germany by the exploitation of feature films (including advertising or subscription revenues made by broadcasters and VOD services located in Germany or in another EU member state).[31]

In the UK, such a regulation is not in place at the moment.[32] However, in Wales, revenue is also generated on local advertising and subscriptions by broadcasters located in Wales and by broadcasters (and VOD services) not located in Wales. In the light of current discussions about the devolution of broadcasting (see below), the Welsh Government could consider following-up on legislation as in other countries. Also, the UK Government could introduce local regulations of this kind, if enough pressure from national governments were created.

S4C's original content for Wales provision is declining by four hours every year

Based on our estimations, in 2018-19, viewers in Wales were able to watch a total of 5,819 hours of original content for Wales on the seven available channels (not including repeats).[33] This means that on average about 15 hours per day of original content is available.

While the number of hours provided by BBC Cymru Wales and ITV Cymru Wales increased during the last 5 years, S4C's provision decreased. S4C showed almost 3% less local original content per year. That is a total of 4 hours less per week between 2014-2015 to 2018-2019. However it is worth noting that this comparison is not quite like for like as while ITV and BBC operate opt-out models for their services, S4C's output is generally greater as it operates a dedicated channel broadcasting from 7am to midnight each day.

Local Channels
- S4C (Independent and acquired)
- S4C (statutory hours supplied by BBC)
- BBC One Wales and BBC Two Wales
- ITV Cymru Wales

Total hours of first-run UK-originated content for Wales

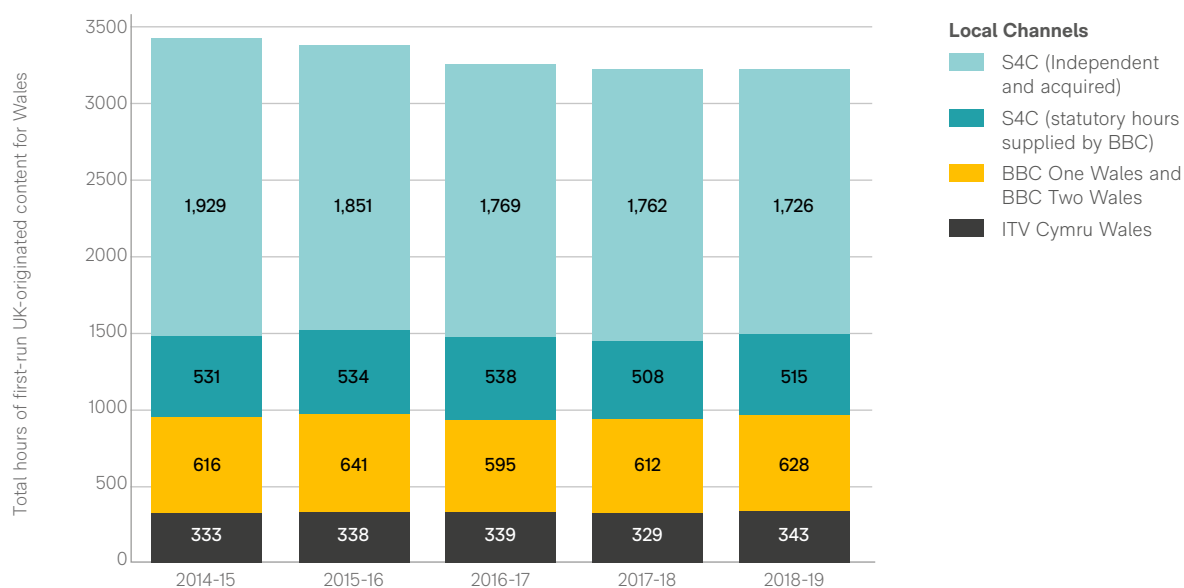|	2014-15	2015-16	2016-17	2017-18	2018-19
S4C (Independent and acquired)	1,929	1,851	1,769	1,762	1,726
S4C (statutory hours supplied by BBC)	531	534	538	508	515
BBC One Wales and BBC Two Wales	616	641	595	612	628
ITV Cymru Wales	333	338	339	329	343

Figure 1:

Total hours of first-run UK-originated content for Wales transmitted by the PSB channels

Local TV Licence Requirements

The licence agreements of the newly established local television broadcasters in Wales required local channels to show a very high number of hours of local content. Cardiff TV even had the highest minimum required hours of local content transmission per week of all local channels licenced in Wales with 37 hours per week.

However, both local television operators were granted output reductions in their licence (for Cardiff TV in 2015 and for That's Swansea TV in 2019) to reduce their programming commitments, including a reduction in the total amount of first-run local programming and a drop in the amount of news and current affairs programming.[34]
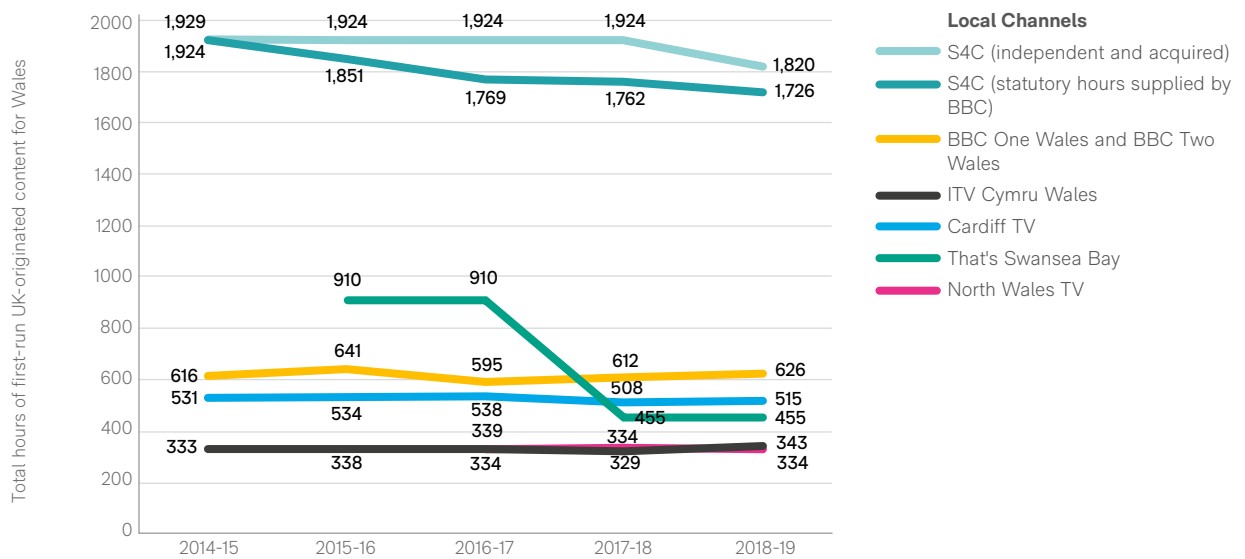

Figure 2:

Total hours of first-run UK-originated content for Wales by all channels

The "Delivering Quality First" programme and its impact on BBC Cymru Wales

One explanation for the decline of hours of first-run UK-originated content for Wales transmitted between 2015 and 2019 is that, following the last licence fee settlement, BBC Cymru Wales was asked to find savings of £10.7m by 2017 as part of the 'Delivering Quality First' programme. In July 2015, Lord Hall explained that, to meet their saving targets, BBC Cymru Wales consequently prioritised news, current affairs and political coverage at the expense of comedy, entertainment and culture (more on the development of news content versus other content below). The Audience Council for Wales described this reprioritisation of content as a process that brought BBC Cymru Wales' non-news television provision 'closer to the cliff edge'.[35]

In 2017, BBC however announced an additional investment of £8.5m television programmes in Wales.[36] The effect can be seen in the statistics, as BBC Cymru Wales' content provision has increased in the last five years.[37]

People in Wales spend less time watching linear television while public broadcasters are still dominating the viewer numbers

In 2018, people in Wales spent an average of 3 hours 33 minutes per day watching broadcast television (or 213.5 minutes).[38] That is a total of ten minutes less per day in comparison to 2017 (the last time viewing numbers increased slightly was from 2011-2012). Although in Wales viewing time remains above the UK average (192.4 minutes per day), it is down by almost 50 minutes from 2018 (19%).[39]
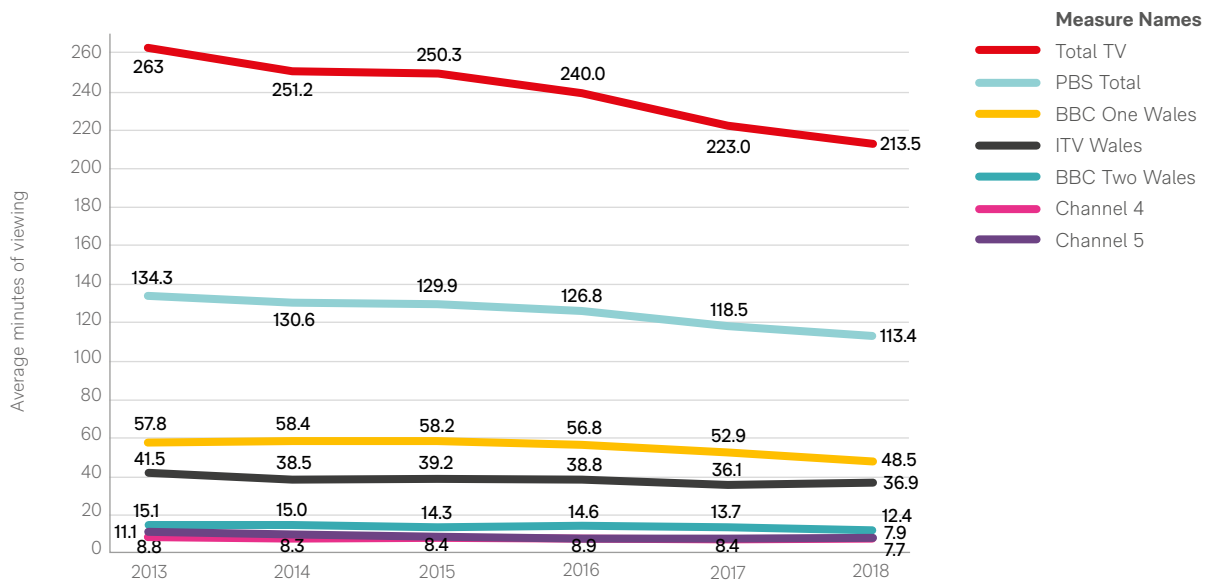

Figure 3:

Average minutes per day viewing television by channel in Wales for all individuals

While there has been a further drop in the amount of television viewing in 2018 in all the nations of the UK, this activity still accounts for a significant majority of people's screen time (see below for more info on other screen time in Wales).

Total television viewing figures for all demographics declined in 2018 except for 35-44 year-olds, which remained stable. The biggest year-on-year decline was among 45-54 year-olds in 2018; their viewing of broadcast television on the TV set decreased by 34 minutes (13%) to 3 hours 43 minutes. Children's viewing also declined steeply by 11% to 1 hour 21 minutes.

The main six PSB channels accounted for a combined 53.1% share of the total broadcast television audience in Wales in 2018. This audience share is higher than in Northern Ireland and England, but it is lower than in Scotland. BBC One Wales had the highest audience share of any individual PSB channel at 22.7% and this was higher than BBC One's share in the other nations.

BBC One Wales and ITV Wales deliver the most popular programmes in Wales

In 2018, 13 out of the top 20 most-watched programmes in Wales were broadcast on BBC One Wales with live Six Nations rugby matches and World Cup games. The other 7 of the top 20 most-watched programmes were broadcast on ITV Cymru Wales with *I'm A Celebrity – Get Me Out of Here!* being the most-watched broadcast programme on TV sets in Wales in 2018. This episode achieved an average audience of 878,000 and a share of 62.6% of those watching television at that time.[40]

Table 2:
The most-watched programmes in Wales in English and Welsh television

Most-watched programmes (2018)	Channel	Average viewers 000s
I'm A Celebrity -Get Me Out Of Here! (from 18/11/2018)	ITV Cymru Wales	878
World Cup 2018: Cro V Eng	ITV Cymru Wales	770
Bodyguard	BBC One Wales	737
Six Nations: Wales V Scotland	BBC One Wales	734
Rugby: Six Nations Live 2018	ITV Cymru Wales	732
Most-watched Welsh-language programmes (2019)	Company	Average viewers 000s
CLWB RYGBI (Gleision Caerdydd v Dreigiau)	BBC Cymru	85
CLWB RYGBI (Scarlets v Gweilch)	BBC Cymru	51
POBOL Y CWM	BBC Cymru	51
OCTONOTS	SAIN	44

'Events' as programmes are also the most popular in Welsh-language television. *Clwb Rygbi* was also the most-watched Welsh-language programme in 2019.[41] In 2019, it is estimated that about 30% of Wales' population are Welsh speakers (with significant regional variations in this figure).[42]

Technology up-take in television

96.6% of homes in Wales have a television and the majority receives television services through Digital Terrestrial Television (DTT)

At 96.6%, a higher proportion of homes in Wales had a television in the first quarter of 2019 than in England (95.1%) or Scotland (94.5%).[43] Television viewers in Wales can receive programmes via Digital Terrestrial Television (DTT), digital satellite or cable TV services (provided by Virgin Media). Unlike other Wales-based television services, S4C is also available across the UK on Virgin Media as well as on Sky, YouView, Amazon Fire and others.

97.9% of premises in Wales had DTT coverage in 2019. DTT services, which are delivered through a television aerial, are provided in Wales through a combination of PSB and commercial (COM) multiplexes. These multiplexes are the transmission infrastructure that deliver channels carried on the Freeview platform. Examples of services on the PSB multiplexes include BBC One Wales, ITV Wales, S4C, Channel 4 and Channel 5, while the COM multiplexes provide access to services such as Dave, Sky News and E4. Coverage of the commercial multiplexes, which are carried on a smaller number of transmitters, reaches 72.6% of premises. Over a third of homes in Wales (36.3%) had only DTT as their TV platform in the first quarter of 2019.

Nearly half of homes in Wales have a satellite service. Satellite TV services are provided by Sky and Freesat and are available to about 98% of Wales premises. Pay satellite was the most popular form of pay-TV in Wales at the beginning of 2019, serving 38.1% of homes. A further 9.8% had a free satellite service, most likely from Freesat, meaning that at 47.9%, a higher proportion of homes in Wales than in any other nation had a satellite service (the UK average was 37.1%).

Almost one in ten homes had a cable TV service. Virgin Media's cable service was available to more than 300,000 premises in Wales (22.8%) in January 2019. This is lower than England (49.6%), Scotland (41%) and Northern Ireland (39.2%). At the beginning of 2019, Wales had the lowest proportion of all the nations of homes taking up cable TV services (8.1%). Internet Protocol television (IPTV) services are less popular in Wales than in the rest of the UK. The proportion of homes that have IPTV only[44] was only 4.8% in Wales in quarter one of 2019, the lowest across the UK nations.[45]
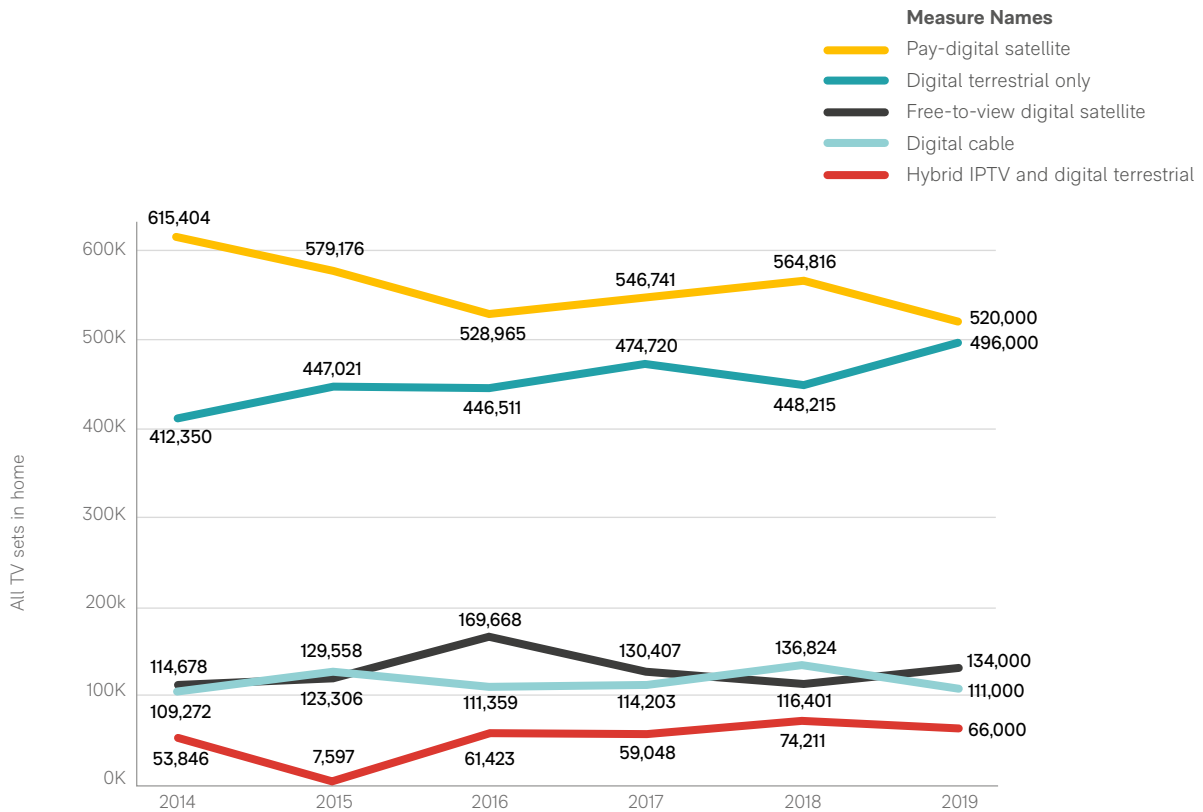
Figure 4:
Television platform take-up in Wales

Smart TVs and other devices become increasingly popular

Almost half (46%) of television households in Wales had some form of connected TV in 2019 (57% in England, 56% in Scotland and 67% in Northern Ireland). The number of households connecting their TV to the internet is increasing across the UK. As well as using a smart TV, other devices (such as a set-top box, streaming stick, games console, etc) can be connected, allowing online content to be viewed on the TV set.

On the other hand the number of households owning a DVR (Digital Video Recorder) set is decreasing (from 61% in 2014 to 58% in 2019). HDTV (High Definition TV) sets are now owned by 74% of households in Wales. S4C originally launched an HD service called 'Clirlun' on Freeview in 2010, but it closed this service in 2012 following a difficult funding settlement. However, S4C HD is available on Satellite and Cable. BBC One Wales was the next channel to begin broadcasting in high definition in 2013.[46] S4C resumed high definition broadcasting in 2016 and BBC Two Wales began high definition broadcasting in 2018.[47] The update in such new devices also creates new difficulties for broadcast regulation.[48]

New regulation for due prominence of PSB services on connected devices to come?

While regulation guarantees PBS' prominence on the traditional 'linear' channel programming guide (electronic programme guides – EPGs), PSB prominence on connected devices, such as smart TV sets or online services and platforms, is unregulated. And the complexity of these new delivery forms of television make regulation challenging.[49]

At present, PSB catch-up players are widely available on programming guides of connected services due to commercial negotiations between the PSBs and the platforms. While both parties should have a common interest, in practice such negotiations can be complex and fraught. Ofcom therefore announced in its report 'Public service broadcasting in the digital age' in 2018, that it will seek to ensure the widest availability and prominence of PSB on all platforms. Following new provisions in the 2017 Digital Economy Act, Ofcom has undertaken a review of the EPG and made recommendations. Issues around EPG and prominence are debated not only in the UK, but also internationally. For example, the German Bund-Länder Kommission (the German federal – state commission) has considered a new legal framework that would extend PSB prominence rules to new kinds of media platforms in order to ensure choice and plurality.[50]

Local television channels in Wales, also have considerable interest in ensuring that people in Welsh have easy access to the local channels on all devices. Therefore, it is important that Ofcom takes the nation's interests into consideration if new regulations are established.
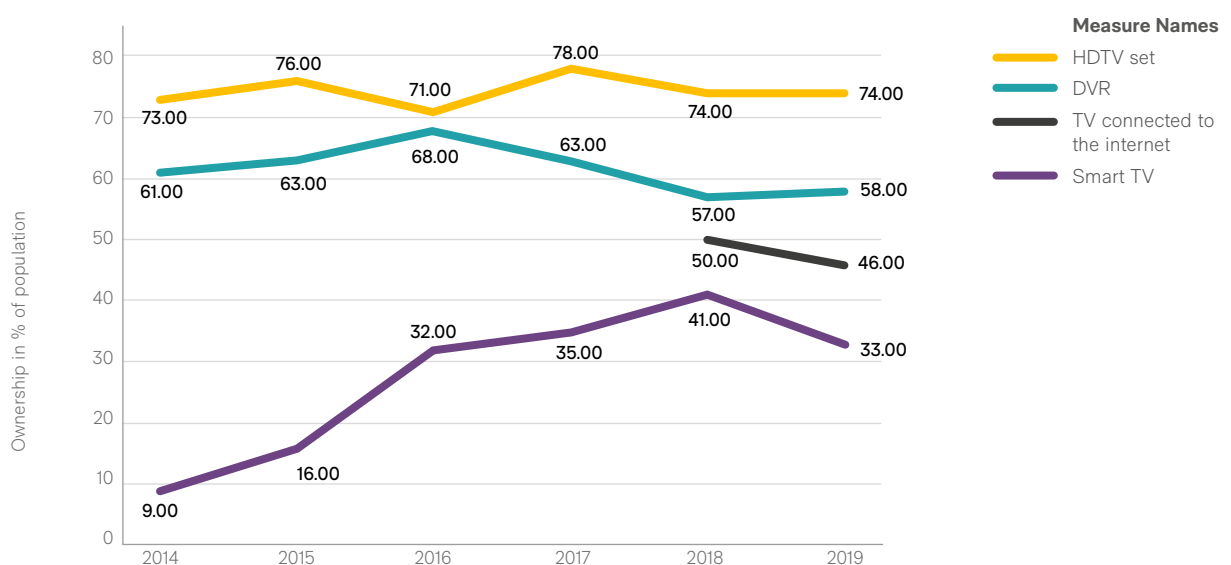

Figure 5:

Television device take-up in Wales

AV content production (television and film)

Spend on television content production for Wales has increased from 2017-2018

BBC Cymru Wales' and ITV Wales' combined spend on programming for Wales increased by 13% from 2017 to £33.6m in 2018. In real terms, spending by the BBC rose by 16% to £27.3m in 2018, the highest level since 2009. ITV Cymru Wales' spend on local programming was up marginally at £6.3m. The spend by S4C increased by about 4% from 2017 to 2018.[51]

Welsh-language television as a driver of the Welsh language - Shouldn't Wales have responsibility for S4C?

As a minority language television channel, S4C is playing a significant role in increasing the number of Welsh speakers in Wales. The Welsh Government's Cymraeg 2050 Strategy sets out the target of a million Welsh speakers by 2050 and states that the broadcast media has played a key role in the efforts as a nation to revitalise the language.[52] For example, S4C increases efforts to bridge the gap between Welsh and English including broadcasting programmes with subtitles in English and Welsh for adult learners of the language as well as casual viewers.

Elin Haf Gruffydd Jones, then Professor of Media and Creative Industries at Aberystwyth University, asked in her article 'After 35 years of S4C, shouldn't Wales have responsibility for the Welsh language channel?'[53] She argues that Wales is an anomaly when it comes to other minority language channels in Europe as S4C is the only channel that is not set up by the respective parliament. As a result of this, S4C's funding and regulation decisions are a matter for the UK Government, which means that decisions can be made with the possibility of immensely hindering the function of S4C without Wales having any input.

Figure 6:

Spend in £ on non-network first-run UK-originated content for Wales

Network spending on television production in Wales is however decreasing

Wales is also an important source of production for PSB content shown across the UK. 3.4% of qualifying network spend across the PSB channels was on Wales-based productions in 2018. Notably, Channel 4 increased the proportion of its spend on content that was made in Wales in 2018. With 3.4% of PSB spending, Wales takes the smallest share among all the nations and regions, with 21.2% spend in Northern England, 11.7% spend in Southern England, 7.9% in Scotland and 6% in the Midlands & East (however this is comparable to population size of the UK).[54]
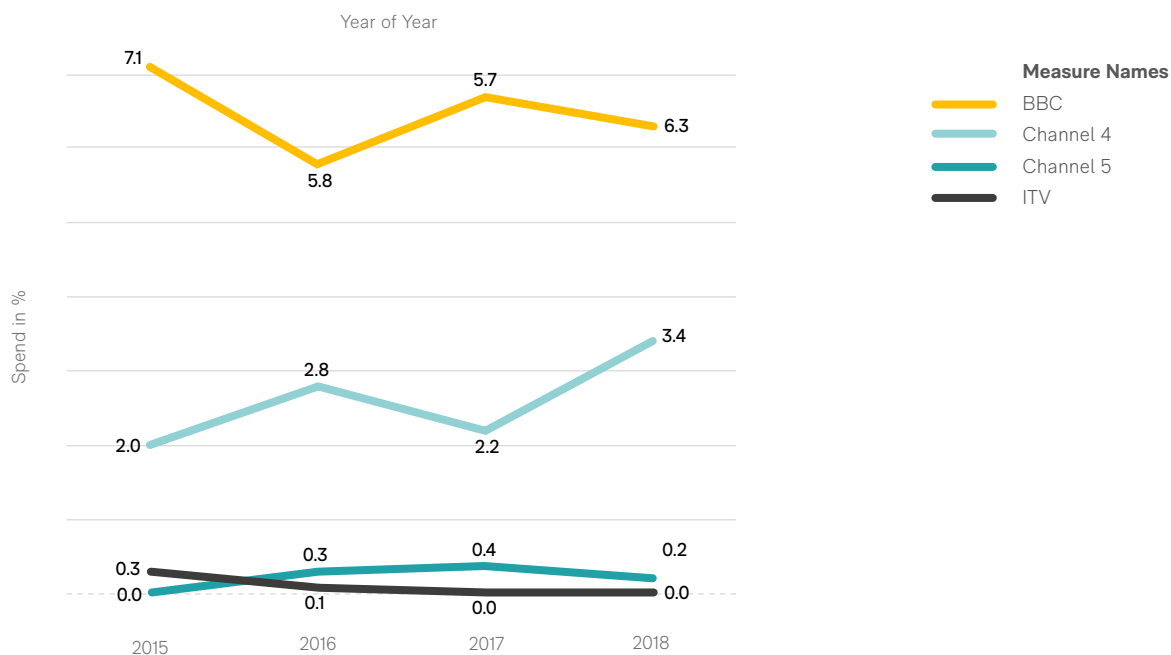
Year of Year

Figure 7:

Proportion of qualifying network production in Wales by PSB. [NB this graphic does not include S4C who produces the overwhelming majority of their content in Wales]

The broadcasters have quotas in terms of the proportion of qualifying spend (and hours) that has to be outside London:[55]

BBC: individual quotas for each of the UK nations, which came into effect in 2019 with at least 50% of network programme hours and production spend 'Made outside London'.

England: 30% of hours of network programmes 'Made outside London'.

Scotland: 8% of network programme hours and spend must be in Scotland.

Wales: 4% (5% from 2020) of network programme hours must be in Wales and 5% of production spend must be in Wales.

Northern Ireland: 2% (3% from 2020) of network programme hours must be in Northern Ireland and 3% of production spend must be in Northern Ireland.

Channel 4: voluntarily committed to increase its main channels Nations and Regions content spend to 50% of commissions by 2023 (they only have to meet 35% of hours and spend as set by Ofcom).

3% (9% from 2020) of network programme hours and production spend must be in the nations outside England.

ITV: 35% of network programme hours and production spend in the UK must be outside London.

Channel 5: 10% of network programme hours and production spend must be in the UK outside of London.

The BBC's quota for Wales is 4% in 2018, which BBC exceeded at 6.3%.[56] In total, BBC Cymru Wales spends approximately 60% targeted at dedicated services for Wales with the remaining 40% spent on network television content.[57]

Regional production requirements of PSB in Wales - When does an independent production company qualify as regional?

The Communications Act 2003 (Sections 286 and 288) and the BBC Agreement require that a suitable proportion of programmes are 'Made outside London'. Each PSB must meet the quotas for regional productions specified in its licence. Productions can be made in-house or by independent production companies.[58] Ofcom's Guidance defines what qualifies as regional production from Wales. At least two of the following three criteria must be met:

1) The production company must have a substantive business and production base Wales;

2) At least 70% of the production budget (excluding some specific costs) must be spent in Wales;

3) At least 50% of the production talent by cost must have their usual place of employment in Wales.

Ofcom's Guidance on regional production and regional programme definitions was updated in June 2019 and comes into effect with regard to titles broadcast from January 2021. The update adds details about the definitions and requires broadcasters to report annually to Ofcom.[59]

Wales' PSB original drama productions become increasingly popular across the UK

Wales' drama productions have become increasingly popular across the UK. This is due to the success of a range of series including *Un Bore Mercher / Keeping Faith* and *Craith / Hidden*. Both series, developed by S4C and co-commissioned with the BBC, were in the UK's top ten drama premieres on BBC iPlayer in 2018 and because of the popularity were later broadcast on the network (see below for more information on the BBC iPlayer). Other series such as *Back in Time for the Factory*, *The River Wye* and *Hidden Wales* also performed strongly with UK audiences.[60] One further major success has been the Nordic noir-like *Hinterland/Y Gwyll* which was broadcast on S4C in 2013 and acquired by BBC One Wales and BBC Four in 2014 with further series becoming co-productions. Owen Sheers' film poem *The Green Hollow*, commemorating the 50th anniversary of the Aberfan disaster in 2016, achieved the highest Appreciation Index score of any BBC production in the past five years.[61] The ITV Cymru Wales / ITV Studios documentary *The Aberfan Young Wives Club*, also broadcast in 2016, won the Best Factual (History) Award at the Royal Television Society Programme Awards.

Back-to-back productions in Wales

Some of the television productions in Wales have become successful across the UK thanks to back-to-back production in Welsh and English. Back-to-back production means that the same scenes are shot simultaneously in both languages. This can save money (even though dubbing and subtitling is cheaper) and can open up possibilities to enter new markets for films and series. Internationally, this practice is quite uncommon. So-called multiple-language version films, often abbreviated to MLV, have had a peak in the early 'talkie era' in the 1930s but had almost disappeared by the 1950s when dubbing and subtitling technologies improved. Today, back-to-back filming is still semi-regularly done in India. In 2013, the Oscar-nominated biopic *Kon-Tiki* about a Norwegian explorer received international attention for being shot back-to-back. The movie was coined as the starting point of a revival of the practice.[62]

In Wales, back-to-back shooting has become quite popular and expertise in the process is being developed in Wales, giving Wales a unique position in Europe. Back-to-back productions include for example, ITV Wales' series *Crime Files/Y Ditectif*, and S4C's *Y Gwyll / Hinterland*, *Un Bore Mercher/Keeping Faith*, and *Craith/Hidden !*, all of which were produced in collaboration with BBC Cymru Wales.

Portrayal of Wales on television: Viewers in Wales are the least satisfied in the UK

While Wales' drama productions have become increasingly popular, it can be questioned if these programmes portray Wales across the UK. In recent years there have been success stories of productions that specifically portray Wales and life in Wales. For example, BBC Cymru Wales states that *Hinterland/Y Gwyll* 'highlights the innovative and exciting potential of reflecting contemporary Wales on screen where the landscape itself is, in effect, the story'.[63]

How can the representation and portrayal of Wales in television be strengthened?

In 2016, The UK Welsh Affairs Select Committee found that within the BBC the level of portrayal of Wales in relation to the rest of the UK had declined. It is worth noting that Ofcom makes a distinction between representation in terms of 'who and what is seen on screen' (quantitative measures) and portrayal ie 'how people and places come across' (authenticity). As we have shown above, the investment has increased again since 2016. However, the impact of funding cuts on the portrayal of Wales can be severe and therefore other regulations could be implemented. Rona Fairhead, then Chair of the BBC Trust, suggested to the House of Commons' Welsh Affairs Select Committee in 2016 that embedding 'specific portrayal requirements for Wales or the other nations' in the context of establishing a specific service licence for Wales could be a possibility.[64] The existing licence focuses on place of production rather than on content. Ofcom stated in 2018 that there is a need, within the BBC's non-news programmes, to ensure that there is authentic portrayal and representation of the lives of people living in Wales. In this context, Ofcom considers that an important element in addressing this issue is the need to examine the current commissioning culture within the BBC. BBC's drama commissioners are almost all London based and re-locating such staff elsewhere in the UK could counterbalance the London-focused perspective suggested by recent Ofcom research, particularly if they had sufficient authority to make decisions and could access dedicated sources of funding.

The current structure of commissioning television production by the BBC and the regulations by Ofcom seem to support production in Wales. However, it is important to distinguish between the economic benefits of local production and the need to secure sufficient portrayal and representation of people living in Wales. It can be stated that while the Purpose Plan of the BBC[65] requires the BBC to 'support the creative economy across the UK',[66] there are no regulations and not enough incentives in place to secure the portrayal of Wales on television in the long run.

Nearly three-quarters of PSB viewers in Wales were satisfied with PSB provision in 2018. However, PSB services were rated lower by viewers in Wales compared to those in England and Scotland for delivery, regarding 'showing different parts of the UK, including England, Northern Ireland, Scotland and Wales'. Some 52% of viewers in Wales rated this highly compared to 55% in England and Scotland, and 51% in Northern Ireland (see below for more information on the portrayal of Wales in the news).[67] In addition, Ofcom's 2017 distinctiveness research found that some people felt that the BBC often has a London-focused perspective.

Diversity in the creative industries in Cardiff and Wales

Cardiff City Region[68] is a growing city hub and one of the most diverse areas within Wales, with some of Wales' most affluent areas sitting alongside some of the UK's highest areas of social deprivation and nearly 100 languages spoken within the region. The screen and news sector should therefore aim to be representative of this region. In Wales, there are a number of organisations who are doing work around this.

For example, Ffilm Cymru Wales, the national development agency for film has inclusion embedded within its practices, notably their Foot In The Door initiative[69] which gives young people from areas of high social deprivation an opportunity to work in film production and Mindset[70], a screen industry specific training initiative around mental health awareness. BFI Film Hub Wales leads on diversity and inclusion across all protected characteristics for the UK's film exhibition sector, gathering and delivering best practice through their Inclusive Cinema Programme[71]; BBC Wales' new Broadcasting Centre[72] has been designed to be welcoming to neurodiverse staff and visitors; and third sector organisations such as Disability Arts Cymru[73] represent the rights and celebrate the work of disabled people in Wales. There are also more grass roots initiatives happening such as Privilege Café[74] which has embraced the opportunities of virtual debate brought about by COVID-19 to encourage sector leaders and practitioners to examine their practices and assumptions and commit to building a more inclusive sector.

The Broadcasters have also responded by creating the Creative Diversity Network (https://creativediversitynetwork.com/). However, there is a way to go until it is a sector which truly embraces and represents the communities of Wales. With the well-being of our future generations as a starting point, there is an opportunity to bring together a coherent, supportive and sector leading approach across all the screen and news organisations trying to build a more inclusive way of working. There is a culture shift needed to appreciate that inclusion is a value and not a cost to an organisation, with more inclusive practices attracting more talent and wider audiences; as a city of Universities, Cardiff can take a lead from other cities recognising the need for change such as Birmingham's The Sir Lenny Henry Centre For Media Diversity.[75] Encouraging more cross sector collaboration and power sharing could bring new thinking, new funding streams, new audiences and new creatives to the sector which will in turn be to the benefit of all activities.

Ofcom's Advisory Committee for Wales cites the series *Requiem* as an example. *Requiem* was nominally based in the north Wales town of Dolgellau, but the main roles were played by English actors and the story line owed very little to the drama's geographic location, or to its largely Welsh-speaking culture. Similarly, the second series of *Ordinary Lies*, broadcast on BBC network in 2016, was based in a call-centre near Newport in south east Wales. However, the main plot lines were not informed by some of the key features and characteristics of life in the city, such as its significant ethnic minority population.[76]

PSB television production in Wales: Supporting a striving sector for independent production

The production of PSB television programmes has gained strong momentum in recent years. Production is driven by the local and non-local PSB (see Ofcom's PSB Annual Compliance Report 2019 for a full list of independent production companies commissioned by PSBs in Wales).[77]

BBC Cymru Wales commissions both from an in-house production base in Cardiff and Bangor and producers from the independent sector. In-House suppliers have a guaranteed 60% of non-news hours. Independent producers are guaranteed 25% of commissioned non-news hours. They are expected to win a further 10% of the hours each year, and the remaining 5% is open to creative competition between both in-house and independent producers.[78] BBC commissioned twenty Wales-based companies for its output for Wales in 2018.[79]

Following the creation of BBC Studios. BBC Cymru Wales is free to commission from BBC Studios or from the independent sector. BBC Studios was established in 2017, when the majority of BBC production was opened up for competition. BBC Studios. This is true for most of the BBC's output, except News, Sport and Children's Programmes which remain in-house. The BBC must secure competition for 100% of relevant television programmes by the end of 2027. Additionally, there is an interim obligation to securing competition for at least 40% of the original in-house guarantee for the Drama, Comedy, Entertainment and Factual genres by the end of 2018.

Associations of the independent production sector in Wales – TAC and PACT

The independent television production sector in Wales has been represented by TAC (Teledwyr Annibynnol Cymru) for the last 30 years. TAC currently has 28 members and 1 associate member. TAC mostly represents independents who are dealing with S4C. TAC also gives input into policymaking at a Welsh and UK level, in relation to creative industries, broadcasting and skills. [80]

Some production companies based in Wales are members of PACT (Producers Alliance for Cinema and Television), which represents independent companies at a UK level. In all, PACT has 18 member companies from Wales who make programmes for a range of broadcasters in the UK and internationally, including for BBC, BBC Cymru Wales, Channel 4 and S4C in both the English and Welsh languages. PACT as a trade association represents the commercial interests of the independent television, film, digital and children's and animation production sector in the UK.[81]

S4C produces no programming in-house, investing instead in programmes and content commissioned from companies across Wales including in Caernarfon, Llanelli, Swansea and Cardiff. S4C commissioned programmes and content from a total of 71 independent production companies during 2018.[82] Both S4C and Channel 4 were set up to operate as 'publisher broadcasters' with almost no in-house production capability.

Channel 4 has increased the commissioning of content production in Wales' independent production sector. In total twelve independent companies have been commissioned by Channel 4 in 2018.[83]

ITV Cymru Wales, considering that it specialises in live, daily news programming along with current affairs, political programming and documentaries, produces the overwhelming majority of these programmes in-house. But the broadcaster does continue to make a range of programming outside of current affairs, in some cases, working with independent producers in Wales. In 2018, Wales-based company Slam Media Limited was commissioned to produce four Episodes of *The Island Strait* for ITV Wales and for the ITV network. Other series commissioned for broadcast in Wales and on the ITV network included: *The Harbour*, *The Mountain*, *The Village*, *Harbour Cops*, *St Davids: Britain's Smallest City* and *Code Blue: Murder.*

Are the 'Made outside London' quotas supporting Wales' independent production sector?

PACT (Producers Alliance for Cinema and Television) stated in its submission to the Ofcom Review of Regional TV Production and Programming guidance in 2018 that 'it could be argued that the current model is not providing sustainable production.' The 'model' refers to Ofcom's Guidance to define how productions qualify as 'Made outside London'. PACT further states that over one third of independent production companies (102) have been commissioned for only one title during that period, and the majority of these companies are micro businesses (<£1m turnover). This could suggest that the current model has not yet translated into one that encourages sustainable production companies.[84]

Additionally, criticism about the model has been raised, because the sector is exploiting loopholes. The Indie Club (a UK-wide trade body for independent companies in TV)[85] made a submission to an Ofcom consultation saying that a popular 'ruse' among production companies is to hire freelancers from the regions but force them to work in London. Other loopholes include that the shoot is outside London but with London-based staff or an office is set up in a London suburb to qualify for the quotas. Indie Club states that 'all the evidence shows [the model] is clearly failing in that purpose, so the criteria clearly have to change.'[86]

It is therefore questionable whether the quotas by Ofcom actually create a sustainable and growing independent production sector in Wales. The argument is that companies only move to Wales briefly for productions while not leaving a lasting and sustainable impact on the sector. While the Ofcom Guidance has been updated in 2019, the changes do not clearly have an effect on the criticisms raised.

Film and High End Television: Studios and shooting locations in Wales increasingly attract high-budget international projects

Wales now has a number of studios making high-budget productions for domestic and international audiences. Also, Wales' attractive landscape and cities increasingly attract productions for shooting. This includes both high-end television (HETV) and Hollywood films.

Green shooting in Wales

So-called 'green shooting',[87] which includes environmentally friendly and sustainable production of TV and film has gained momentum in recent years. There are a number of companies, services and research expertise focused on environmental sustainability and new ways of working in Wales.

For example the London-based Albert initiative, founded in 2011, is governed by an industry consortium and supports everyone working in film and TV to understand their opportunities to create positive environmental change.[88] If productions choose to, they can qualify for Albert certification which embeds sustainable best practice in their production and allows them to use the 'sustainable production' logo in their credits. TV productions are required to deliver carbon footprint forms using the Albert carbon footprint calculator as part of their deliverables for broadcasters. A recent example of Albert certification in Wales is Joio's *Bang* Series 2 for S4C. Albert also provides sustainability training in Wales and online training.

There are a number of 'green shoots' to build upon. Dresd, a company based in St Athans, won a Queens Award for enterprise for sustainability and development in 2020.[89] They specialise in sustainable solutions for the waste streams developed in the creative industries. The Cardiff Animation Festival has held an online climate assembly to consider and develop how to make animation production around the world more environmentally sustainable.[90]

Organisations such as the Centre for Alternative Technology, Cynnal Cymru and the Centre for Climate Change and Social Transformations (CAST) in Wales provide knowledge which can influence environmentally sustainable practice in media production and behaviour.[91] There are many other organisations and companies in Wales which could also provide valuable insight, including hydrogen and solar specialists, and green focussed festivals which could give valuable feedback on off-grid location behaviours. This is not just a question of production practices but the kind of content that is produced. The stories told on screen, and how the content is viewed, can influence the carbon footprint, not just by tackling environmental issues head on, but by thinking about a range of incidental messages and assumptions that inform script development and programme ideas.

Starting with available data on the supply chain for the sector in Wales, and a thorough green review of content development, creation and exhibition, we believe now is the time for reflection and development. It is an opportunity for a more environmentally conscious industry in Wales.

Recent major television productions in Wales include internationally attractive productions or PSB co-productions like the BBC's *Doctor Who*, the HBO and BBC project *His Dark Materials*, and Sky's fantasy drama *A Discovery of Witches*. Scenes for Netflix's *Sex Education*, a coming-of-age drama based in a British high school, were filmed in Penarth, Caerleon and the Wye Valley.[92] The six-part drama series from 2018, *Requiem*, also filmed in various locations in Wales, was commissioned for the BBC network and Netflix, with support from the Welsh Government.[93]

In recent years an array of hit Hollywood films and dramas have been shot in locations across Wales. For example, in 2019 producers closed part of a Cardiff road for Mark Wahlberg's *Infinite*, while scenes for the upcoming *Wonder Woman 1984* film were shot in Snowdonia.[94]

Ffilm Cymru (see below for more information on the film funding scheme) states that there is a trend of productions that promote Welsh talent (especially writers, directors and producers) that reach wide international audiences as the sector develops – including films such as *I Am Not A Witch* (Rungano Nyoni, premiered in Cannes), the upcoming *Dream Horse* (Euros Lyn) and *Six Minutes to Midnight*, animated feature *Ethel & Ernest* (co-produced with Cardiff based Cloth Cat), *The Machine* (Caradog James), *Eternal Beauty* (Craig Roberts). Our evidence suggests that Welsh talent is outward looking and has significant engagement with European co-producing partners and financiers. Of the 69 films funded by Ffilm Cymru (to date), 16 have been international co-productions – 23% of productions as compared to the UK average of 6%. Of these, 14 (89%) have been co-produced with EU countries. The most frequent partner has been Ireland (8 films), followed by Sweden (2) and one film each co-produced in France, Luxembourg, Spain and Germany. These co-producing territories contributed £4.9m in co-financing.

Because of the increase in interest in producing and shooting high-end television and film in Wales, the sector is growing and constantly changing. For example, in 2019 Elwen Rowlands and Hayley Manning launched a new production company called Little Door Productions, a television and film production company based in Cardiff. The development of BBC Wales' new broadcast centre in Cardiff's Central Square, also demonstrates the progress of Wales' sector. As part of this move, it was announced that BBC Cymru Wales is to adopt 'next generation' web technology at the new building, making it the first BBC facility in the UK to use internet protocol (IP) technology across both its production and broadcast operations. ITV opened the first of Wales' full HD broadcast and transmission studios in Cardiff Bay in 2014, beginning HD broadcasts in 2015 and created a new production label, Shiver Cymru, a partnership between ITV Cymru Wales and ITV Studios in 2018.[95]

Pinewood Studio Wales – A bad investment by the Welsh Government?

In October 2019, Pinewood announced that it would pull out of its involvement in a Welsh Government-backed film studio in 2020. The firm announced that it had served notice to end its agreement for the studio in Wentloog. The agreement, which covered the sales and marketing of the studio, as well as the studio operation and management services, came to an end on March 31, 2020.

The facility opened in Wales in 2015 after the Welsh Government spent £6.3m buying, and another £3.1m fitting out, the former Energy Centre site for the company the previous year. It was hoped that the studio would generate £90m for the Welsh economy but the government has since admitted those estimates were 'going to be difficult to achieve'.

Independent TV producers Bad Wolf are taking over the controversial Pinewood Studio Wales as tenants of the Welsh Government. Under the new agreement, Bad Wolf and the Welsh Government will each pay £600,000 for improvements to the studio. Bad Wolf will shoot the second series of the Sky TV series *A Discovery of Witches* at the 180,000 sq ft complex. They will also use the space to make an HBO series, *Industry*, which is set in the wake of the 2008 financial crisis. Bad Wolf agreed to rent the entire space at Pinewood, in east Cardiff, until end March 2021, with an option to extend the lease for a further two years. The company already occupies a large studio space in Splott, where it has filmed the first part of the Philip Pulman trilogy *His Dark Materials*.

The Welsh Government was recently criticised by a committee of MSs for a 'catalogue of errors' in its initial deal to convert a warehouse into the Pinewood facility. It originally spent £9.5m on buying and fitting out the studio for Pinewood. An Audit Wales report previously estimated the Welsh Government was paying £392,000 a year to run the studio.[96]

In order to meet growing demand, shooting facilities are being developed across the country. Many studio facilities are booked up well in advance and a number of new regional hubs are being established. In Wales, productions can use Bay Studios Swansea, Dragon Studios, Pinewood Studios Wales (now taken over by independent TV producers Bad Wolf), Wolf Studios, DRESD in Picketston and Roath Lock Studios.[97]

Media tourism – Opportunities and obstacles in Wales

Media tourism[98] is an umbrella term that covers visits to sites where movies and TV programmes have been filmed as well as tours to production studios, including film-related theme parks alongside attending movie premieres and film festivals or watching travelogue-style programmes on television. Media tourism is an increasingly popular reason for visiting amongst young people, which makes whole regions more attractive to visit. For example, figures from Tourism Northern Ireland, the region's tourism development body, indicate that 350,000 people visit Northern Ireland each year for *Game of Thrones*-related tourism.[99]

Wales, as a nation of the UK, could be in a better position to benefit – and arguably lead the UK – in terms of attracting media-focused tourism. Globally popular and distributed media brands such as *Doctor Who* and *His Dark Materials* – coupled with the enduring popularity of BBC One's *Sherlock* – have the potential to attract higher tourist numbers to Wales. The potential of media tourism is not limited to the capital and areas within South Wales, however, as the global popularity of *Y Gwyll/Hinterland* and the promotion of its locations by Visit Wales demonstrate.[100]

However, Visit Wales have arguably demonstrated a lack of foresight in relation to the potential of media tourism, instead focusing on other tourism motivations such as heritage and sports. In contrast, Visit England has published research into screen tourism with a report indicating that 'Screen tourists brought between £100m-140m to the economy in 2014',[101] whilst Visit Britain has also recognised the impact of film and TV locations as a driver of tourism.[102]

There are unofficial informal media tourism opportunities within Cardiff, as evidenced by Brit Movie Tours' visits to sites from *Doctor Who* and *Sherlock*, whilst unofficial websites circulate fan-created knowledge about relevant locations. Despite this, there appears to have been a lack of legacy planning regarding the continuation of attracting visitors to the aforementioned areas as a result of their associations with media brands. Following the closure of *The Doctor Who Experience* in Cardiff Bay in September 2017, Cardiff overlooked opportunities to market itself (and surrounding areas) as a hub for media tourism Equally, despite the current popularity of *His Dark Materials* within both the UK and around the world, and the show's commissioning for a second series, there are currently no attempts afoot to capitalise on the series' association with Cardiff. By neglecting this form of tourism and the potential types of visitors that this could attract to Wales, untapped areas for economic and cultural growth are being ignored.

Indeed, the 'Welcome to Wales: Priorities for the Visitor Economy' report, released in January 2020, details the overwhelming importance of tourism to the country with £2.258 billion spent by overnight visitors in Wales in 2018, and with those employed in the tourism industry accounting for 9.5% of the workforce.

However, the report also acknowledges challenges: international visitors are relatively low, with the GB market accounting for 85% of visitors and a quarter from within Wales itself whilst there are issues with Wales Tourism brand performance and asserting itself in contrast to the other UK nations.

We suggest that a stronger shift towards marketing Wales as a media tourism location, highlighting its unique film and television productions, could help with providing jobs and economic benefits, highlighting the range of media productions that are filmed in Wales, and boosting the nation's visibility on the global stage. As part of the strategy to attract more screen tourists to Wales, challenges such as prohibitive costs and overheads can be met by understanding new forms of media tourism. For example, research by scholars at Cardiff University's School of Journalism, Media and Culture and the University of South Wales' Faculty of Creative and Cultural Industries has demonstrated that media tourism opportunities can be developed without the necessary need for potentially costly attractions such as museums or attractions linked to individual media properties (eg costs of staffing, overheads, land rentals, etc). Many of those who engage in media tourism are digital natives and frequently integrate smart devices and applications such as Google Earth into their tourism behaviours. Investment could therefore be directed towards developing digital applications that are downloadable to phones and tablets that offer immersive experiences to media tourists in Wales through aspects such as augmented and/or virtual reality. At the same time, attempts would need to be made by councils and other organisations to recognize the cultural and economic value of filming locations within their jurisdiction and protect these for tourism related purposes. Copyright holders would have to consent to using their intellectual properties for these purposes. However, the level of increased brand recognition that developing media tourism-focused pursuits could offer for both their intellectual properties and indeed for Wales as a nation could outweigh the start-up costs of developing such experiences and opportunities.

Supporting mechanism for film and television production in Wales: Funding and support from the Welsh Government

Since 1999, GVA of motion picture, video and TV programme production in Wales has grown from £59m to £187m in 2016. This is an increase of 217%. In the UK there was an increase of 84% for comparison. Between 1999 and 2016, Welsh GVA in this area has grown from 1.1% to 1.8% of the UK total.[103] This shows how important the sector is for Wales' economy and economic growth. This has also been acknowledged by the Welsh Government, who set up many different funding and supporting mechanisms for the sector (please note that this is not an exhaustive list):

Welsh Media Investment Budget (funding that is currently dormant)

Launched in 2014, the Media Investment Budget (MIB) was a £30m fund, to be made available over five years for investment in film and TV development, production and distribution. It was originally set up with and was to be managed by Pinewood Studios. In 2016, a Media Investment Panel was appointed to advise on the film and TV investment proposals to the fund.[104] Funding from the Welsh Government's MIB was provided on conditions including that at least 50% of the production was to be shot in Wales, and 40% of the below the line production budget must be spent in Wales. 'Below the line' expenditure refers to money spent on the production of the film, rather than the creative direction (ie not spent on, for example, the screenwriter, producer, director, and actors). In 2017, due to conflicts of interest, Pinewood ceased its involvement with the fund. In 2018, an audit revealed that the fund did not meet the expectations of the Welsh Government. By April 2020, only about half of the fund had been invested. The fund was expected to be revived through the new public body, Creative Wales (see below).

Welsh Government's Media Investment Budget failed to generate return

After Pinewood ceased its involvement with the MIB in spring 2018, the Culture, Welsh Language and Communications Committee began an inquiry.[105] During the inquiry the then Wales Audit Office published a report which shone an uncomfortable light on the relationship of the Welsh Government with Pinewood (subsequently also the subject of a Public Accounts Committee[106]).[107] The auditors revealed that Welsh Government had ended up paying Pinewood to run the studio, in a relationship that officials conceded did not represent good value for money. Welsh Government struggled to spend the budget, and its initial recoupment estimates were unfulfilled in 2018.

In 2019, the Welsh Government published a response to the Committee's inquiry.[108] Overall, £15.1m had been invested, and so far, £5.5m had been recouped, resulting in an overall loss of £9.6m. Welsh Government planned to recoup its investments through repayments of loans and returns on equity, and to reinvest those income streams in further production projects. Welsh Government additionally pointed out that many of the projects had yet to realise their commercial potential – some were still filming, and others had only just finished production. The fund is now dormant and will potentially be re-launched through Creative Wales.[109]

Creative Wales (funding and support services)

In February 2020, Creative Wales was officially launched by the Welsh Government in response to the inquiry by the Senedd's Culture, Welsh Language, and Communications Committee (see above). To support the industry, Creative Wales will have two funding streams for capital and revenue funding, which is supposed to 'respond quickly and flexibly to sector needs' and which will be worth more than £7m in 2020-21 (which is below the £15m MIB fund that was not spent). The initial focus will be on three key sub-sectors of the creative industries: film and TV, digital and gaming, and music. Wales Screen, which was established in 2002 (as the Wales Screen Commission), is now part of Creative Wales. Wales Screen encourages film and television productions to use locations, crew and facilities throughout Wales. It also aims to provide training and skill services. Creative Wales started with a team of 19 and aimed to double that number when fully up and running.[110] It is not fully clear yet through what activities the TV and film sector in Wales will be supported. However, the idea is to bring different priorities of the Welsh Government under one roof. The impact this organisation will have in the future remains to be seen.

Creative Cardiff – Bringing the region's creative industries together

In 2014, Cardiff University established the Creative Economy Unit,[111] founded by Professors Hargreaves and Lewis, with Sara Pepper as its Director.[112] Its key objective was to boost connectivity and innovation in the Creative Economy in south Wales, with the Creative Cardiff network being launched in 2015. Creative Cardiff[113] has built a membership of over 3,500 creative organisations and freelancers across the Cardiff City Region. Through a range of initiatives it is now widely recognised – in south Wales and beyond - as a catalyst (and a model) for creative collaboration.

Creative Cardiff's work is focused around three main strands of work; fostering Connections & Collaborations, encouraging Enterprise & Entrepreneurship, and Telling Cardiff's creative story. It connects with and supports its members through a range of digital communications, events, research and projects which include: an online members directory; Jobs & Opportunities website page; Mapping research; English and Welsh language podcasts; Sub-network meet-ups eg Immersive South Wales, Coworking collective; Q&A events; Website resource pages; News and feature articles; Community engagement projects; and Recommendations to organisations / government for the future.

The Wales and Sky Vision Entertainment and Factual Fund (funding)

In 2017, Sky Vision together with the Welsh Government launched a funding scheme to support independent TV production in Wales by investing £400,000 (with each investing the same amount) for new factual and entertainment programmes. In 2018, Sky Vision and the Welsh Government confirmed that they are to extend the Entertainment and Factual Fund to run until March 2019. In May 2020, the application form was still online. Sky Vision is responsible for promoting and delivering the fund, identifying potential projects and ensuring effective monitoring. The Welsh Government assists Sky Vision in engaging with the sector in Wales and raising awareness of the fund.[114]

Supporting mechanism for film and television production in Wales: Other funding and support services

Film and TV funding is also a priority of the UK Government supporting local and national initiatives in film and television production. Private initiatives have also been established. The following mechanisms for funding and support on a UK level and by private organisations are in place (please note that this is not an exhaustive list):

Screen Alliance Wales (SAW)

SAW is a not-for-profit organisation. Created initially by Bad Wolf Limited ('Bad Wolf') with the support of a repayable loan from the Welsh Government, SAW draws together relevant public and private bodies in Wales. The industry body's key partners and supporters include studio complexes (Dragon International Studios), set constructors (4wood Film and TV), camera and lighting providers (Movietech and Panalux), specialist caterers (Scene Cuisine), the University of South Wales and Bad Wolf itself. This alliance, under the leadership of SAW, aims to ensure Wales continues to benefit economically from its screen industries with a focus on providing training to local crews.[115]

Ffilm Cymru Wales

Through the British Film Institute BFI (founded in 1933, the BFI is a registered charity governed by Royal Charter), National Lottery funding for film in Wales is disbursed to organisations including Ffilm Cymru Wales. Ffilm Cymru Wales supports Welsh or Wales-based writers, directors and producers with development and production funding, industry assistance and mentoring opportunities. The different funding programmes are also supported by the Arts Council of Wales, BBC and S4C. They promote the use of film in education and community regeneration.[116] There are different funding streams and support mechanisms available, including the short film fund Beacons, in partnership with BBC Cymru Wales, a Development fund (which is financed by the Arts Council of Wales), Production funding, the Foot in the Door training programme, Audience Access Awards and more.

Changes to UK's EIS and SEIS – Will this slow down new company formations in the film and TV sector in Wales?

Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) controlled by HM Revenue & Customs (HMRC) are a series of UK Tax reliefs launched in 1994 that are designed to encourage investments in small companies carrying on a qualifying trade in the UK. For EIS and SEIS new changes were introduced in April 2020 by the UK Government, which have the potential to hinder film and TV companies accessing funding in the future.

In 2018, when the new 'risk to capital' condition was introduced it made access to EIS and SEIS harder for film and TV companies.[117]

The changes which come into effect in 2020, exclude single projects (whether individual movies, TV dramas or games) and slates of projects from being eligible. EIS and SEIS are instead aimed at supporting companies early in their existence (within seven years of their first commercial sale). These companies must be engaged in qualifying trades and they must use the money to grow and develop their business.

EIS and SEIS have become in recent years a major source of independent film financing in the UK. When the aforementioned risk to capital condition came into force film and TV companies already found it very hard to qualify for SEIS and EIS. The new changes will make this even harder.[118]

Ffilm Cymru Wales pointed out that in Wales there is an above average number of micro businesses in the film and TV sector, which will lose access or find it much harder to gain EIS and SEIS access. With 95% of creative businesses employing fewer than 10 people, the film sector is often even smaller – fewer than 5 people – and their scale rapidly goes up/down with each production. The tendency towards micro businesses makes the changes to the EIS and SEIS particularly challenging in Wales, as creative businesses often lack capacity and diversity of income stream/value proposition to be investable businesses. The changes to EIS moved that programme away from its previous ability to invest in projects. Possibilities to respond to this can be made by encouraging more consolidation in Wales' film and TV sectors to build capacity and qualifying companies in the sector.

UK Tax Relief on production

In 2013, the UK government introduced tax reliefs for high-end television (HETV) and animation programmes with the aim of boosting production investment in these creative sectors (the cultural test for HETV programmes was revised in 2015). Tax relief for children's television production was introduced in April 2015. To qualify as an official British HETV, animation or children's television production projects must pass either the relevant cultural test (under Part 15A of the Corporation Tax Act 2009, as amended) or be certified as an official co-production under one of the UK's bilateral co-production agreements which allow television co-production. At the end of 2018, these were with Australia, Brazil, Canada, China, Israel, New Zealand, the Occupied Palestinian Territories and South Africa.[119] The BFI certification unit is the first point of contact for applicants wanting to qualify for the tax reliefs.

In 2018, the BFI announced that the tax reliefs have powered unprecedented levels of production in the UK, generating an economic contribution of £7.9bn in 2016. The report reveals that an estimated £632 million in tax relief seeded £3.16 billion in direct production spend in 2016, a 17% increase on 2015.[120] However there is a threshold for accessing HETV, which is set at £1million per hour of qualifying production costs. This means that much of the content filmed in Wales – in particular Welsh language content – is not eligible for the tax relief. Were there to be a lower cost per hour threshold for minority language productions, S4C and the production sector in Wales would greatly benefit. This would have the dual advantage of generating income/jobs in some of the UK's poorer nations and regions whilst also only providing a limited financial impact to HM Treasury.

BBC Writersroom Wales (funding and support)

BBC Cymru Wales, National Theatre Wales (NTW) and BBC Writersroom Wales fund the Wales Writer in Residence programme. The scheme, created in 2019, has been designed to develop and support Welsh writing talent. The initiative offers the winning writer the opportunity to develop skills over a portfolio of media, encompassing stage, sound and screen. During their yearlong residency they receive over £12,000, get to spend six months working with the BBC, including time with BBC Studios, followed by six months with NTW. They are offered physical space to write in, access to industry expertise and support to develop their ideas and talent. They will also gain a BBC-broadcast credit in the form of a BBC Radio 4 drama commission. In 2020, the submission window for entrants was open from 10 February until 11 May 2020.[121]

Clwstwr – Supporting screen and news innovation in South Wales

In the summer of 2018 the Cardiff region became one of nine creative clusters in the UK by the Creative Industries Cluster Programme as part of the UK Government's Industrial Strategy Challenge Fund.[122] This supported the creation of Clwstwr[123], a vehicle to boost the sector's capacity for innovation. The award was a recognition of the strength of the media sector in the Cardiff region, the excellence of its research base and its potential for further growth.

Clwstwr is led by Cardiff University in partnership with the University of South Wales, Cardiff Metropolitan University, Welsh Government (through Creative Wales), BBC Wales, Arts Council Wales and Cardiff Council. It is designed to co-create innovation with the Welsh media, creative and digital sectors, fostering collaborations and expanding the breadth and depth of its intellectual property. Clwstwr aims to give the media sector ecosystem in South Wales – based on a cluster of independent SMEs, micro-businesses and freelancers – the capacity to compete with large media corporations by:

– providing the time and resources to do the R&D necessary to innovate and by fostering collaborations to broaden and promote intellectual property.

Clwstwr works collaboratively with creative and technology businesses to research and develop new media products, services and experiences, leading to economic growth and job creation. In its first year, this included setting up 32 media innovation projects with a range of Welsh creative and technology businesses. These expand traditional notions of R&D to embrace not only new technologies but new business models, new forms of storytelling and new forms of expression. These innovations involve rethinking traditional media forms (like news or documentary), exploring hybridity (such the crossovers between games and linear media content, or immersive technology and dance), applying media technologies in new settings (from schools to hospitals) and using digital technology to increase creative productivity.

Other Wales-based and UK-wide mechanisms and organisations

The Welsh film and TV sector is supported by many different other organisations through smaller funding schemes, training and skill development initiatives and other supporting mechanisms. This includes for example the Wales branch of BAFTA, BAFTA Cymru, which hosts around 120 events a year for existing industry practitioners, while also supporting emerging talent.[124] BBC Cymru Wales has a New Directors Scheme which supports the work of Welsh directors and development money for taster tapes, and pay for script development in Drama and Comedy. The Comedy Commissioning Editor has a fund to develop new voices and talent in Wales.[125] The associations for independent producers PACT and TAC run or support a range of training initiatives. In 2019, the BBC, Channel 4 and S4C announced a new 'Factual Fast-track Wales' programme to provide tailored development and training to individuals with 'potential to become series producers of the future'.

Other organisations that are active in the sector include BECTU (Broadcasting, Entertainment, Communications/Digital and Theatre Union) Wales[126], the Arts Council of Wales[127] and similar UK-wide public bodies like NESTA, AHRC, DCMS, etc and organisations like The Film and TV Charity.[128] RTS Cymru Wales is an educational charity that holds a range of events in Wales. In February 2020, it held its first full awards in Wales. It also operates production and technology bursary schemes aimed at supporting students and new entrants to the television industry from low income families. In recent years many of these organisations, led by Bafta Cymru, have worked in partnership to run Sinemaes, a pop-up cinema, during the National Eisteddfod week each August.

The risk of losing momentum - Skill shortages in Wales' screen industry

In May 2019 the Culture, Welsh Language and Communications Committee published its report on film and major TV production in Wales and found that 'there is a danger of losing momentum if we do not have sufficient skilled workers to support our growing screen industry'. The Committee said greater support would need to be given to the 'indigenous' film and TV industry, ensuring Welsh crews benefited from government investment.[129] In 2018, PACT stated that some companies report a shortage of candidates in the nations and regions at Executive Producer (particularly in the nations), Series Producer, Director, Production Manager, Coordinator, Editor and even junior entry level roles. Companies reported the challenge of finding top tier crew talent at busy times particularly in Wales.[130]

Creative Wales (see above) was set up by the Welsh Government to step in to address possible skill shortages in Wales' film and TV sector in the future with its Creative Careers Programme Cymru (CCP Cymru) Project. And many initiatives and organisations are already in place (see above for some examples) who work in the field of screen skills. Among others, these include CULT Cymru, Trac Cymru, BFI Welsh Talent Network, Careers Wales. However, there has been some backlash as well. ScreenSkills closed its offices in Wales in 2016/2017. ScreenSkills[131], formerly known as Creative Skillset, is the industry-led skills body for the UK's screen industries, which is funded under the tax-relief system by voluntary contributions.[132] Also, given Brexit, it might be more difficult to attract valuable international talent for film and TV production in Wales. It is therefore necessary to strengthen training and skill development of local talent even more in the future.

Notes

3   Ofcom (2018). Statement: Local TV licensing - Decision not to advertise or re-advertise certain local TV licences. Available at:
        https://www.ofcom.org.uk/consultations-and-statements/category-2/local-tv-licensing

4   Ofcom (2019). Media Nations: Wales 2019. Available at:
        https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

5   BBC News (2019). BBC: TV licence fee decriminalisation being considered. Available at:
        https://www.bbc.com/news/election-2019-50800128

6   BBC (2020). BBC response to the "Consultation on the Devolution of Broadcasting" by the Culture, Welsh Language
        and Communications Committee of the National Assembly for Wales. Available at:
        http://www.senedd.assembly.wales/documents/s97875/DoB23%20-%20BBC.pdf

7   Parliament.uk (2020). TV licence fee statistics. Available at:
        https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8101#fullreport

8   WalesOnline (2019). The number of pensioners who will lose out in Wales when TV licence rules change. Available at:
        https://www.walesonline.co.uk/news/politics/number-pensioners-who-lose-out-16426633

9   Welsh Government (2019). BBC consultation on age-related TV licence policy (the future of the over-75s concession)–
        a response from the Welsh Government. Available at: http://senedd.assembly.wales/documents/s85152/Paper%201.pdf

10   BBC (2019). AGE-RELATED TV LICENCE POLICY. Decision Document. Available at:
        http://downloads.bbc.co.uk/aboutthebbc/reports/consultation/age/decision-document.pdf

11   See The Royal Charter. Available at: https://www.bbc.com/aboutthebbc/governance/charter

12   Bourne, R., Congdon, T., Davies, S., Veljanovski, C. (2016). In Focus: The Case for Privatising the BBC.
        The Institute of Economic Affairs, London.

13   Financial Times (2019). Can the BBC's public funding model survive? Available at:
        https://www.ft.com/content/22113748-fcba-11e9-98fd-4d6c20050229

14   National Assembly for Wales (2016). Inquiry into the BBC Charter Review. Available at:
        https://www.assembly.wales/laid%20documents/cr-ld10602/cr-ld10602-e.pdf

15   London School of Economics (2020). After the licence fee: The case for a Universal Media Levy. Available at:
        https://blogs.lse.ac.uk/medialse/2020/01/09/after-the-licence-fee-the-case-for-a-universal-media-levy/

16   Ofcom (2019). Media Nations: Wales 2019. Available at:
        https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

17   The cooperation between S4C and the BBC has been set out in their "Partnership, Funding and Accountability Agreement"
        in 2017. Available at: https://dlo6cycw1kmbs.cloudfront.net/media/media_assets/s4c-bbc-partnership-agreement.pdf

18   BBC (2017). BBC/S4C strategic agreement. Available at: https://www.bbc.com/aboutthebbc/governance/s4c

19   See Press Release "The future of S4C" (2018) and the Government response to the review (2018) Available at:
        https://www.gov.uk/government/news/the-future-of-s4c and https://assets.publishing.service.gov.uk/government/uploads/
        system/uploads/attachment_data/file/695760/Government_response_to_the_S4C_indep_English_Accessible.pdf

20   BBC News (2018). S4C set to lose UK government funding by 2022. Available at:
        https://www.bbc.com/news/uk-wales-politics-43569372

21   DCMS (2018). Government response to the S4C independent review: 'Building an S4C for the future. Available at:
        https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695760/Government_
        response_to_the_S4C_indep_English_Accessible.pdf

22   BBC News (2018). S4C set to lose UK government funding by 2022. Available at:
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26   For explanation: A 'network' feed will traditionally originate from a central location and be fed to all transmitters. Local offices or regional contractors would then be said to "opt-out" of this feed when they switch to feeding the transmitter(s) with locally originated content and to "opt-in" when returning to a national feed. Satellite services often offer regional variations by transmitting duplicate feeds of the same station for each region traditionally covered by groups of transmitters. The digital set top box will determine which version of the channel to supply based on a list of post codes corresponding to the details on the user's smart card. Depending on the way people receive television broadcasting, the channels broadcasted in Wales offer both simultaneous or opt-out regional variations.

27   Sky News and Sky1 also provide a variant of their stations for the Republic of Ireland, although specific Sky News coverage for the Republic of Ireland is extremely limited, due in part to the channel with Irish content closing on 3 November 2006, and Sky1's variant is purely an advertising opt-out.

28   Politics.co.uk (2010). ITV. https://www.politics.co.uk/reference/itv

29   Irishtimes.com (2018). New advertising levy on TV channels urged to fund Irish content. Available at: https://www.irishtimes.com/business/media-and-marketing/new-advertising-levy-on-tv-channels-urged-to-fund-irish-content-1.3472668

30   See European Audiovisual Observatory's (2019) report "Mapping of national rules for the promotion of European works in Europe" for an overview of EU member state's regulations. Available at: https://www.obs.coe.int/en/web/observatoire/home/-/asset_publisher/9iKCxBYgiO6S/content/mapping-of-national-rules-for-the-promotion-of-european-works-in-europe

31   See Filmförderungsanstalt, available at: https://www.ffa.de/film-levy.html

32   With the exception of voluntary levies that are paid to self-regulating advertising standard bodies like asbof (https://www.asbof.co.uk/) or ASA (https://www.asa.org.uk/).

33   The calculations are based on hours reported in the BBC Wales Management Reviews of 2014/15-2018/19, S4C Annual Reports from 2014/15-2018/19, Ofcom Media Nations Wales Report 2019 for ITV and the licences granted for the local television broadcasters by Ofcom. Due to the various sources, the provided numbers should be seen as estimates. In particular, the local television broadcasters' licences do not reflect the transmitted hours of content but just the minimum required amount.

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36   BBC.com (2017). BBC to invest extra £8.5m in Wales TV programmes. Available at: https://www.bbc.com/news/uk-wales-39040455

37   See also House of Commons - Welsh Affairs Committee (2016). Broadcasting in Wales. Available at: https://publications.parliament.uk/pa/cm201617/cmselect/cmwelaf/14/14.pdf

38   Data presented in this section is built on the Ofcom's report "Media Nations: Wales 2019", which is based on BARB data (BARB is responsible for delivering UK's television audience measurement data - https://www.barb.co.uk/). Available at: https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

39   Data extracted from Ofcom "Media Nations 2019: Interactive report". Available at: https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/media-nations-2019/media-nations-2019-interactive-report

40   Ofcom (2019). Media Nations: Wales 2019. Available at: https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

41   S4C (2019). Viewing Figures. Available at: http://www.s4c.cymru/en/about-us/page/31291/viewing-figures/

42   Gov.wales (2019). Welsh language data from the Annual Population Survey: July 2018 to June 2019. Available at: https://gov.wales/welsh-language-data-annual-population-survey-july-2018-june-2019

43   Data presented in this section is built on the Ofcom's report "Media Nations: Wales 2019', which is based on BARB data. Available at: https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

44   This includes anyone who owns BT TV, TalkTalk TV, Plusnet TV, or a standalone YouView box, and do not also have satellite, cable or other service.

45   Data extracted from Ofcom "Media Nations 2019: Interactive report". Available at: https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/media-nations-2019/media-nations-2019-interactive-report

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48   Data extracted from Ofcom "Media Nations 2019: Interactive report". Available at:
https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/media-nations-2019/media-nations-2019-interactive-report

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https://www.ofcom.org.uk/__data/assets/pdf_file/0026/111896/Public-service-broadcasting-in-the-digital-age.pdf

50   Ofcom (2018). EPG Prominence. Available at:
https://www.ofcom.org.uk/__data/assets/pdf_file/0026/116288/report-psb-local-tv-discoverability.pdf

51   The calculations are based on PSB spend reported in Ofcom's report "Media Nations: Wales 2019", S4C Annual Reports from 2014/15-2018/19.

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54   Ofcom (2019). Media Nations: Wales 2019. Available a:
https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

55   PACT (2019). Ofcom Regional TV Production and Programming Guidance – Q&A. Available at:
www.pact.co.uk/asset/6CF3A37C%2D2FE9%2D4DA1%2DA5A528BF3F160825/

56   For more information on the quotas see PSB compliance pack and the regional programming guidance available at:
https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/public-service-broadcasting/public-service-broadcasting-annual-report-2019

57   House of Commons Welsh Affairs Committee (2016). Broadcasting in Wales. Available at:
https://publications.parliament.uk/pa/cm201617/cmselect/cmwelaf/14/14.pdf

58   Independent productions are defined by order see: https://www.legislation.gov.uk/ukdsi/2014/9780111118825

59   Ofcom (2019). Review of Regional TV Production and Programming Guidance – Statement. Available at:
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https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

68   We would like to thank Sally Griffith of Clwstwr at Cardiff University (http://www.clwstwr.org.uk/)
for contributing this section on diversity to the Media Audit.

69   See http://www.ffilmcymruwales.com/index.php/en/film-educators/foot-in-the-door

70   See http://www.ffilmcymruwales.com/index.php/en/film-educators/mindset

71   See https://inclusivecinema.org

72   See https://www.building.co.uk/buildings/projects/new-broadcasting-house-bbc-cymru-wales-cardiff/5104374.article

73   See https://www.disabilityartscymru.co.uk

74   See https://twitter.com/privilegecafe_

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2   Radio

Radio broadcasters and stations

People in Wales can listen to more than 100 radio stations

The history of radio in Wales began on 13 February 1923 when BBC Wales first broadcasted a performance of Dafydd y Garreg Wen (David of the White Rock) by the singer Mostyn Thomas in a tiny studio above a music shop in Cardiff.[133] In 2019, 78 radio services broadcast on DAB, many of these simulcasts of analogue stations. However, not all these digital stations are available on DAB to listeners across all of Wales. 36 stations broadcast on analogue only. There are currently 10 community radio stations in Wales. In addition, listeners in Wales have a variety of options for tuning in to other radio services including internet radio and other stations in the UK that are also receivable in Wales.

The number of stations broadcasting on DAB in Wales has increased to 78 and compared to 45 in 2015.[134 135] The rise in the number of radio stations available to listeners in Wales can be explained by the increasing DAB coverage and licences made available by Ofcom.[136]

Table 3: Radio broadcasters and channels broadcasting dedicated to Wales

Broadcaster (group)	Radio channels dedicated to Wales	Location of licence owner	Launched in year	Broadcasting on	Reach (%)	Average hours per listener per week
Public service radio stations						
BBC Cymru Wales	BBC Radio Wales	Cardiff	1978	DAB / FM-AM	12.00	8.20
	BBC Radio Cymru	Bangor	1977	DAB / FM-AM	4.00	9.90
	BBC Radio Cymru 2	Bangor	2018	DAB/Online	n.a.	n.a.
Commercial radio stations						
Global Radio Communicorp Communicorp	Capital North Wales Coast	London	2010	DAB / FM	12.00	6.60
	Capital Wrexham & Chester	London	1989	DAB / FM	n.a.	n.a.
	Capital Cardiff & Newport	Manchester	1980	DAB / FM	17.00	4.80
	Capital Caernarfon	London	n.a.	FM/ only	n.a.	n.a.
	Heart North and Mid Wales	Manchester	2011	DAB / FM	17.00	6.60
	Heart South Wales	London	2000	DAB / FM	21.00	9.30
	Smooth Radio Wrexham/ Chester	London	1983	DAB / AM	6.00	6.40
	Smooth Radio Cardiff/ Newport	London	1990	DAB / AM	7.00	8.70

Broadcaster (group)	Radio channels dedicated to Wales	Location of licence owner	Launched in year	Broadcasting on	Reach (%)	Average hours per listener per week
Nation Broadcasting	Swansea Bay Radio	Cowbridge	2006	DAB / FM	5.00	4.80
	Dragon Radio Wales	Cowbridge	2018	DAB	2.00	5.70
	Nation Radio Wales	Cowbridge	2008	DAB / FM	9.00	4.80
	Radio Carmarthen-shire	Cowbridge	2004	DAB / FM	19.00	6.40
	102.5 Radio Pembroke-shire	Cowbridge	2002	DAB / FM	31.00	5.50
	Nation Radio Ceredigion	Cowbridge	1992	FM	n.a.	n.a.
	106.3 Bridge FM	Cowbridge	2000	DAB / FM	17.00	4.40
Bauer Radio Ltd	Greatest Hits South Wales (formerly Swansea Sound)	Stoke-on-Trent	1974	DAB / AM	6.00	4.40
	96.4 FM The Wave	Stoke-on-Trent	1995	DAB / FM	24.00	7.40
Independent	Sunshine Radio (wales)	Hereford	2007	FM only	n.a.	n.a.
Community radio stations						
	BrFM	Brynmawr	2007	FM	n.a.	n.a.
	Calon FM	Wrexham	2008	FM	n.a.	n.a.
	Bro Radio	Barry	2009	FM	n.a.	n.a.
	Tudno FM	Llandudno	2008	FM	n.a.	n.a.
Not on Air	Radio Aber	Aberystwyth	2017	FM	n.a.	n.a.
	Radio Cardiff	Cardiff	200	FM	n.a.	n.a.
	Valleys Radio	Treorchy	2018	FM	n.a.	n.a.

Broadcaster (group)	Radio channels dedicated to Wales	Location of licence owner	Launched in year	Broadcasting on	Reach (%)	Average hours per listener per week
	Radio Tircoed	Swansea	2008	FM	n.a.	n.a.
	Mon FM	Llangefni	2014	FM	n.a.	n.a.
	GTFM	Pontypridd	2006	FM	n.a.	n.a.

BBC's public service radio stations in Wales and the three national stations

Public service radio broadcasting in the UK encompasses (next to the above listed TV broadcasters) all radio channels of the BBC. Until 1971, there was a radio-only licence fee in place. Today the radio channels of the BBC are fully funded by the TV licence fee. In Wales this includes BBC Cymru Wales' national channel Radio Wales and BBC Radio Cymru's stations Radio Cymru and Radio Cymru 2. Additionally, the BBC's 13 network radio channels[137], including for example BBC Radio 2 and BBC Radio 1 and other local channels such as BBC Bristol, are receivable in parts of Wales.

BBC Radio Wales was created as a distinct station in 1978. It started as a part-time service broadcasting for only 20 hours per week. Today, Radio Wales broadcasts for up to 20 hours a day with a simulcast of the BBC World Service after closedown each night. BBC Radio Cymru, the Welsh-language national radio network, broadcasts two stations throughout Wales from studios in Cardiff, Bangor, Aberystwyth and Carmarthen. Radio Cymru broadcasts for 18.5 hours a day with overnight programming simulcast from BBC Radio 5 Live after closedown. Radio Cymru 2 began broadcasting in January 2018. It airs as an opt-out service for two hours every morning. It broadcasts on DAB and online platforms only.

BBC Radio Wales reaches now 91% of households in Wales

In 2018 BBC Radio Wales' FM footprint increased significantly by taking over 32 relay transmitters, which previously carried BBC Radio 3. It is now available to 91% of households in Wales – an increase of up to 400,000 people and over 550 miles of road – compared with the previous 79% availability nationwide in 2017. This growing reach was part of a commitment made by BBC Wales to increase the station's availability as part of its programme of work following the Charter reinvestment package.[138]

Commercial radio in Wales is driven by increasing concentration

Greatest Hits South Wales (originally known as Swansea Sound) began broadcasting on 30 September 1974 as the first commercial radio station in Wales and the seventh in the UK. It was also the first independent radio station to broadcast a bilingual service in the English and Welsh languages. Today, many different commercial radio stations in Wales operate in a competitive market and are funded almost entirely by regional, national and UK-wide advertising revenue. There are a handful of commercial radio groups with operations in Wales – Global, Communicorp, Nation Broadcasting, and Bauer Media Group. There are also some independent stations. Out of the large radio companies, only Nation Broadcasting is headquartered in Wales (based in Narberth).

**Commercial radio licence renewal –
Should analogue radio licences be stopped?**

In December 2019, DCMS opened a consultation on the further renewal of analogue commercial radio licences. With a number of national and local commercial FM and AM radio licences approaching final expiry in 2022, and with little prospect of a radio switchover before the mid-2020s, the UK Government is currently considering whether or not to continue with the current arrangement of licence renewals and, if so, to determine how long the further renewal should be for. Ofcom does not currently have powers to renew licences expiring in 2022 for a further period: radio stations wishing to continue broadcasting would need to reapply for their licences and potentially compete against other prospective operators, including new entrants, to secure a new licence. The UK Government will make this change via a Legislative Reform Order (LRO) which would amend the relevant legislation – namely sections 103B (which covers national licences) and 104AA (which covers local licences) of the Broadcasting Act.[139]

The Welsh commercial radio market lacks transparency due to complicated ownership of radio brands and differences among local, national and UK-wide radio stations and brands. For example, Heart North Wales is a radio station owned by Communicorp and operated by Global Radio as part of the Heart network. It broadcasts to north and mid Wales from studios in Gwersyllt, near Wrexham. Global operates also UK-wide stations like Classic FM, as well as UK-wide brands, delivered locally like Capital North Wales. Communicorp operates Capital South Wales and Heart North Wales, licensing the brands from Global but operating them separately. Nation Broadcasting owns for example Nation Radio, Radio Carmarthenshire, Bridge FM, Radio Pembrokeshire, Swansea Bay Radio and Radio Ceredigion. Bauer owns The Wave and Greatest Hits South Wales.[140]

Is commercial radio in Wales under threat?

Commercial radio in Wales has the lowest commercial revenue per head of any of the UK nations. Commercial radio revenue for local stations decreased by 10% in 2018. Analogue commercial radio stations in Wales generated £5.84 per head of population in 2018 (in comparison to £6.62 on UK average in 2017).[141][142] This low commercial revenue suggests – at least on this metric – that the business case for running a commercial radio station in Wales is more challenging than elsewhere in the UK. In 2018, the Culture, Welsh Language and Communications Committee of the then National Assembly for Wales stated in a report that they were concerned about the evidence that the commercial radio market in Wales is dominated, to a greater extent than other parts of the UK, by a small number of relatively big players.[143] Of course, like other media sectors, commercial radio also faces challenges due to digitisation. The shift to digital advertising has also been described as the driving force behind the reduction in commercial radio's share of advertising revenues and the real terms decline in total revenues for radio since the early 2000s. The Radiocentre, in its response to the inquiry of the Culture, Welsh Language and Communications Committee of the National Assembly for Wales into 'Radio in Wales', stated that commercial radio faces a number of challenges particularly pertinent to operators in Wales. This includes the Ofcom policy of licensing a large number of community radio stations, which are also able to compete for a proportion of local advertising revenue, which poses a serious threat to the viability of commercial radio services in low population areas (including rural parts of Wales).[144]

Further, consolidation and the shutting down of channels especially at the national level in Wales can be reported showing the fast pace in which the sector moves. For example, in February 2019, Swansea Sound – an independent station before – was sold to Bauer Media Group, alongside The Wave and the Wireless Group's network of local radio stations. As of December 2019 that process had not been completed as regulatory matters had not been resolved, and it remained under the management of News UK[145][146] Other stations in Wales have closed down in recent years including Radio Ceredigion, Radio Hafren (formerly Radio Maldwyn) (Powys & Borders), Point FM (Conwy & Denbighshire), Valleys Radio and XS (Neath Port Talbot). It has been argued that the increasing paucity of Welsh media ownership is reflected by the absence of devolved rights for broadcasting legislation in Wales.[147]

An increasing number of community radio stations are available in Wales

Community radio was introduced following legislation in accordance with Broadcasting Act 1990, as modified by the Community Radio Order 2004. There are currently nine community radio stations in Wales: Calon FM, Tudno FM, BRfm, Radio Tircoed, Rhondda Radio, Môn FM, Radio Cardiff,, Bro Radio and GTFM. Additionally, community radio stations Radio Aber and Merthyr Radio aim to start broadcasting soon.[148] following Ofcom's announcement In December 2019, of the award of two additional community radio licences in Wales.[149]

During 2019, Ofcom agreed to improve the quality of the coverage and extend the coverage of community radio in the UK. Ofcom is currently processing additional applications for new community radio licences and expects to make awards to successful stations by the end of March 2020. This will be the last round of community radio licensing on FM or AM for the foreseeable future, as Ofcom will shortly begin licensing new local digital radio stations (also for commercial stations) that will use the new 'small-scale DAB' technology. Applications for these licences will be invited in 2020 (see below for more information).[150]

Should community radio receive more support from the Welsh Government?

In November 2019, the Culture, Welsh Language and Communications Committee of the National Assembly for Wales published a report called 'A short report into community radio in Wales'[151] based on the findings of a symposium held in June 2019. The report highlighted the public value and community support for community radio. Because of this, the Committee recommended that the Welsh Government should support the community radio sector more.

The Committee found that there is no central body which represents community radio in dealings with government, the regulator or other interested parties and recommended that the Welsh Government should fill this gap. Additionally, the Welsh Government should aim to place more government advertising, particularly public information campaigns, with community radio stations in the future. Next to other recommendations, the report also highlighted that the BBC should work more closely with community radio stations in Wales.

Stations are not for profit while often supported by volunteers.[152] They focus on delivering social gain, working to build connections within the community and involve the community in running the service. Volunteering, public access and training is seen as part of the way in which community radio delivers social gain. The policy behind the legislation emphasises the importance of volunteering within community radio, as it was not envisaged that they would employ many full time members of staff. Community radio stations typically cover a small geographical area with a coverage radius of up to 5-10 km on FM or AM (however there are

some exceptions and there are no concrete limitations by Ofcom for the licences since 2017). The stations can cater for whole communities or for different areas of interest, such as a particular ethnic group, age group or interest group.[153]

The stations are financed mostly by adverts, grants and donations. There are rules on how much commercial income they can take from these sources (income above £15,000 from advertising and sponsorship must be balanced with additional income from other sources). A small number of community stations – where they overlap with small commercial services whose studios are not co-located with other stations – are still restricted to a maximum of £15,000 from advertising and sponsorship.[154] The funding rules for community radio were relaxed in 2015, resulting in a significantly positive development for the sector (under previous regulation in the Community Radio Order 2004, most community radio stations could only raise 50% of their income from commercial sources, with many stations not allowed to make any money from advertising at all). This, however, created increasing competition for advertising with local commercial radio channels.[155]

BBC's radio content for Wales is regulated differently to its television services

Depending on the kind of radio station, different regulations are in place regarding how much and what type of local content in Wales is broadcast. The licence arrangements are decided by Ofcom on a case-by-case basis. As public service radio, BBC's radio stations of course have certain obligations for content delivery that differ from other radio channels. The obligations are set out in the BBC's Operating Licence, granted by Ofcom.

While BBC radio has specific positive obligations, commercial radio stations only have to deliver what the licence applicant agreed to provide. However Ofcom requires local commercial stations to follow its localness guidelines, for example for the provision of local news, weather and local information. The station's format will specify the hours when news has to be broadcast and the overall character of the service.

Should BBC's national radio stations in Wales be more regulated?

In its 2018 report 'Tuning in: Inquiry into Radio in Wales', The Culture, Welsh Language and Communications Committee of the National Assembly for Wales expressed its concern at the lack of challenge for the BBC in Ofcom's new licence from 2017. In its report they called for parity with Radio Scotland, which Ofcom proposed should have an equivalent requirement for news and current affairs output of at least 50 hours a week (the current proposal for Wales is 32 hours as described above). Additionally, they requested the introduction of 5% quotas for UK radio production made in Wales (equivalent to the regulatory condition relating to network TV production). Finally, they also requested that Ofcom should ensure that more music by Welsh artists is played on the radio in Wales.[156]

BBC's national radio stations have only obligations in terms of spending (see below for more information), news provision and speech content provision. There is no quota for hours of non-news programmes in contrast to obligations for public service television (see above). BBC Radio Wales has a weekly quota for news and current affairs of 32 hours. In 2018-2019, BBC Radio Wales reported to Ofcom that 35 hours per week were provided. Additionally, BBC Radio Wales is required to have an average proportion of 60% of speech content in core hours and on average 100% in the breakfast peak (67% and 100% were achieved accordingly in 2018-2019). BBC Radio Cymru's quotas are the same (achieving 69% and 100% accordingly in 2018-2019). BBC Radio Cymru's weekly quota for news and current affairs is 23 hours. In 2018-2019, they reported 24 hours. Otherwise, in the licence arrangement it is only stated that content and music of particular relevance to Wales needs to be delivered, without a specific quota.[157]

Ofcom's first full-year Annual Report on the BBC was published in 2019

The current Royal Charter, which began on 1 January 2017 and ends on 31 December 2027, requires Ofcom to publish a report each year that sets out how Ofcom carried out their functions as the BBC's independent regulator, and assesses the BBC's compliance with the requirements of the Operating Framework and associated documents.[158]

In October 2019, the first full-year report on how the BBC met all of its requirements in its Operating Licence was published. Ofcom provides documents on UK- and national levels as well as an interactive online report that gives a good overview of requirements and performance of the BBC. Based on the report, all requirements set for provision of content and spending in Wales were met by the BBC.[159]

In 2018-2019, BBC Radio Wales broadcast a total of 7,452 hours of local content. BBC Radio Cymru broadcast 7,631 hours. Since 2015, the local output of BBC Radio Cymru increased by more than 10%.[160]
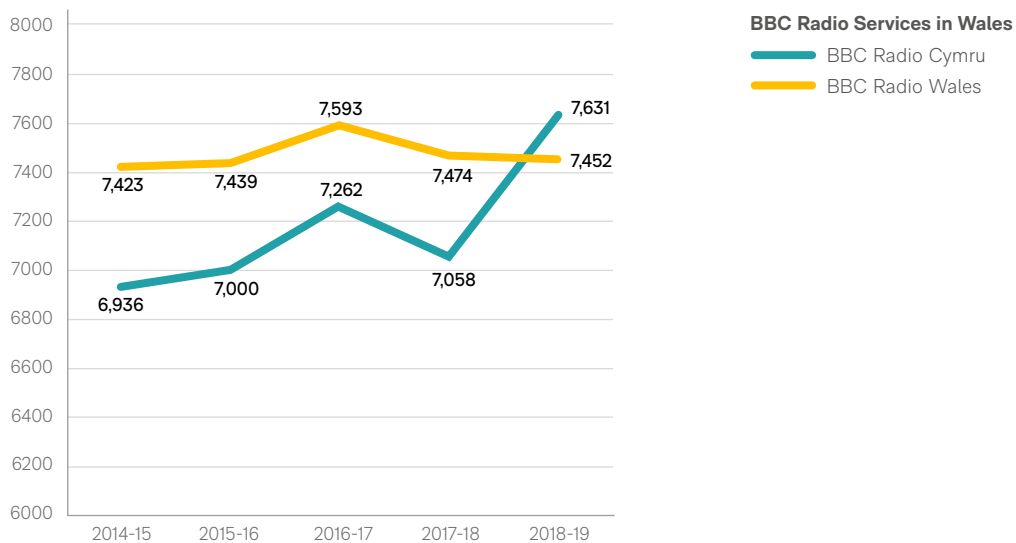
Figure 8: **Total hours (including repeats) of BBC Radio Wales and Radio Cymru**

There are no specific obligations for UK-wide network radio channels of the BBC in terms of content specific for Wales. There are obligations in terms of spending (see below for more information). To our knowledge there is also no provision of Welsh content in terms of opt-outs on UK-wide network radio channels of the BBC in Wales. Until 2017, there have been some regional opt-outs (see above for explanations on local variations and opt-out strategies of broadcasters). This included mostly live sports coverage. At the same time, the UK-wide radio channels of BBC are the most popular in Wales (see below for listener numbers in Wales). Because of this, there have been some discussions about requiring regional opt-outs for BBC's network radio stations similar to the regulations for television broadcasting. The network radio stations of the BBC have only requirements in terms of expenditures with regard to local content provision.[161]

Should BBC's network radio stations have news opt-outs for locally relevant content for Wales?

A National Assembly for Wales report published in 2017 recommended Wales-based news bulletins were included on popular BBC network radio stations to ensure Welsh listeners heard news that was relevant to them.[162] In 2018, the Culture, Welsh Language and Communications Committee of the National Assembly for Wales called again for changes to the BBC network in its inquiry into radio in Wales.[163] The idea is to follow similar rules as exist for television channels (see above). In its report, the committee said devolution 'amplified the need for the reporting of distinctly Welsh news'. The committee said a lack of Welsh news on the BBC's UK-wide radio services 'does much to create and reinforce confusion about responsibility for political decisions within the different nations of the UK'. The BBC's response indicated that while they were open to such an opt-out strategy, such opt-outs would be technically impossible, due to the location of transmitters often close to the English border, and FM / AM technology limitations. The prospect of a digital switchover and the building of the 5G network should however alter this landscape.[164] We can therefore expect that the possibility to integrate opt-out strategies for Wales will be discussed again in the coming years.[165]

Localness on commercial radio – Changes to guidelines and the possible impact on local radio content in Wales

Statistics show that Welsh commercial radio has higher listening hours than the UK average (see below for more information). At the same time, commercial UK-wide brands locally delivered have cut down on local content. For instance, in 2019, UK radio operator Global cut a significant amount of its local programming across the UK, specifically stations branded as Capital, Smooth, and Heart, as well as those produced under licence for Communicorp (owner of the Capital South Wales brand). The result is that a majority of content on five of the top ten Welsh radio stations is now produced in London. An exception is Capital Cymru which increased local programming in order to meet their Welsh language obligations in the Gwynedd and Anglesey regions.[166]

Legislation requires Ofcom to make sure that local commercial radio stations provide an appropriate number of programmes including local material and locally made programmes. The extent to which local material and locally made programmes must be included in the service provided by a licensee is specified in the station's Format agreed with and published by Ofcom (and which may vary by station) (see Ofcom's Localness guidelines published in July 2019 for an overview of current regulation[167]).

Wales' representation in Ofcom

Ofcom, as the independent regulator and competition authority for the UK communications industries, has responsibilities across television, radio, video-on-demand, telecoms, wireless communications and postal services. The Charter gives Ofcom, as the external regulator of the BBC, the job of holding the BBC to account for delivery of its public purposes across the BBC's public services.

Wales has for some time been represented on Ofcom's Content Board and has its own Advisory Committee. The Advisory Committee for Wales advises Ofcom about the interests and opinions of people living in Wales in relation to communications matters.

Since 2019, Wales has also appointed an Ofcom board member. As noted in the Memorandum of Understanding between the UK Government, Welsh Government and the Office of Communications, section 1 of the Office of Communications Act 2002, as amended by section 68 of the Wales Act 2017, provides that Welsh Ministers have the power to appoint a member of the Ofcom Board. The St David's Day Agreement made clear that this should be a person who can represent the interests of Wales. Prior to the appointment, the Welsh Government consulted the Secretary of State for Culture, Media and Sport so that the Secretary of State can ensure that the Board will function effectively as a whole. The appointee has the same UK-wide responsibilities as other non-executive members of Ofcom. As Ofcom is a UK-wide public body, the appointment is made in accordance with the Cabinet Office's Governance Code on Public Appointments.

David Jones was appointed in 2019 as the first Ofcom Board Member for Wales. David Jones was non-executive director of Aneurin Bevan University Health Board, which is one of Wales' largest, covering five separate local authority areas, and Chair of the Information Governance Committee. Jones is also a non-executive director of the Welsh Revenue Authority, the body responsible for collecting and managing Welsh taxes on behalf of the Welsh Government, and a member of the board of Qualifications Wales.[168]

Following a consultation in June 2018, Ofcom revised the localness guidelines to include the following new minimum expectations:

– Local FM stations that provide local news at regular intervals throughout the day should air at least three hours of programming each weekday between 6am and 7pm which has been made in the local (or approved) area.

– Local FM stations that provide local news only at breakfast and drivetime should air at least six hours of programming each weekday between 6am and 7pm which has been made in the local (or approved) area (see below for more information on news on radio).

The above amendments mean that there is no longer an expectation under Ofcom's localness guidelines that weekday breakfast will be locally-made, or that locally-made programmes will be provided at the weekends or on public holidays.[169] After further consultation in 2018, Ofcom additionally announced in 2019 that all of Wales is a single approved area (having previously been three areas) for locally-made programmes.[170]

The changes were opposed by Ofcom's Wales Advisory Committee and the National Assembly for Wales' Culture, Welsh Language and Communications Committee. In a 2018 report[171] they raised concern about the changes. The Committee states that the proposal to reduce the minimum number of locally-made hours that local commercial stations must broadcast may pave the way for an increasing homogenisation of content, as stations will likely take the opportunity to further reduce the number of hours of local content that they produce. The Committee further warned that merging three 'approved areas' into one in Wales would allow companies which own multiple local licences to switch programmes produced in one part of Wales to a bigger hub somewhere else in Wales, possibly resulting in job losses, as companies take the opportunity to centralise production. There could be a detrimental impact on rural communities, with larger towns and cities being chosen for more centralised production. This might also result in production being switched from more Welsh-speaking areas and have a detrimental impact on the volume of Welsh language content. Other organisations also raised similar concerns about increasing London-centric radio production and a possible negative impact on rural areas of the new guidelines.[172] Based on existing data and considering the short time that has passed since the new regulations were put in place, it is to date difficult to assess the impact the regulations actually had. We recommend that within the coming years this should be investigated in detail.

Capital and Heart stations in Wales will need to continue providing their own drivetime programmes, despite Ofcom creating one 'Approved Area' for the entire nation

Under Ofcom's new 'approved area' rule, under normal circumstances, Heart in Cardiff and Heart in Wrexham would be able to share all programmes because they are in the same approved area, similarly with Capital. But whilst Global owns Heart South and Capital North, they cannot share programmes with Heart North and Capital South, because those are owned by Communicorp. Ofcom says stations can only share all programmes within approved areas if there is a common owner. The ownership rules were imposed by the Competition Authority in 2013 following concerns that the merger of Chrysalis and GCap to form Global created concerns of reduced competition in the Cardiff and south Wales radio markets.The localness guidelines state a station owner must be able to prove they have control of their own output. In addition, Capital Cymru will continue providing Welsh-language programmes meaning a separate breakfast, afternoon and drive show for Caernarfon. In Wales, these stations which are under the same brand in Cardiff and Wrexham can share breakfast with London and Edinburgh, but not drivetime with each other, due to ownership rules. It is likely that this particular common ownership rule is something Global and Communicorp will be fighting against should the opportunity arise.[173]

The ownership rules can have different impacts. On the one hand, the rules make sure that local content is produced by different station owners. However, this could lead in the future to further consolidation in the radio market in Wales while stations are further consolidated under single ownership.

There are plans to further deregulate radio broadcasting obligations for 'local' content on commercial radio stations. This could include for example the extension of rules applicable for local stations on FM and AM to DAB services in the future and more freedom for commercial radio stations to choose their own music.

Further deregulation of commercial radio to come by 2022?

The UK Government plans to further deregulate certain aspects of commercial radio to enable it to compete better with digital and online-only services. In December 2017 the UK Government published its proposals for commercial radio deregulation.[174] These included:

Changes to the structure of licensing to give commercial radio greater freedom; Removing requirements for Ofcom to regulate music formats on commercial radio; Relaxing the current rules that state that local analogue commercial radio stations must produce a significant proportion of their content locally; Requirements to carry news and other local information sourced locally should be maintained; There should not be enhanced requirements in the nations. The Government stated 'having such a power may disadvantage local stations in the nations and that a better approach is for Ofcom to have regard to the needs of all UK audiences in setting the requirements on a UK basis'.

The next step is for the UK Government to bring forward further legislation prior to the analogue licenses coming up for renewal in 2022. In the meantime, the UK Government has said it would support any moves by Ofcom to consider whether there is scope to make changes to its rules and guidance in lieu of longer-term reform.[175] In 2018 and 2019, Ofcom announced the first changes in regards to the required minimum number of locally-made hours and approved areas for licences (see above). More changes in regard to the localness guidelines for commercial radio could be decided in the coming months and years.

Community stations in Wales have to broadcast local content but can draft their own commitments

In 2019, Ofcom reported that, UK-wide, community stations typically provide 93 hours of original and distinctive output a week, mostly locally produced.[176] There are no specific quotas for community stations and no detailed information available to report on Welsh level.

As part of the application for a community radio licence to Ofcom, applicants are asked to commit to broadcasting a specific amount of original output per day and to commit to locally produced content (the minimum number of hours of original and locally-produced output). Applicants for a community radio licence are free to decide the extent and have to report to Ofcom on fulfilment of the requirements. Community radio is often very different to commercial radio: given its ethos is generally not for profit, local, and driven by the community. The commitments are part of the 'Key Commitments' which are included in the licence if the application is successful. Any subsequent changes to the specific 'Key Commitments' of an individual station may only be permitted by Ofcom.[177]

Radio stations are cutting down Welsh-language broadcasting

Next to the specific Welsh-language radio stations of BBC Radio Cymru, and Radio Cymru 2, some Welsh-language radio is broadcast by a number of community and commercial stations). Commercial local radio stations in Wales sometimes have a minimum amount of Welsh language broadcasting included in their formats agreed with Ofcom (mostly local independent stations). That ranges from 50-50 or more in parts where the Welsh language is used by the majority, to just a few hours a week outside such areas – if any at all.

The Welsh-language obligations of Ofcom and the new standards in effect from 2017

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language. This also included Ofcom. The standards issued to Ofcom are listed in Ofcom's compliance notice and have been effective from 25 January 2017.

Since then Ofcom has established several Welsh-language communication means including the production of Welsh-language versions of key documents such as Connected Nation, Media Nation, Annual Report and a report on Representation and Portrayal on BBC Television, the launch of a Welsh-language Twitter account, @OfcomCymraeg, to help engage with Welsh speakers; and provision of a range of bespoke resources in Welsh, including videos and 'apps' for checking broadband and mobile reception.

Ofcom's Wales office is based in Cardiff, and the team mostly consists of fluent Welsh speakers. This includes a Senior Welsh Language Adviser to support Ofcom's work in Welsh and its commitment to the language. The first annual report to the Welsh Language Commissioner was published in 2018.[178] While communication by Ofcom in Welsh has increased in recent years, it is not possible to find distinctive information about Welsh language broadcasting among radio. A gap that still needs to be filled.

For example, Capital Cymru broadcasts across Gwynedd and Anglesey with Welsh language programming from 6 am to 7 pm on weekdays and from 9 am to 4 pm on weekends. Greatest Hits South Wales (formerly Swansea Sound) airs up to 13 hours a week of Welsh programming and bilingual news bulletins on weeknights. Capital North West and Wales operates an opt-out service for the North Wales Coast on 96.3 FM, carrying an hour-long Welsh language programme each weekday. Radio Carmarthenshire, Radio Ceredigion and Radio Pembrokeshire broadcast a joint hour-long Welsh programme on Sunday nights.

Some local stations have attempted to reduce their Welsh language outputs, or even been withdrawn completely. For example, in 2018 Ofcom gave the go-ahead for Radio Ceredigion, which serves an area where around half the population speak Welsh, to broadcast not a single word of the language.[179] The licence was up for renewal and Nation Broadcasting, as the only applicant, chose to replace the service with Nation Radio, which is an English language service. This triggered calls for devolution of broadcasting regulations in 2018.[180] It has also been argued that many stations might not broadcast enough Welsh language output to match the Welsh-speaking population in their catchment area trying to run down their Welsh-language content to reduce it in future licence applications.[181] Under existing legislation Ofcom can not require specific types of content e.g. Welsh language programmes to be included in a radio service.

RAJAR – The shortcomings of measuring radio audiences in Wales

Radio Joint Audience Research (RAJAR)[183] is the official body in charge of measuring radio audiences in the UK. They work with mainstream stations to collate listener numbers via comprehensive public polling. That level of polling is resource intensive and has high costs associated with it. Additionally, it is very difficult to measure listening figures in small population areas (including rural parts of Wales) or for small radio stations due to the polling size that is necessary. At the same time, RAJAR ratings are used by advertisers to place adverts. Not being captured in the ratings by RAJAR is therefore a competitive disadvantage for radio stations. This means that there are, specifically in Wales, shortcomings in access to data and competitive disadvantages in this context.

For instance, community radio stations in Wales are not captured by RAJAR at all. The Culture, Welsh Language and Communications Committee recommended in November 2019 that RAJAR should develop a less complex survey, which was cheaper to access, targeted at community stations.[184] Commercial radio stations are also partly not captured by RAJAR (and online radio like Radio Cymru 2). RAJAR guidelines do not allow one to analyse the listening figures within partial Total Survey Areas (TSAs)[185], because the results are not statistically robust.

Average listening hours per week: Listening to radio in Wales is stable

Overall, radio listening has been quite stable over the last 5 years in Wales. Nine in ten adults listen to radio each week. With 22 hours radio listening per week on average, listeners in Wales listen to more radio every week than in any other nation of the UK and listening time is above the UK average of 21 hours. For comparison, listeners in England listen to radio on average 21 hours (19 hours in Scotland, and 19 hours in Northern Ireland).[182]

BBC radio stations are most popular with listeners in Wales. As a proportion of all radio listening, more time is spent listening to BBC UK-wide services in Wales than in any other UK nation. In contrast, local commercial services have a lower proportion of listening hours in Wales than in other nations.[186] Listening to local commercial radio fell from almost 12 hours per week to only 10 hours since 2015.[187]
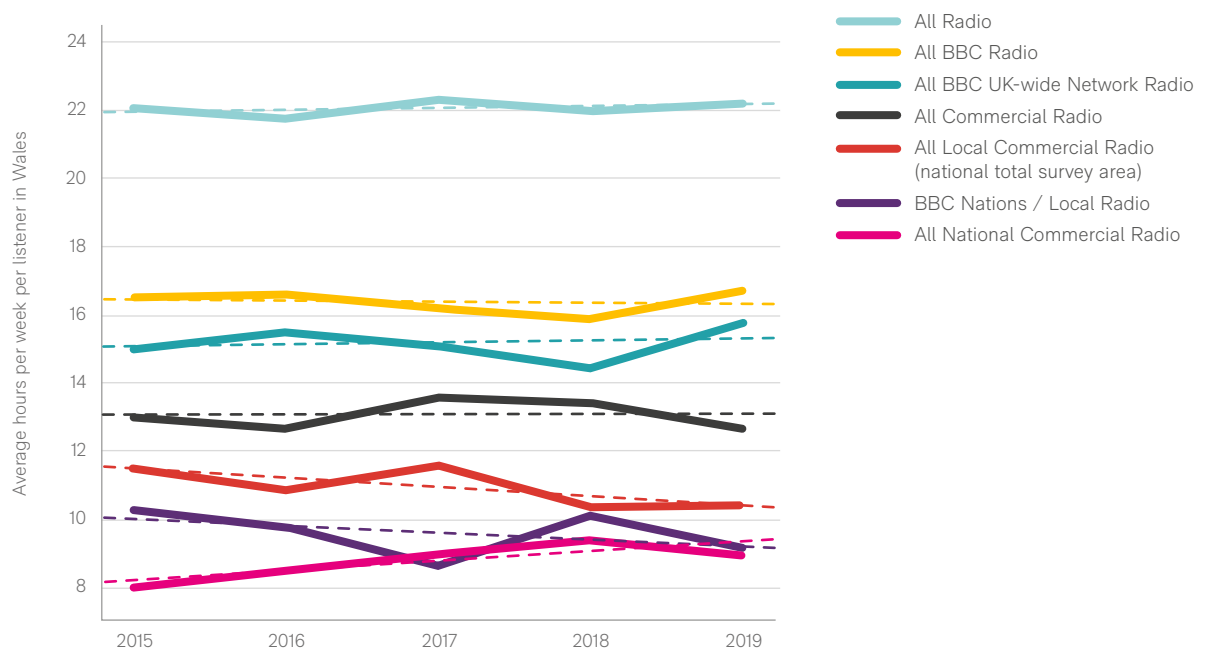

Figure 9:

Average hours of radio listening in Wales per radio station type

Reach of commercial versus BBC radio in Wales

UK-wide commercial radio stations reached more listeners than BBC Radio in Wales, increasing their reach from 60% to 64% while BBC Radio dropped from 71% to 68% between 2018-2019. However, the picture for local radio is very different. Commercial services have a lower proportion of listening hours in Wales than in other nations. Commercial stations also have a lower reach in Wales (41%) than in the other UK nations (56% in Scotland, 59% in Northern Ireland).[188] Still, more than four in five adults in Wales listened to commercial stations (43.9 %) with less than one in five listening to BBC nations'/local radio (17.6%) in Q1 2019. Across the UK, less than half of adults listened to local commercial radio and less than 15% listened to local BBC stations.[189]

All Local Commercial Radio — BBC Nations / Local Radio

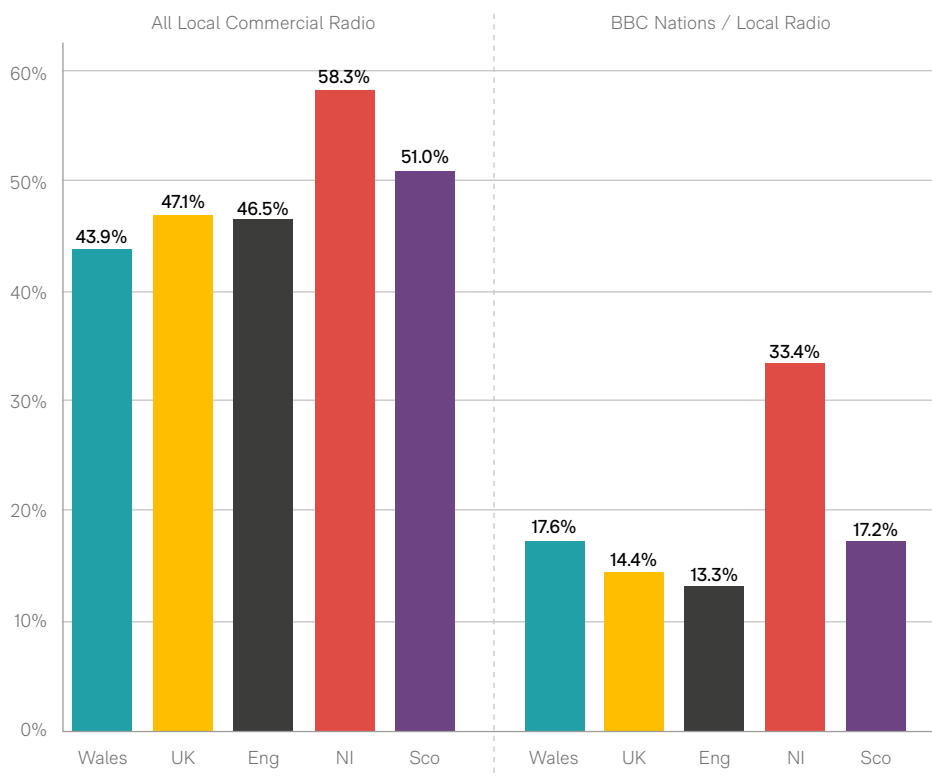|	Wales	UK	Eng	NI	Sco
All Local Commercial Radio	43.9%	47.1%	46.5%	58.3%	51.0%
BBC Nations / Local Radio	17.6%	14.4%	13.3%	33.4%	17.2%

Figure 10:

**Weekly reach of local radio, BBC vs commercial across the nations
(based on RAJAR data from Q1 2019)**

New rules for 'New Music' on BBC Radio 1 and Radio 2: Implications for the distinctiveness of public service radio and competition to commercial radio

In the operating licence issued in October 2017, Ofcom placed requirements on the BBC in order to deliver its mission and public purpose to provide the most creative, highest quality and **distinctive output**.[191] This included the requirement that a significant proportion of Radio 1 and Radio 2's music output was 'New Music'. For many years, music qualified as 'new' based on the physical release date. Because of new digital means of distribution of music, Ofcom issued a consultation on an updated definition of New Music to take the digitisation of the market into consideration. At the same time, Ofcom also proposed adjusting the proportion of New Music which the BBC is required to play on Radio 1. Since 1 April 2018, the new conditions are applied:

'A music track is to be considered "New Music" for a period of either: (a) 12 months from first release (whether by physical, radio, download or streaming means), or (b) 6 weeks from the date it first enters the Top 20 of the UK Official Singles Chart whichever is sooner.'

Ofcom also decided to amend the requirement for Radio 1 that 'in each Financial Year at least 50% of the music in Daytime is New Music, of which a significant proportion must come from new and emerging United Kingdom artists'.[192][193]

Based on the consultation, responses revealed criticism on the current regulatory requirements of BBC Radio. Radiocentre noted that since the new operating licence, rather than increasing requirements on BBC radio services, Ofcom has actually realised a reduction, when compared to the framework that was in place previously under the BBC Trust. Radiocentre noted that for BBC network radio there are now 34% fewer regulatory 'conditions' in place (39 instead of 59), with a dramatic reduction in broader requirements on services (fewer than 60 compared to more than 200 previously.[194]

With music being the most popular content type on radio in Wales and across the UK , it could be questioned if the music quotas like the new adjusted 'New Music' quota for Radio 1 do enough to make BBC's radio services distinctive enough from commercial radio stations, which do earn their advertising income by offering music. The lack of specific music quotas for BBC's local and national radio stations like BBC Radio Wales and BBC Radio Cymru has been further criticised.

For example, in 2013 Radio Cymru had a dispute with Welsh language musicians over the royalty broadcast fees paid, which were significantly reduced following revised modelling by PRS for Music. For several months there was very little music played on the station until the dispute was resolved. The musicians lost, and their fees were greatly reduced. It was feared that this outcome had serious implications for the sustainability of Welsh language music.

There seems to be the question: Should BBC local and UK-wide radio stations be speech or music stations? The distinctiveness of BBC's radio programmes is highly important to hinder competition to existing offerings of commercial stations.[195]

Music is the most popular content on radio in Wales

Music is the most valued type of content for radio listeners. For listeners in Wales, Welsh news coverage is the second most valued type of content on radio, compared to the UK average where national news is the second most valued type of content. And listeners in Wales are less likely than those across the whole of the UK to say they value national or international news.[190]
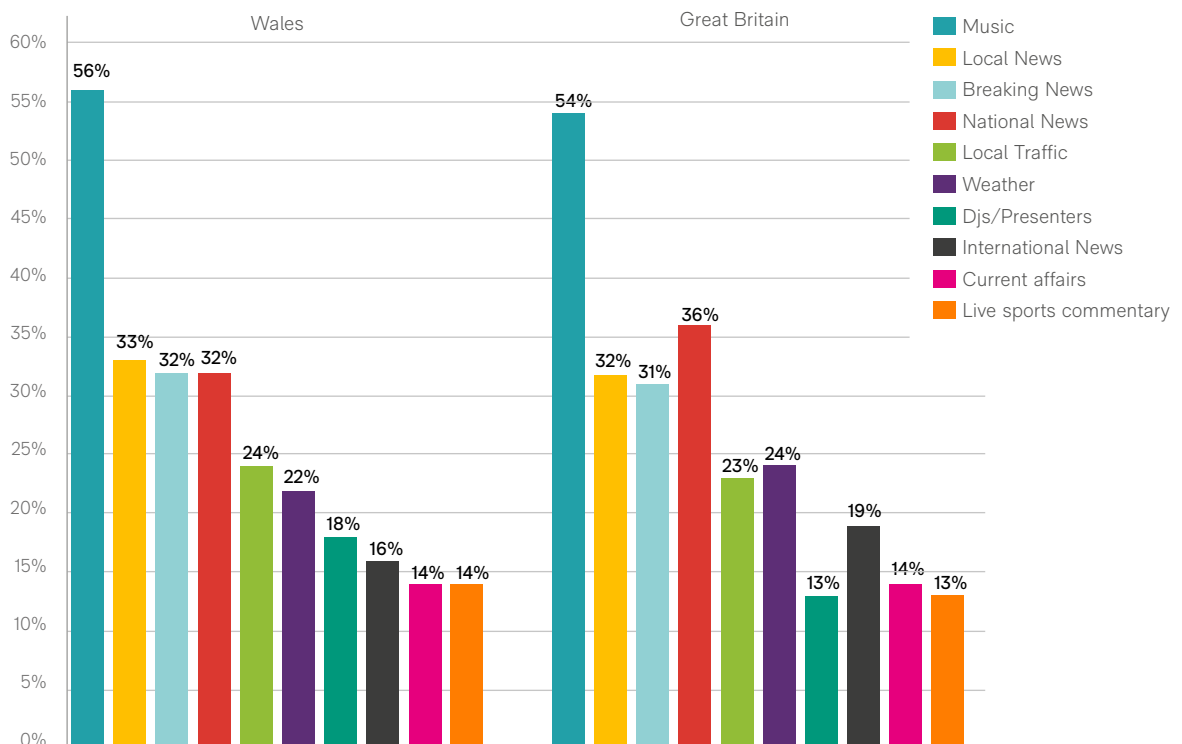

Figure 11: **Top ten most valued types of content on the radio in Wales compared to Great Britain (based on TouchPoints 2018 data based on weekly radio listeners aged 15+)**

BBC UK-wide radio stations dominate Wales' radio market

Among the radio stations available in Wales, the BBC UK-wide network radio stations are the most listened-to stations. BBC Radio 2 was the most popular radio station in Wales in Q1 2019 with a weekly reach of 35.7%, followed by BBC Radio 1 at 19.8% and BBC Radio 4 with 17.4%. BBC Radio 2 was also the most listened-to station In Cardiff, with a weekly reach of 33.4%. Global's Heart South Wales was the second most popular radio station in the Cardiff area, with a reach of 20.8%. Across north Wales, the three most popular stations were BBC Radio 2, BBC Radio 4 and BBC Radio 1.[196]

Table 4: Top three radio stations by region (based on RAJAR data for all adults 15+, Q1 2019).

Rank	Wales		Cardiff		North Wales		UK	
	Station	**Weekly reach**	**Station**	**Weekly reach**	**Station**	**Weekly reach**	**Station**	**Weekly reach**
1	BBC Radio 2	35.7%	BBC Radio 2	33.4%	BBC Radio 2	46.8%	BBC Radio 2	28.0%
2	BBC Radio 1	19.8%	Heart South Wales	20.8%	BBC Radio 4	21.9%	BBC Radio 4	20.1%
3	BBC Radio 4	17.4%	Capital South Wales	20.6%	BBC Radio 1	21.7%	BBC Radio 1	17.0%

Data on which shows or specific programmes on radio in Wales are the most popular could not be identified. However, Ofcom's 'Media Nations' reported that listening to radio in Wales peaked in Q1 2019 between 10:00-10:30 (in contrast to UK peak time between 8:00-9:00am) when around 15-16% of the population in Wales listened to *The Ken Bruce Show* on BBC Radio 2. Across the duration of the show it reached 20% of the population in the Cardiff area, higher than the average across the UK (16%).[197]

BBC network services make up nearly half of all radio listening in Wales (49%). When combined with BBC nations/local services, the Corporation's share of listening rises to 57%. Global and Communicorp, which between them operate the Capital, Heart and Smooth networks in Wales, account for 19% of listening while Bauer, which owns Swansea Sound and The Wave, has 9% of the share of listening.[198]

Radio Group

Radio Group	%
BBC UK-wide Network Radio	49.0%
BBC Nations / Local Radio	8.1%
Global	19.3%
Bauer Media Group	8.7%
Communicorp	4.1%
Nation Broadcasting	3.0%
Wireless Group	2.1%
Other	5.7%
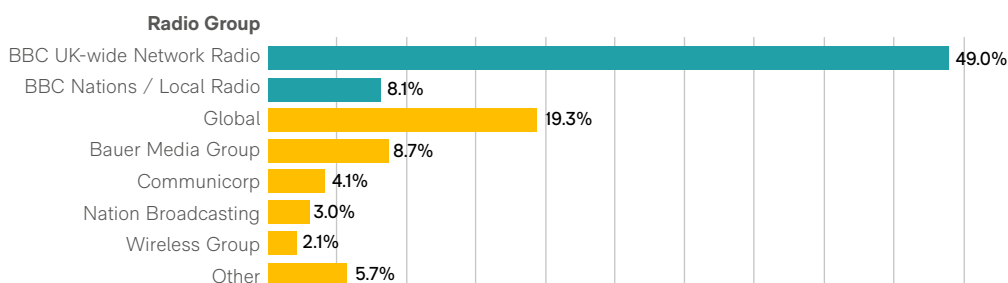
Figure 12: Share of listening by radio group in Wales in % (based on RAJAR data for all adults 15+, Q1 2019)

Technology up-take in radio

An increasing number of households in Wales own a digital radio (DAB) set

In 2019, 55% of households had one or more DAB radios (in comparison 54% in the UK). The number of households who own a radio is up by 5% from 50% of households in Wales in 2018.[199] Nearly six in ten adults in Wales have a digital radio. Ownership of DAB radio sets in Wales stood 58% in Q1 2019, including at home and in the car, and is 2% points higher than a year ago. Take-up was higher across the UK as a whole (67%). One in ten (11%) radio listeners in Wales who do not have a DAB set in the home said they were likely to purchase one in the next 12 months; the majority (70%) were unlikely to do so, and 19% were unsure.[200]
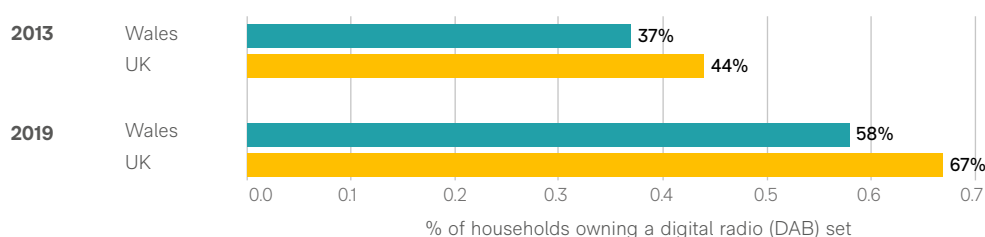

Figure 13: % of households owning a digital radio (DAB) set in Wales versus UK (based on RAJAR data from Q1 in 2013 and 2019)

Listening habits to radio in Wales: New devices change how people in Wales listen to the radio

Listening habits have changed in Wales with the growth of digital listening on DAB and online platforms like smart speakers and other internet connected devices as well as greater competition for listeners from podcasts and music streaming services (see below for more information on podcasts and streaming services and usage of smart speakers, etc.).

Live radio is still the most popular audio activity in Wales. In 2018, 77% of time listening to audio content in Wales was spent on live radio. However, an increasing amount of time was spent on listening to live radio on other devices than typical (digital and analogue) radio sets including laptops, tablets, mobile, etc. 5% of time was spent on such devices in Wales in order to listen to live radio in 2019 (in contrast to 72% on radio sets in total).[201]
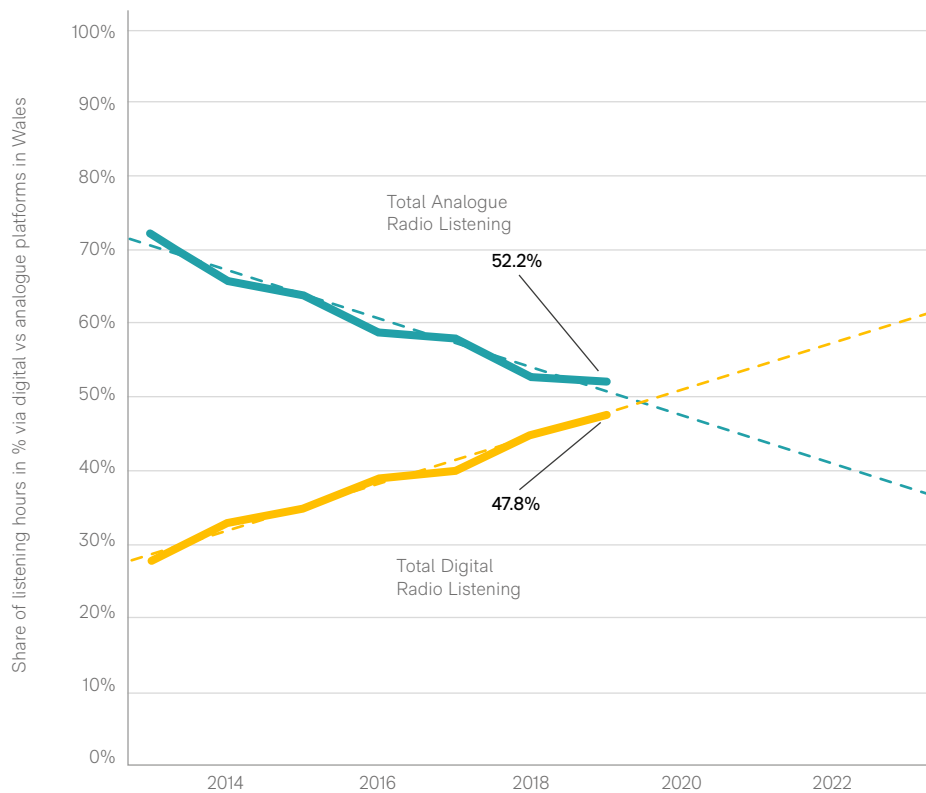
Figure 14:

Share of listening hours via digital and analogue platforms in Wales from 2013 – 2019 (with trendline till 2022) (based on RAJAR data Q1 in each year)

If we look at all digital listening including DAB, DTT and other online platforms (including smart speakers), as at March 2020 almost half of the listening to radio was done via digital means (47.8%). There has been a continuous increase in the last few years. The percentage of listening done through analogue radios on the other hand has continuously decreased in Wales. If this trend continues, we can expect that in the coming years digital platforms will become the dominant way of listening to radio in Wales. The share of digital listening in Wales is lower than in England (57.4%) and Scotland (55.1%) but higher than in Northern Ireland (39.5%). However, time spent listening online has increased more in Wales than in any other nation showing that Wales might catch up in the coming years.[202]

Radio transmission infrastructure in Wales

People in Wales can listen to radio through analogue platforms including AM/FM frequencies, DAB, DTV, or the Internet. Digital Radio is already broadcasted on digital television: Digital Terrestrial Television (DTT), Digital Satellite and Digital Cable. It is also possible to listen to digital radio via the Internet. However, the main portable stand-alone platform for digital radio is Digital Audio Broadcasting (DAB), which is the platform generally regarded by the radio industry as the main, free-to-air, free at the point of use, replacement for analogue radio in the UK. Unlike conventional AM and FM radio, which provides one radio service per frequency, DAB is delivered via a multiplex which uses one frequency to provide a number of digital radio services.[203]

BBC Radio Cymru and AM – BBC's plans of further closing medium wave transmitters

BBC is committed to a digital future for radio and invests in local DAB expansion. Parts of the plan to move completely digital for the BBC radio services are the closing of medium wave transmitters (AM) throughout the UK. The first transmitters were closed down in 2017. In February 2020, Starting in February 2020, the BBC moved on to the next stage of the plan, closing a further 18 medium wave transmitters across England, Scotland and Wales. This was due to be completed in mid-2020. In Wales, this included stations on AM in Tywyn, Forden and Llandrindod Wells transmitter areas, where BBC Radio Wales will not be receivable via AM anymore.[204] Radio Cymru is broadcast on an FM network (and is also available on DAB) while Radio Wales is broadcast on AM and DAB.

DAB radio is currently delivered across Wales via the UK BBC multiplex, the Digital One multiplex, owned by Arqiva, and Sound Digital, owned by Arqiva, Bauer Media Group and Wireless Group. At present, for technical reasons, it is not possible to vary the service line-up on the UK multiplexes to carry services specifically for Wales. Therefore, the BBC UK multiplex does not carry Radio Wales or Radio Cymru. In effect these services are treated instead as "local services" on local commercial multiplexes.[205]

Today, a number of local commercial multiplexes have been installed in recent years serving most of north and south Wales and coverage has significantly improved.[206] Local commercial multiplexes must carry the BBC's national/local radio services. Therefore, in Wales, under the must-carry arrangements, BBC Radio Cymru and Radio Wales are carried on these local commercial multiplexes. But local commercial multiplexes still do not serve most of mid Wales due to the challenging economics of DAB roll-out.[207]

DAB+ is based on the more modern AAC codec technology which makes more efficient use of the available spectrum that the MP2 codec used by DAB. The greater efficiency means either high quality of audio or greater choice of stations. Some multiplexes broadcast a mixture of DAB and DAB+ services but older DAB radios may not be able to decode DAB+.

Small-scale DAB is coming to Wales

Small-scale DAB (or Mini-Muxes) is a new way of transmitting digital radio that uses advances in software and low-cost computer technology to provide a flexible and inexpensive approach to the terrestrial broadcast of digital radio services to a relatively small geographic area. DAB multiplexes allow for many more stations to broadcast to smaller, more localised transmission areas. In the UK, the concept was first tested by Ofcom in 2012 and subsequently the UK Government funded a series of trials, licensed and facilitated by Ofcom, to test the feasibility of the technology. The trials demonstrated that small-scale DAB can provide a robust and reliable means for small analogue stations to broadcast on digital, as well as for entrants wishing to launch new radio services on a digital terrestrial platform.

Under the Small-scale Radio Multiplex and Community Digital Radio Order 2019 by the UK Government, Ofcom received powers to act on the roll-out of this new transmission infrastructure and licencing for small-scale DAB. Ofcom closed a public consultation on small-scale DAB in October 2019 and published its statement in April 2020.[208]

Ofcom will advertise licences for small-scale DAB in two batches, starting with 25 local areas. Cardiff and the Welsh Valleys are part of the first round. In the second batch, applications will be invited for areas in north east Wales as well. Under the timescale plans announced, it will take Ofcom over four years to advertise and award all the multiplexes currently planned. Community radio applications, in the form of the new Community Digital Sound Programme ('C-DSP') licences, will open for each local area at the same time as the publication of multiplex licence advertisements. Any radio station operating a C-DSP will need to provide social gain and have a studio based within the multiplex coverage area.[209] In return, community stations have reserved capacity on small scale multiplexes, enough for a minimum of three community radio services. The National Assembly of Wales in its 2018 report 'Tuning in' acknowledged the 'virtual monopoly' held over DAB broadcasting by DAB multiplex owner Arqiva – a situation which makes DAB broadcasting all but impossible for small or community operators. It recommended that Ofcom should review competition concerns in the area in Wales.[210] In Wales, small-scale DAB opens up new opportunities for community radio stations and to strengthen Welsh-language radio in the future.

DCMS described a programme to improve local DAB coverage, which in Wales received £7.3 million of capital funding, completed in March 2018. Wales accounted for 4.7% of the UK population and received a higher proportion (7.7%) of the total DCMS capital funding allocated to support local DAB network expansion.[211] In 2019, DAB services from the BBC National DAB multiplex network were available to 92% of households in Wales. Coverage of the majority of multiplexes remained unchanged in 2019. However, coverage of the second national commercial multiplex, Sound Digital, increased from 52% in 2018 to 57% of households in 2019 with the addition of extra transmitters to its network. The availability of local DAB multiplexes, which carry the BBC's two national services for Wales, Radio Cymru and Radio Wales, is lower in Wales (83%) than in any other nation in the UK.[212]
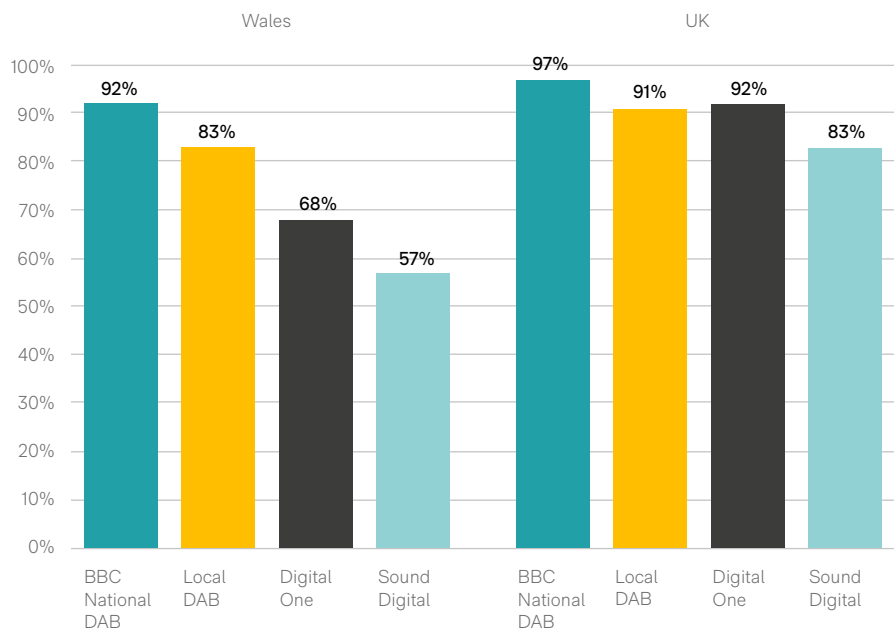
Figure 15:

Household coverage of DAB multiplex network in 2019

Currently many BBC and commercial radio services are broadcast on both platforms including FM/AM and digital via DAB. In the long term there will be a switchover from analogue to digital radio when AM and FM services will cease. When the digital switchover happens will be decided by the UK Government. Additionally, the roll-out of a new small-scale DAB infrastructure is in discussion.

The DAB digital switchover – When will it come?

The DAB switchover in the UK is being promoted by radio stations, the broadcasting industry and the UK Government on the premise that it provides superior quality sound over AM, a wider choice of radio stations, is easier to use, and is resistant to the interference to which other broadcast media are susceptible.[213]

The UK Government has set criteria on the coverage (90%) and proportion of digital listening (50%) before switchover can be considered. In 2018 the criteria of over 50% of digital radio listening in the UK was met. Additionally, with a number of FM and AM radio licences approaching final expiry in 2022, this will now require the UK Government to review digital radio in light of a potential switchover. However, the coverage and share of listening to digital radio is not evenly distributed throughout the UK.

In Wales, the 90% and 50% figures were almost achieved in 2019 (see above). However, this is not the case throughout the whole of Wales. And the Welsh Government has consistently stressed that it would not be in favour of digital switchover for radio until there is a guarantee of at least 97% coverage for DAB throughout Wales, in order to not fall short on the current AM/FM radio coverage in Wales. In 2019 this is only the case for BBC National DAB. This is particularly important in view of the fact that people in Wales listen to more hours of radio per week than the UK average and that rural areas in Wales today partly are only covered by AM.[214] In 2018 the Culture, Welsh Language and Communications Committee of the National Assembly for Wales recommended that DCMS should not take any decision on digital switchover until the relative lack of digital coverage in Wales had been improved.[215]

Radio production (and music)

Total expenditure of radio of the BBC in Wales has increased

The total spend of public service radio in Wales, including BBC Radio Wales, BBC Radio Cymru and the spend on BBC UK network radio (including BBC Radio 1 – 5) in Wales, increased by 42% from financial year 2014-2015 to 2018-2019 to £32m (in comparison, the total spend of BBC television – without S4C – was lower at £27.4m in 2018 – see above). The spend on radio by BBC was stable in 2018/19.[216]
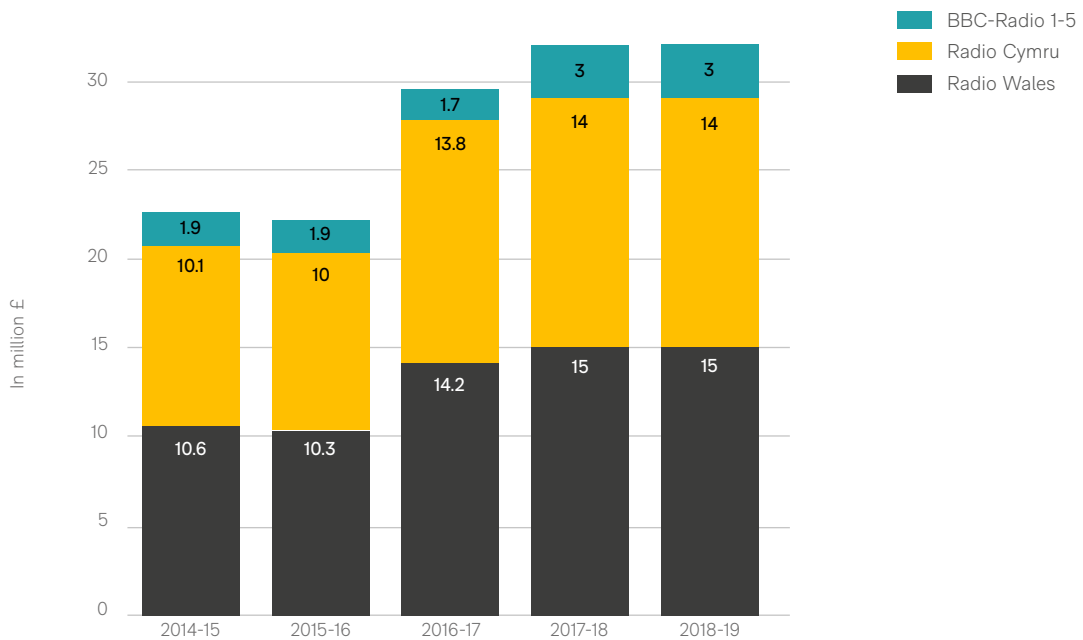

Figure 16:

BBC direct & indirect spend relating to radio programmes produced in Wales

Network and local spending obligations of BBC Radio in Wales

With respect to the new Charter and with Ofcom as external regulator, who imposed new quotas that came into effect in 2019/20 (see above for more information), the BBC public service radio stations which are designed for audiences across the UK must ensure that a proportion of relevant expenditure and radio programme production occurs in Wales (see below for details on news and current affairs quotas).[217] This is done by obligations specific to network radio spending and production outside of London, and by obligations specific to BBC Radio Wales spending and production in Wales.

— **For radio network programmes, the BBC must ensure that**, in each financial year, at least one third of relevant expenditure on programme production is incurred outside London (this includes Radio 1 -5) (for Radio 3, the quota is at 40% and includes Radio 3's allocation of the central orchestras' subsidy).

— **For all national and local services, the BBC must ensure that** the proportion of content which is speech content on that service is on average at least 60% in core hours (06:00 to 19:00 on Mondays to Fridays) and 100% during the breakfast peak (07:00 to 08:30 on Mondays to Fridays).

— **For BBC Radio Wales & BBC Radio Cymru, BBC must ensure that:** it provides content and music of particular relevance to Wales (the quotas for hours on news and current affairs are discussed below).

Compared to the obligations for BBC public service television, it can be noted that there are no specific quotas for spending for network programmes and the UK-wide stations do not have a quota for the number of hours of original Welsh content to produce / provide (see above). Compared to other UK-wide BBC radio services, there are similar obligations, except for BBC Radio Scotland, for which the BBC must additionally ensure it provides several national opt-outs each weekday, offering news, sport and information, and some national opt-out community programming in the evenings.

BBC's new Diversity Code of Practice and its possible impact on content provision and spending in Wales

In March 2018, the BBC published its first Diversity Code of Practice. This was part of the new Operating Licence for the BBC issued by Ofcom in 2017.[218] Ofcom included a specific regulatory condition for the BBC to establish and comply with a Code of Practice, approved by Ofcom, setting out the steps the BBC will take when commissioning content across all genres to ensure that it accurately represents, authentically portrays and reflects the diverse communities of the whole of the UK. In particular, the code of practice sets out the steps that the BBC will take, when commissioning content, in respect of on-screen portrayal and casting, workforce diversity of commissioned production teams, and the production and commissioning decision process.[219] The BBC must monitor its compliance with the code of practice and must report annually to Ofcom on its compliance with the code of practice during the previous Financial Year.

It can be noted that in the Diversity Code of Practice and the first report about its application[220] neither Wales nor the other nations are mentioned.

There has been criticism about how the commissioning culture within the BBC is almost entirely London-centric (see above). The new Code of Practice could have made the commissioning structure more transparent and would have given the opportunity (as requested by Ofcom) to make goals and report on the representation of the nations and to strengthen production in the nations, including in Wales.

Commercial and community radio spending obligations in Wales

Ofcom is required[221] to carry out functions relating to local commercial radio services in the manner that it considers is best calculated to secure that local analogue commercial radio stations provide:

> – programmes consisting of or including local material;

> – and locally-made programmes

to the extent (if any) that Ofcom considers appropriate, and to provide guidance as to how these statutory requirements should be met.

'Local material' is defined in the legislation as material which is of particular interest to those living or working within (or within part of) the area or locality for which [a given local radio service] is provided, or to particular communities living or working within that area or locality (or part of it). 'Material' is further defined as including news, information and other spoken material and music. 'Locally-made programmes' are defined in the legislation as programmes which are 'made wholly or partly at premises in the area or locality for which that service is provided or, if there is an approved area for the programmes, that area.'

Current legislation requires a 'suitable proportion' of commercial radio content to be produced locally. The regulation distinguishes between 'locally-made' programmes and local programming. The format includes specific obligations for the number of hours of locally-made programming. These have been reduced in recent years. It would be possible to produce locally made programming that has no local content. Similarly it would be possible to produce local content from another location e.g. Cardiff traffic reports being produced in London. There are no clear guidelines for all commercial radio stations active in Wales and there is no allocated data that can show the development of local radio content production. There are currently discussions about de-regulating local radio production (see above for more insights).

Perception of radio in Wales: Listeners are highly satisfied with BBC radio and value the support of local music

Around two-thirds of BBC radio listeners in Wales are highly satisfied (66% score at least 8 out of 10) with the stations they listen to. This is above the UK average (64%) and the highest among the nations.[222]

The number of people in Wales who are highly satisfied rose by 6 percentage points compared to the previous year. Radio listeners in Wales are also the most satisfied with BBC Radio compared to other radio stations with, for example, 25% of Heart listeners who are highly satisfied and 13% of Kiss listeners.[223]

People in Wales think that it is most important for BBC Radio to support UK music and presenters with 75% rating this delivery as the most important by the BBC Radio (ranking 7-10). This approval rate is by far the highest among the nations.

How can we ensure that Welsh talent is supported by BBC local and national radio services? Criticism on measuring culture in financial terms

The Welsh Government has stressed its concerns regarding how the new Charter for the BBC does not take the support of Welsh talent through the BBC into consideration. In the Welsh Government's response to the consultation on the BBC Charter Review in 2015, the Welsh Government stressed that radio has a crucial contribution to make in providing a platform for Welsh talent to be identified and developed.

The Welsh Government particularly highlighted: '...we are extremely disappointed that the consultation document highlights the following, questioning the value of indigenous language services in purely financial terms without any regard for their cultural or social importance'.[224]

In this regard, the renewed Charter and Operating licence did indeed not include any minority music language or programming quotas for the BBC even though this was been stipulated by different organisations.

Supporting mechanisms for music and audio content production: Funding from the Welsh and UK Government

The National Assembly for Wales, now the Senedd Cymru/Welsh Parliament, has no legislative competence in relation to broadcasting, including radio services, which remains reserved to Westminster. However, the Welsh Government is able to provide grant funding in this area, as it has previously done in the area of community radio. Additionally, local radio stations and the music sector can get support from the UK Government and other funding and supporting institutions (please note that this is not an exhaustive list).

PRS Foundation (funding)

The PRS Foundation[225] is a charitable funder for new music and talent in the UK and offers various funding opportunities such as the IPPL Momentum Music Fund[226], which offers grants of £5,000-£15,000 for UK based artists/bands. Activities eligible for support include recording, touring and marketing. The PPL Momentum Music Fund is run by the PRS Foundation in partnership with PPL, Creative Scotland, Arts Council of Wales, Creative Wales, Arts Council of Northern Ireland, Invest NI and Spotify, plus events partner Ben Sherman. The PRS Foundation and Arts Council England initiated The Momentum Music Fund in 2013.

Community radio fund (funding)

The Community Radio Fund ('the Fund')[227] exists to help community radio licensees and to support core costs incurred in the provision of community radio services. Ofcom administers the Fund on behalf of the Department for Digital, Culture, Media and Sport (DCMS). The money allocated to the Fund is given out in the form of grants, following a formal application process. More than £400,000 was made available for funding in 2018-2019 and more than £200,000 in 2019-2020. Applications from eligible licence-holders could also be submitted in Welsh. However, no Welsh community radio station was awarded in 2020, although some of the 9 on air community stations in Wales have been successful in past years.[228]

Call to re-open Welsh Government Community Radio Fund

The Welsh Government previously had a Community Radio Fund which ran from 2008-2014 and distributed £100,000 a year. In a 2018 session of the Culture, Welsh Language and Communications Committee, Steve Johnson (of the University of South Wales) strongly advocated for the return of this funding, arguing that the benefits of community radio included 'enabling participation, widening levels of media plurality and endeavouring to give a platform to marginalised, often unheard voices'.[229]

In its 2018 report, 'Tuning In'[230] also recommended 'The Welsh Government should publish its evaluation of the Community Radio fund and, drawing on any lessons learned, consider introducing a new fund, taking account of any synergies between Community Radio and other hyperlocal news providers.'

Audio Content Fund (funding)

The Audio Content Fund[231] is a scheme to provide funding for the creation of original radio and audio production in the UK. The Audio Content Fund is a not-for-profit company supported by a grant from the UK Government's Department of Digital, Culture, Media and Sport (DCMS). The fund is part of a pilot Contestable Fund, financed by the UK Government. In October 2018, the Government announced its plans for a three year 'contestable fund' pilot scheme of up to £60 million that will support the provision and plurality of public service content in genres and networks where it is currently financially difficult to fund production. The Fund is responsible for distributing a grant of up to £3 million which will be used to produce distinctive, public service radio programming that is traditionally more difficult to support on a commercial basis (such as documentaries, comedy, drama, events). A similar fund for Wales could have a huge impact, for example on the ability of community stations to resource independent news gathering and production.

Arts Council of Wales's Arts Grants and Funds (funding and support)

The Arts Council of Wales'[232] Arts Grants and funding programmes provide targeted support for artists and practitioners living and primarily working in Wales. The Arts Council of Wales provides various opportunities for funding and support for musicians and radio content production for individuals and organisations.

Help Musicians (support and grants)

Help Musicians[233] is an independent UK charity funded by donations that supports professional musicians of all genres, from starting out through to retirement. There are other outlets including Help Musicians Northern Ireland and Help Musicians Scotland, but not a Help Musicians Wales. Help Musicians also provides a number of awards and grants every year.

BBC Cardiff Singer of the World Competition

The BBC Cardiff Singer of the World Competition[234] was founded by BBC Cymru Wales in 1983 as a platform for young singers of opera and Lieder on the threshold of their professional careers. Contestants are auditioned by the Competition staff to select the final 25. The competition is open to applications from singers at the start of their careers, aged between 18-32. The CSOW receives £15,000 prize money and possibly a BBC engagement. An engagement with Welsh National Opera may also be offered. The four other finalists receive £2,500 each. The event is adjudicated by a panel of distinguished international jurors. This award is available every two years.

Launchpad Fund

The Launchpad fund[235], part of the BBC Cymru Wales and Arts Council of Wales' Horizons project is made possible by funds from the National Lottery. The scheme aims to develop emerging contemporary music in Wales. The Launchpad fund was launched in 2014 and since then it has invested £170,000 supporting over 170 new and emerging Welsh artists from all corners of the country.

Other funds and supporting institutions

Other funds and supporting institutions include for example the Welsh Singers Showcase[236], Radiocentre[237], the industry body for commercial radio, which offers for example training possibilities, and Creative Wales[238], which has music as one of the three core target sectors (see above for more information).

Notes

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136   The stations provided in the Table below have been identified through desk research and information have been added from Ofcom's overview of radio licences. Ofcom doesn't provide a separate list of radio stations licenced to Welsh areas.

137   These include: BBC Radio 1, BBC Radio 2, BBC Radio, BBC Radio 4 (including 4 Extra), We BBC Radio 4, BBC Radio 4 Extra, BBC Radio 5 live (inc. sports extra), BBC Radio 5 live, BBC Radio 5 live sports extra, BBC 6 Music, 1Xtra from the BBC, BBC Asian Network UK, BBC World Service.

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232   See https://arts.wales/funding

233   See https://www.helpmusicians.org.uk/about-us/what-we-do

234   See https://www.bbc.co.uk/programmes/b007qn4b

235   See https://www.bbc.co.uk/programmes/articles/4Yq8KVS72gm0yqh57dlNVjT/launchpad-fund-2020

236   See https://www.welshsingersshowcase.com/singing-competitions-uk/

237   See https://www.radiocentre.org/how-to-do-it/training/

238   See https://www.wales.com/creative-wales

3   Press and news

Newspapers and print publications

UK daily papers are among the most popular printed news sources in Wales

Looking at the most used news sources among printed newspapers in Wales (based on a survey from 2018-2019), UK daily newspapers dominate. Except for the South Wales Echo and the Western Mail, only UK-wide daily (and Sunday) newspapers feature as print sources of news for people in Wales. These include the Daily Mail, The Sun, Daily Mirror and Guardian/Observer, etc (see below for a full analysis of the top used news sources).[239] We can therefore assume that UK-wide newspapers are the most popular in Wales and that the market share of such newspapers is higher than national, local, and regional Wales-based newspapers. Despite the popularity of London-based newspapers in Wales, most UK newspapers do not produce regional editions for the Welsh audience (an exception was The Mirror which until 2003 branded the Wales version as the Welsh Mirror).[240]
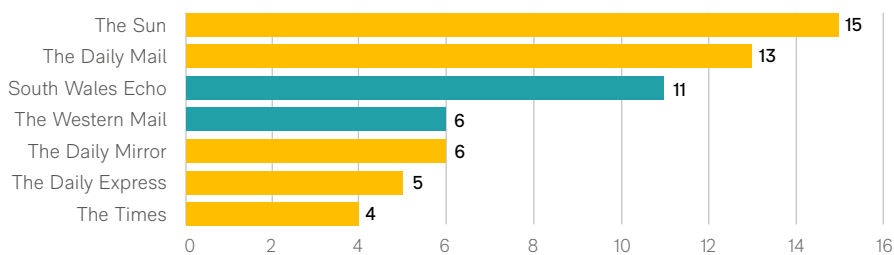
% of adults in Wales using each newspaper (only print) as source for news nowadays

Figure 17:

The most used news sources among printed newspapers in Wales (based on the News Consumption Survey presenting data from 2018) (any source with lower than 4% excluded from the chart)

Print circulation of Welsh newspapers is drastically decreasing

The trend identified in the 2008 IWA Media Audit and since then confirmed in the 2015 Audit has been progressing steadily: print circulations of Welsh newspapers have continued to drop sharply, either at similar margins compared to the time between 2013 and 2015 or even at increasingly greater rates of decline. This is the case for all kinds of newspapers including national, regional and local, daily and weekly newspapers. The Daily Post, the most popular regional newspaper in Wales with a circulation of about 16,000, lost more than 30% of its circulation figure since 2016. On average, newspaper circulation is declining by about 5-10% per year in Wales (see below).

These developments are congruent with what has been happening in the rest of the UK and the EU at large. Although print still remains dominant, non-digital newspaper industry revenues are projected to decrease further, while digital newspaper revenues are expected to grow.[241] This can be seen by the trend of newspapers in Wales to build up their digital offers or even completely moving to digital and ceasing their print publication (see below for more information).

Wales has no all-Wales newspaper

Unlike Scotland and Northern Ireland, the Welsh national press is limited. The only English-language Wales-based national newspaper is the Western Mail. While it describes itself as 'the national newspaper of Wales' (originally 'the national newspaper of Wales and Monmouthshire', it is only circulated in south Wales. The Western Mail is published by the biggest publishing company in Wales, Media Wales, which is owned by the Trinity Mirror Group as of 2009. Trinity Mirror Group bought its rival, Local World, that also produces the South Wales Evening Post in 2015.[242] This grouping has now been rebranded as Reach plc, which means there has been some consolidation in the market for regional newspapers in Wales in recent years. Reach plc (which also operates in England) and Newsquest Media Group are now the only players in the market.

The most read regional newspaper in Wales is the Daily Post (with a circulation of about 16,000). However, based on a 2018 survey, the South Wales Echo has been found to be the most popular news source among Wales-based newspapers (see below for more information).[243] [244]

Overall, all major regional newspapers in Wales have seen a steep decline in circulation figures. One peculiar observation is that the free-of-charge advertising-only magazine Metro, which is circulated in South Wales, did not see this development. However, the majority of the newspaper's content is produced at Northcliffe House in Kensington, west London, and there are no regional editions within England and Wales, except for occasional differences in sports and arts content catered to specific local audiences.

We can therefore infer that printed newspapers and magazines keep something of their relevance due to them being highly localized advertising space. It is, however, questionable how long prices for adverts within print media will remain stable and within a reasonable amount of demand, particularly with the reach of printed newspapers increasingly decreasing.

Table 5: National and supra-regional newspapers in Wales (change in circulation)

Newspaper Title	2013 Circulation	2015 Circulation	2019 Circulation	Change 2015-2019 in %	Owner
Western Mail (North Wales)	25,898	17,815	10,341	41.9	Reach/ Media Wales
Daily Post (North Wales)	30,606	24,485	16,327	33.3	Reach plc
South Wales Echo (South Wales)	31,009	18,408	10,335	43.9	Reach plc
South Wales Argus (South Wales)	22,314	12,671	8,168	35.5	Newsquest Media Group
South Wales Evening Post (South Wales)	38,364	27,589	13,275	51.9	Reach/ Media Wales
Metro (South Wales)	25,531	25,951	25,678	1.1	DMG Media

UK daily papers' circulation figures are also declining

UK daily newspapers have also been on the path of continuous decline since 2007. And it can be said that the decline per year per newspaper has in some cases almost doubled since 2015 when compared to the relative decline per year between 2007 and 2015. Due to this decline, UK papers often focus now more on digital offerings. For example, the Independent and Independent on Sunday newspapers ceased print editions in March 2016, leaving only an online edition[245] (see below for more information).[246]

Table 6:
UK (daily/weekly) newspapers read in Wales (change in circulation)
(data from all UK without Northern Ireland)

Newspaper Title	2013 Circulation	2015 Circulation	2019 Circulation	Change 2015-2019 in %
The Daily Mirror	1,554,000	777,597	441,934	43.2
The Sun	3,043,000	1,772,043	1,206,595	31.9
The Daily Express	765,000	415,156	289,679	30.2
The Daily Mail	2,294,000	1,505,058	1,134,184	24.6
The Times	636,000	368,802	359,960	2.4
Financial Times	452,000	209,264	155,009	25.9
the Guardian	371,000	168,743	126,879	24.8
Daily Telegraph	894,000	473,243	317,817	32.8
Independent	245,000	57,638	n.a.	n.a.

Consolidation and declining circulation figures of Wales' local newspaper market: Many areas in Wales do not have access to local news

Overall, there has been a massive consolidation in the local newspaper landscape in Wales in the last few years, reflecting the situation in the UK at large. Local newspapers are now owned by two companies: Reach plc and Newsquest Media Group. In general, local print media in Wales is further converging, with acquisitions and shared content making the whole market smaller. For example, Reach plc, formerly known as Trinity Mirror Group, acquired Northern & Shell, including the Daily Express, Sunday Express, Daily Star and OK! in February 2018.

Concerns about the market concentration of newspapers: what about Welsh content?

Due to the acquisition request of Reach plc of Northern & Shell Media Group Limited, Ofcom responded to an inquiry of the Secretary of State in 2018. Ofcom's Advisory Committee for Wales expressed concerns in general about the current 'lack of plurality within the newspaper market in Wales' and the 'dominance of Trinity Mirror in Wales' newspaper market'. The Committee highlighted that Trinity Mirror is the owner of both of Wales' major daily papers, the Western Mail and The Daily Post, and the increased 'dominance 'of Trinity Mirror's regional output, under Media Wales, following its acquisition of Local World in 2015. In relation to the transaction, Ofcom's Advisory Committee for Wales acknowledged that Northern & Shell has no Wales-specific brands and therefore the transaction may appear to have little impact on plurality within Wales. However, the Committee argued that Northern & Shell papers are widely read in Wales and that the distinction between UK national and pan-Wales/ 'regional' titles is blurring.[247]

Looking at the local newspapers available in Wales, there is also a strong general decline in print circulation, with yearly rates ranging from 5% to almost 20%. Of all print-media listed we can observe an average yearly decline of about 10% (even higher than for regional or UK-wide newspapers).[248] A 2016 study by King's College London found that in the whole of the UK, central and southern Wales are areas that are particularly underserved by local daily newspapers (next to the south east of England, Devon and Somerset and middle England). Additionally, only 58% of parliamentary constituencies in Wales have local daily newspaper coverage. The study also found that most of Wales is dominated by a single publisher.[249]

The death of the local newspaper?

The House of Lords' Communications and Digital Committee launched an Inquiry into the future of journalism in the UK in February 2020.[250] The inquiry was a follow-up to the Cairncross Review on the sustainability of UK journalism from 2019.This Review highlighted that we are likely to see a further decline in the size of the UK's news publishing sector, both in journalists and in titles.[251] The February 2020 inquiry aimed to investigate changes in the production and consumption of news, and the ways in which journalists' adaptation efforts may be supported.

And change and support is needed to stop the development of further local newspapers also shutting down in Wales. If nothing changes, the consequences could be dire. A 2016 study by King's College London found UK towns, whose daily local newspapers had shut, suffered from a 'democracy deficit' with reduced community engagement and increased distrust of public bodies.[252] 'We can all have our own social media account, but when [local papers] are depleted or in some cases simply don't exist, people lose a communal voice. They feel angry, not listened to and more likely to believe malicious rumour', said Dr Martin Moore, director of the Centre for the Study of Media, Communication and Power at King's College London, which published the report.[253]

Could digital business models be the answer? In a *Guardian* article, Newsquest chief executive Henry Faure Walker said that although digital income was rising, cuts were needed partly because the papers' traditional funding model of advertising had declined so badly and social media giants like Facebook and Google were 'free-riding' newspaper's content and giving 'peanuts in return'. In 2016, the newspaper trade body The News Media Association (NMA) also raised concerns about the rise of digital news, saying the BBC's news website 'risks damaging the local press sector, which is currently in transition to a sustainable digital world'. The digital sphere is a new competitive world for newspapers, where they have to compete against international digital giants and other news providers like publishers. But it seems there is no other way for newspapers to survive in the future. Innovative and new models to distribute news are needed in the future. And it becomes the responsibility of the UK Government to create a playing-level field for all online news providers from social media, to the BBC and newspapers.

Table 7:
Welsh regional / local papers listed in ABC since 2015 (change in circulation)

Product	2015 Circulation (*2013)	2020 Circulation (*2019 or indicated)	Change in %	Average change in % per annum	Owner
Caernarfon & Denbigh Herald	6,456	1,666*	74.2	18.5	Reach Regionals
Cardiff - South Wales Echo	17,820	10,355	41.9	8.4	Reach Regionals
Carmarthen Journal	11,225	6,047	46.1	9.2	Reach Regionals
Cynon Valley Leader	2,619	887	66.1	13.2	Reach Regionals
Daily Post (Wales)	23,645	16,327	30.9	6.2	Reach Regionals
Glamorgan Gazette	7,267	2,859	60.7	12.1	Reach Regionals
Gwent Gazette	2,311	726	68.6	13.7	Reach Regionals
Holyhead and Bangor Mail	5,081	1,320	74.0	14.8	Reach Regionals
Llanelli Star	9,172	4,749	48.2	9.6	Reach Regionals
Merthyr Express	5,159	1,437	72.1	14.4	Reach Regionals
North Wales Weekly News	7,815	2,899	62.9	12.6	Reach Regionals
Pontypridd & Llantrisant Observer	2,836	855	69.9	14.0	Reach Regionals
Rhondda Leader	3,485	1,081	69.0	13.8	Reach Regionals
Wales on Sunday	14,314	7,147	50.1	10.0	Reach Regionals
South Wales Evening Post	24,310	13,257*	45.5	11.4	Reach Regionals
WM The Woman's Magazine	25,940*	21,830* (2016)	15.8	5.3	Reach Regionals
South Wales Argus	11,344	8,563*	24.5	6.1	Newsquest Media Group
South Wales Guardian	4,532	3,379*	25.4	6.4	Newsquest Media Group

Product	2015 Circulation (*2013)	2020 Circulation (*2019 or indicated)	Change in %	Average change in % per annum	Owner
Barry & District News	3,600	2,642* (2018)	26.6	8.9	Newsquest Media Group
Campaign	20,498	20,304* (2016)	0.9	0.9	Newsquest Media Group
County Times	13,598*	10,371* (2018)	23.7	4.7	Newsquest Media Group
Denbighshire Free Press	5,891*	3,727* (2018)	36.7	7.3	Newsquest Media Group
Free Press Monmouthshire & Pontypool	4,061	2,851* (2018)	29.8	9.9	Newsquest Media Group
Milford Mercury	1,940	1,568* (2018)	19.2	6.4	Newsquest Media Group
Penarth Times	3,740	2,816* (2018)	24.7	8.2	Newsquest Media Group
The Leader	13,653*	6,271* (2018)	54.1	10.8	Newsquest Media Group
Tivy-Side Advertiser	5,250	4,114* (2018)	21.6	7.2	Newsquest Media Group
Western Telegraph	12,315	9,475* (2018)	23.1	7.7	Newsquest Media Group

Wales has double as many hyperlocal news providers as expected

The Centre for Community Journalism (C4CJ), which is part of Cardiff University's School of Journalism, Media and Cultural Studies defines 'a community and hyperlocal news publication as a news service that typically pertains to a specific geographic area such as a town, neighbourhood, village, country or even postcode.'[254] In 2017, the Senedd Research service of the National Assembly for Wales announced that there were around 400 active hyperlocal publishers in the UK, 46 of which were in Wales. This was more than double what one might expect given Wales's population share. It can be expected that this number has grown since 2017.[255] Examples of hyperlocal news publications across Wales are the Caerphilly Observer, Wrexham.com, My Newtown, My Welshpool and Deeside.com. Each is run by a handful of individuals who regularly publish new, original and up-to-the-minute newsworthy content.[256]

On the one hand, hyperlocal newspapers can bring many benefits. The C4CJ highlights that independent community and hyperlocal journalism is a movement that is still growing and can help 'promote social cohesion, connect[s] and engage[s] individuals to address local issues and affect positive change'. Further, hyperlocal and community news publishers are holding authority to account, delivering contemporaneous and in-depth election coverage, campaigning, encouraging civic participation, giving communities a voice, storytelling, reflecting cultural identity, promoting civic pride, changing perceptions, and plugging gaps in news provision.[257]

On the other hand, hyperlocals are a tough prospect to make economically self-sustaining. Although often born from the opportunities provided by online publishing, they are subject to the same revenue-generating difficulties as the traditional newspapers they are replacing in some places. This is supported by a report produced by Nesta in 2016, which analysed a number of hyperlocal news providers in the UK. Nesta found that a sustainable business model for hyperlocal news is an increasing challenge, and evidence suggested that the 'hardest to fund has been local news reporting'.[258] Senedd Research stated that just over 10% of hyperlocals generate more than £500 per month in revenues.[259]

Supporting hyperlocal news in Wales

In its 2018 'Inquiry into News Journalism in Wales' the Culture, Welsh Language and Communications Committee of the then National Assembly of Wales highlighted the role and importance of hyperlocal news. The report stated that 'it is pleasing to note that Wales has more than twice the number of hyperlocal news providers than might be expected' but 'given current trends and the absence of a strong indigenous print media in Wales, hyperlocal news providers' contribution to the overall journalistic ecosystem is valuable and should be nurtured and encouraged'. It recommended that 'the Welsh Government should nurture and encourage the hyperlocal sector as a way of encouraging new entrants to the market and supporting innovative approaches to the provision of local news journalism.'[260]

In March 2019, the Welsh Government announced a fund of £200,000 for independent community publishers or hyperlocal publishers, called the Independent Community Journalism Fund. The fund supported publications that are independent of political, commercial, and religious interests; are community-focused and produce contemporary news content and was made available to eligible Welsh-based print and online publications who had been actively publishing for six months or more in Wales. The grant funding was made available from 1 April 2019 for one year.[261] No information about the outcome has been made available as of now. Additionally, in April 2020, an emergency fund (in light of the coronavirus crisis) was made available. Welsh members of the Independent Community News Network have been awarded emergency grant revenue funding of £8,500.[262]

Hyperlocal Welsh-language newspapers receive public support

Y Cymro ('The Welshman') was Wales' only weekly Welsh-language national printed newspaper, first published in 1932 up until 2017. In 2017, the owners and publishers, Tindle Newspapers Group announced that they would stop publishing the paper. In March 2018, new owners Cyfryngau Cymru Cyf started publishing Y Cymro as a monthly newspaper. By the time of its cessation in 2017 its sales had dwindled to around 2,000 copies.[263]

While there are no daily or weekly Welsh-language all-Wales or supra-regional newspapers, the hyperlocal newspaper market for Welsh-language newspapers seems to strive. Besides the 50 plus hyperlocal news publications available in Wales (see above), there are in addition more than 50 Papurau Bro (Welsh-language newspapers) that have provided monthly local news to Welsh-speaking communities for over 40 years.

Papurau Bro are a network of local papers that, as of 2019, consist of 52 publications across Wales and have a collective nationwide circulation of more than 56,000. The Papurau Bro network consists primarily of community-run grassroots papers, which are managed and produced by volunteers or paid staff. The first such publication was Y Dinesydd ('The Citizen'), established in Cardiff in April 1973. Another example is the Papur Dre in Caernarfon, which has a website and a monthly circulation of 1,500, meaning it is bought by roughly one fifth of the local population.[264]

Support for Papurau Bro and the network's Welsh-language publications

The Welsh Government supported Papurau Bro in recent years through multiple funding and support schemes. It gave £88,880 to the 52 publications in 2016, and its 2016 Welsh Language annual report praised an increase in the circulation of the papers as 'very encouraging', saying 'there is an important place for them in the life of Welsh communities'.[265] Their work was additionally supported with funding from the National Assembly of Wales, which in 2019 granted £114,650 to the network, pledging between £1,050 and £2,300 per publication each year. The funding was based on the recommendations developed by the Digital News and Information Taskforce, convened by the National Assembly for Wales in 2016. In 2019, the Welsh Government announced a new fund had been established to support the publications of Papurau Bro.[266]

From 2012 till 2016, Nesta also supported and contributed to Papurau Bro publications. As part of Nesta's Destination Local, which was investing in hyperlocal media across Britain, Papurau Bro publication, Papur Dre, teamed up with local production company Cwmni Da and local college Coleg Menai. The collaboration was focusing on engaging all parts of the community to create digital content on an app, website and video. It was produced by a team of around 12 students at Coleg Menai.[267]

Other publications in Wales: Magazines and zines

Besides newspapers, there are a number of English- and Welsh-language magazines and zines (small circulation and often self-published magazines) available (please note that this is not an exhaustive list):[268]

- Barn, a monthly current affairs magazine;

- Y Faner Newydd, an independent magazine focusing on such topics as broadcasting, literature, history, art, science, and current affairs;

- Around Town, a free lifestyle and events magazine which publishes four variant editions that serve Bridgend, Cardiff, Swansea and Rhondda Cynon Taff;

- Golwg ('View'), a Welsh-language magazine covering current events and features and claims a monthly circulation of 12,000, the largest circulation of any magazine in Wales;

- Cambria, a bi-monthly magazine, which referred to itself as the 'National Magazine of Wales', launched in 1997 covering the arts, current affairs, topical subjects, history and lifestyle (Cambria faced closure in 2015 after losing its funding from the Books Council of Wales, but was temporarily saved after a newly formed company, MegaGroup Newspapers, bought a half share in the publication. It printed its final issue in 2016 and MegaGroup was made insolvent in 2017);

- Planet, a bi-monthly magazine covering the arts, literature and politics in Wales and the wider world, which is produced in Aberystwyth;

- Times Educational Supplement (Welsh edition), called TES Cymru, dedicates a number of pages to Wales' devolved education system, with a reporter based in Cardiff; and

- Specialist zines produced in Wales, including Gagged! (the South Wales anarchist newsletter), The Free Flyer (the free paper for 'Brecon, Builth, Crickhowell, Hay on Wye, Llandovery, Llandrindod, Llanwrtyd, Talgarth and Rhayader'), and the Cambrian Snooze newsletter in Aberystwyth.

Television and radio news

BBC One and ITV are the most used news sources among TV channels in Wales

Of course, in addition to newspapers, national, local and UK-wide television channels also deliver news to Welsh audiences. BBC One and ITV 1 Wales are the most-used sources for people in Wales looking for news on television (see below for more information about the most popular news sources in Wales).[269] BBC One, ITV 1 Wales and S4C are the only television channels that provide specific news about Wales.

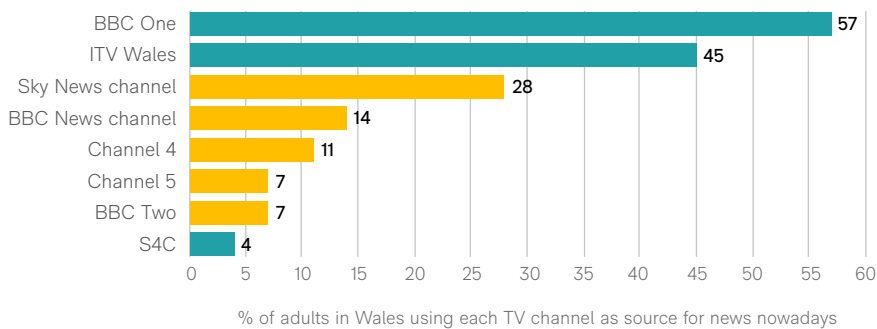% of adults in Wales using each TV channel as source for news nowadays

Figure 18:

**The most used news sources among TV channels in Wales
(based on the News Consumption Survey presenting data from 2018)
(any source with lower than 4% excluded from the chart)**

Total hours of news and current affairs content in television for Wales is stable

ITV Cymru Wales, BBC Cymru Wales and S4C (as well as the local television operators) have to provide news and current affairs content to audiences in Wales (see above for more information on content provision requirements of television operators).[270] Overall the number of hours transmitted of local news and current affairs on television in Wales has been stable over the last five years.[271] BBC Cymru Wales and ITV Cymru Wales also provide Welsh language current affairs programmes for S4C

Figure 19:

Total hours of news and current affairs content in television for Wales

The ITV Cymru Wales licence, which was renewed on 1 January 2015 for ten years, requires ITV to produce 4 hours of news programming and one and a half hours of current affairs and other programming a week. The BBC, through its operating licence, which came into effect on 1 January 2018, must also fulfil regulatory conditions specific to news for Wales. This was significant as for the first time the Channel 3 licence for Wales was separated from the licence for the West of England. BBC One Wales needs to allocate at least 275 hours to news and current affairs programmes per year. Both ITV 1 Wales and BBC One Wales exceed the minimum required amount of news hours in Wales.

BBC One Wales' and ITV Wales' early evening news bulletins attracted a lower share in Wales than their equivalents in the other devolved nations

BBC One Wales' early evening news bulletin decreased from a 29.2% share of the slot's viewing in Wales in 2017 to 26.9% in 2018. This was lower than the equivalent early-evening news programmes in Scotland and Northern Ireland. ITV Cymru Wales' counterpart Wales at Six increased its share of viewing from 21.1% in 2017 to 22.2% in 2018; its share was similar to the Channel 3 UK average share (22.9%) for this slot.[272]

Accusations of news bias and editorial failure at the BBC

One month on from the UK's 2019 general election, the BBC came under pressure because of accusations of partiality. Senior media figures warned that broadcasters risked breaching their obligation to remain impartial during the election. It came after the prime minister rejected a televised appeal by Andrew Neil to submit to an interview. In a clip viewed six million times on social media, the BBC presenter delivered a monologue about Boris Johnson's refusal to appear and questioned his trustworthiness.[273] Other criticisms about BBC coverage were put forward after this. For example, Labour Treasury spokesman and former BBC journalist Clive Lewis said the broadcaster framed its coverage of the economy with an assumption that free markets are divorced from democratic control or oversight, thereby limiting what the public believes is possible when it comes to a more radical agenda of government intervention. The Liberal Democrats, for their part, were angry that their leader Jo Swinson had been left out of the planned head-to-head debate between Johnson and Corbyn. Swinson threatened legal action, accusing the broadcaster of being 'complicit in another establishment stitch-up to shut down debate on the most important issue for generations: Brexit.'[274] Tony Hall, the director-general of the BBC, defended the corporation's election output against accusations of bias, saying that the national broadcaster had faced criticisms of its output from both leftwing and rightwing commentators in the weeks leading up to election day.[275]

As a public service broadcaster financed by the TV licence fee, the BBC falls under specific requirements in terms of impartiality. The section of the Ofcom Broadcasting Code that relates to this is Rule 5 on 'Due Impartiality and Due Accuracy and Undue Prominence of Views and Opinions'. The Framework Agreement accompanying the BBC Charter requires the BBC to observe the impartiality requirements of the Broadcasting Code; however, by applying 'due impartiality' to all output, the BBC exceeds that requirement. Nonetheless, how these rules are applied need constant revision and a public debate. The impact that public broadcasting news can have on political processes should not be under-estimated.

BBC Radio stations are the most used news sources on radio in Wales

UK BBC Radio stations in Wales are the most-used sources for people in Wales looking for news on the radio. This is followed by Heart FM and local commercial radio stations. Only 4% of adults in Wales use BBC Radio Wales or Cymru as a news source (see below for more information about the most popular news sources in Wales).[277]

BBC Radio Wales under criticism for changing the Radio breakfast programme

In May 2019, BBC Radio Wales dropped the Good Morning Wales programme for a new breakfast show with Claire Summers. The Welsh Government raised concerns about the schedule changes at BBC Radio Wales. Deputy Economy Minister Lee Waters AM used a meeting with broadcasting regulator Ofcom to object to the decision to drop the Good Morning Wales programme criticising there would be 'no serious news programme' broadcast at breakfast time anymore. The BBC defended its decision and highlighted that the replacement breakfast programme would not adopt a 'magazine' format. Addressing questions from members of the Culture, Welsh Language and Communications Committee in May, the director of BBC Cymru Wales said the story count is higher because there is more pace in the new show.[276]

These kinds of debates raise interesting questions about what can be defined as news programmes and what can not. There are no clear definitions. Ofcom as regulator can still make decisions to prevent such changes in the future and a lively debate about news provision should be taken seriously.

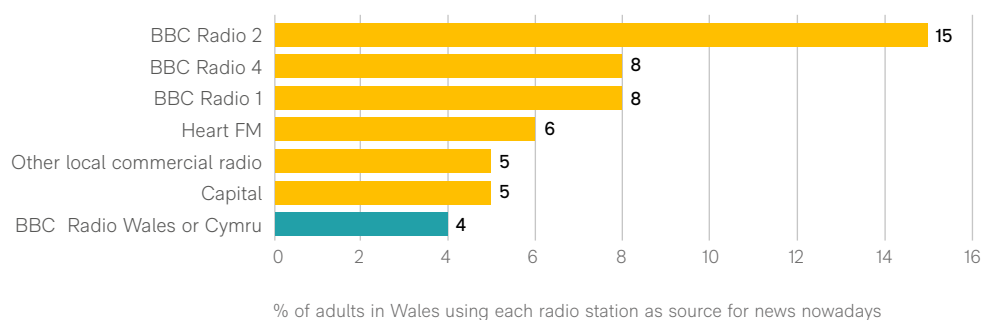% of adults in Wales using each radio station as source for news nowadays

Figure 20:

**The most used news sources among radio stations in Wales
(based on the News Consumption Survey presenting data from 2018)
(any source with lower than 4% excluded from the chart)**

News content on BBC Radio in Wales

Based on their licences, commercial, public as well as community radio stations are required to provide a certain number of hours of news and current affairs content to their audiences in Wales. Whether these news hours are locally relevant or not is not really defined. The news provided has to be 'local', ie as required by each station's format and Ofcom's localness guidelines. But there is no editorial requirement as to the nature of this news, or to the level of depth or analysis. For example, BBC Radio Wales must, in each week, allocate at least 32 hours to news and current affairs (including repeats and acquisitions) and it must provide content and music of particular relevance to Wales. For BBC Radio Cymru, the BBC must ensure that in each week the time allocated to news and current affairs (including repeats) is not less than 23 hours. Both stations indicated that they provide more news than the minimum required number of hours. It is worth noting that there are no rolling radio news services for Wales, an equivalent of Radio Five Live, LBC or Times Radio.

Where is the 'all-Wales news' on the radio? Senedd calls for new regulations

In its 2018 report 'Tuning In', the National Assembly's Culture, Welsh Language and Communications Committee referred to the Ofcom Advisory Committee for Wales who argued for the introduction of the regulatory concept of 'all-Wales news'. As of April 2020, regulation and the DCMS's proposals cover local news, and UK-wide news, omitting the mid-tier of constituent nations of the UK. The Ofcom Advisory Committee argued that 'the provision of news is of a particular importance to civic life in Wales'. Based on this, the Committee recommended: 'The DCMS should consider introducing a regulatory requirement for commercial radio stations in Wales to report on distinctly Welsh news, as well as local and UK news as part of its reform of commercial radio.'[278]

Should an 'all-Wales news' concept be adopted?

The Senedd Research blog argues that 'local commercial radio in Wales has the lowest commercial revenue per head of any of the UK nations' and 'this low commercial revenue suggests – at least on this metric – that the business case for running a commercial radio station in Wales is more challenging'. Therefore, new 'all-Wales news' conditions could put commercial radio stations at a further disadvantage in Wales.[279]

The 'all-Wales news' condition seems a way forward to secure news provision in Wales. However, what needs to be taken into consideration is that only a level-playing field for news providers will not put any players in Wales' market at a disadvantage. This could be created by ensuring that similar regulatory conditions are set for all nations and for all kinds of radio stations and even other media outlets. For example, at the moment BBC Radio (except for BBC Radio Wales / Cymru) does not provide local opt-outs for news in Wales either.

However, we can find a slow decrease in the number of hours on news and current affairs provided by BBC Radio Wales and BBC Radio Cymru over the last few years.[280]
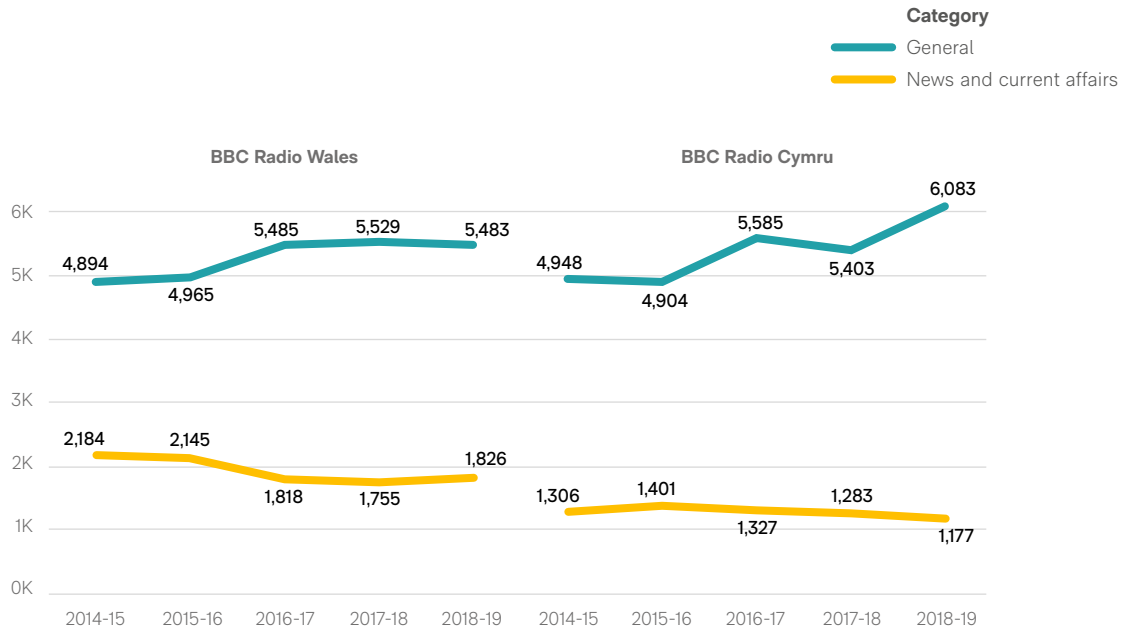

Figure 21:

Total hours of news and current affairs content on BBC Radio Wales and BBC Radio Cymru

Online news

Almost every second adult in Wales uses social media to access news

In 2018, social media was the second most used platform for news in Wales (45%) and is used more frequently than any other type of internet news source (see below for more information about the most popular news sources in Wales).[281] Compared to data from a St David's Day Poll by the BBC, this rate was 33% in 2017 and 29% in 2016.[282] The use of social media in Wales is constantly increasing (see below for more information). The most used news source among social media applications in 2018 is Facebook with two in five adults in Wales using the platform as a source for news.[283]
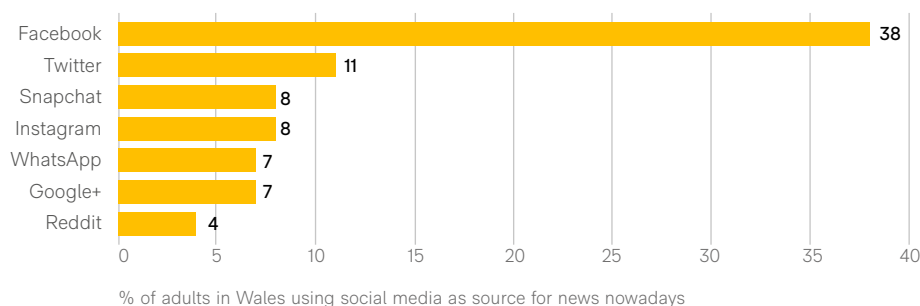

% of adults in Wales using social media as source for news nowadays

Figure 22: **The most used news sources among social media platforms in Wales (based on the News Consumption Survey presenting data from 2018) (any source with lower than 4% excluded from the chart)**

Social media can create both opportunities and threats for news media. On social media traditional media players like newspapers, radio stations and TV broadcasters (locally to internationally) can expand audiences, increase geographical reach, respond more quickly than ever before to news events and issues and interact with news consumers in Wales. However, their capacity to respond to these opportunities may be limited by competition for audiences from non-traditional news providers and yet limited opportunities to profit from social media engagement.[284]

Social media has democratised the means of news production and dissemination, which also supports online journalism and citizen media. However, this has also opened the door to the spread of fake news / misinformation or misleading information, which creates an increasing threat to society and democratic processes (see below for more information about social media and fake news / misinformation).

The BBC website or app is the most used news source on the Internet (after social media)

After social media, adults in Wales look for online news most often via the BBC website or app (18%) or via Google (13%). The websites or apps of national and local newspapers are also popular sources for news in Wales (see below for more information about the most popular news sources in Wales).[285]

% of adults in Wales using other internet sources as source for news nowadays
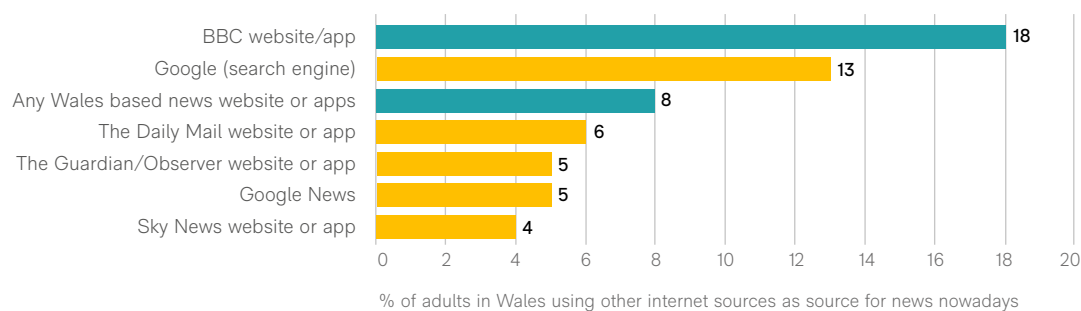
Figure 23:

The most used news sources among other online sources (not social media) in Wales (based on the News Consumption Survey presenting data from 2018) (any source with lower than 4% excluded from the chart)

Huge demand for online content has driven the investment in the digital operations of Welsh media organisations in the last decade. Most traditional players including newspapers, TV broadcasters and radio stations have a website, an app and social media presence with increasing usage. For example, WalesOnline (see below) has 6,761,649 average monthly unique browsers and the Daily Post has 2,145,355 average monthly unique browsers (July 2017).[286]

The 2020 modernisation plans of the BBC Newsroom: the cutting of news programmes and a more digital focused approach

In January 2020, BBC News outlined plans to modernise its newsroom to respond to changing audience needs and complete its £80m savings target (see above). This was driven by pressures across the BBC, including the last licence fee settlement.

The BBC newsroom was to be reorganised along a 'story-led' model, focusing on news stories more than on programmes or platforms bringing online and television programme production together. This was designed to reduce duplication and to ensure that BBC journalism is making as much impact as possible with a variety of audiences, rather than stories only appearing on one outlet or platform. There was to be further investment in digital news, with a new version of the BBC News app with increased personalisation.

However, it was also announced that the changes meant there will be a reduction in the overall number of stories covered and that several news programmes would be cut or reduced due to cost effectiveness:

– the Victoria Derbyshire programme (a weekday current affairs programme on television) was to be shut down;

– the number of films produced by Newsnight (news and current affairs programme, that provides in-depth investigation and analysis) was to be reduced;

– World Update on World Service English would be be closed, alongside other schedule changes.

– Reductions of journalist and presenter jobs were also outlined within the announcement (see below for more information).[287]

Other online sources for news in Wales

Finally, in Wales, online news cannot only be accessed via social media, google, the websites and apps of broadcasters and newspapers, but also through a number of other online sources in English and Welsh (please note that this is not an exhaustive list):[288]

- WalesOnline, Media Wales' website for Welsh news, sport, business and entertainment;

- Cardiff Online, Media Wales' portal for news from the country's capital including different sections include information on local community news, your Cardiff, lifestyle, Parklife (local sport), and more;

- Golwg360, launched by Golwg in 2009, a news website offering daily Welsh and international news in the Welsh language (initially launched with £600,000 funding from the Welsh Government, and currently funded through the Books Council of Wales);

- Senedd Home, operated by Blogger Owen Donovan, a network of blogs covering a range of hyperlocal and national events (including Senedd Home - reporting on the business of the now Senedd Cymru/Welsh Parliament and its Government; State of Wales - about Welsh national issues and developments; and Oggy Bloggy Ogwr - reporting on Local Authority matters in Wales);

- Nation.Cymru, a national English language news service established in 2017 by Bangor University journalism lecturer and former Golwg editor Ifan Morgan Jones, alongside its current CEO Mark Mansfield, which provides pan-Wales reporting to inform Welsh people particularly about politics, the Senedd/Welsh Parliament, and the functioning of the devolved Government;

- Business News Wales, focussing on business news in Wales;

- Hansh: Dim Sbin is a partnership between ITV Cymru Wales and S4C with trainee journalists creating online current affairs and some news content for younger audiences on platforms including Twitter and Instagram.

- Additionally, there are different sports media websites like Dai Sport and Y Clwb Pel Droed.

News consumption and production

BBC Cymru Wales, ITV Cymru Wales and Facebook are the most-used sources for people in Wales looking for news

Bringing all the different news providers discussed above together, TV remains the most-used platform for news consumption by adults in Wales at 75%, compared to 80% in 2018. Social media is the second most used platform for news in Wales (45%) and is used more frequently than any other type of internet news source.[289]

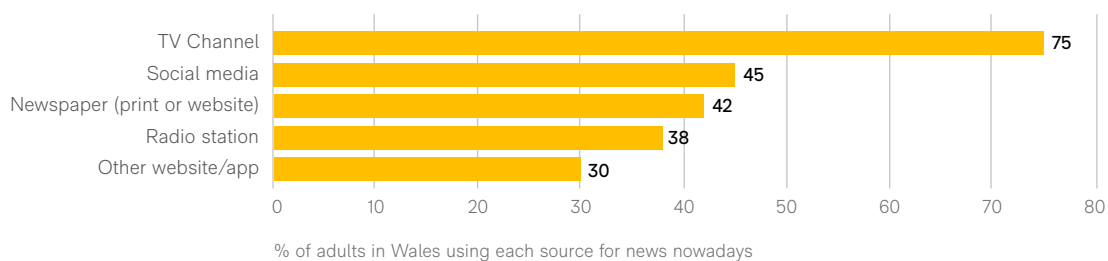% of adults in Wales using each source for news nowadays

Figure 24:

The most used news sources among all platforms in Wales (based on the News Consumption Survey presenting data from 2018 and with any source with lower than 4% excluded from the chart)

BBC Cymru Wales, ITV Cymru Wales and Facebook are the most-used sources for people in Wales looking for news

Among all news sources in Wales, BBC Cymru Wales, ITV Cymru Wales and Facebook are the most-used sources for people in Wales looking for news. Nearly half of adults (44%) use BBC One, with about a third (35%) using ITV 1 Wales. A quarter of adults say they use Facebook to get news about their nation.[290]
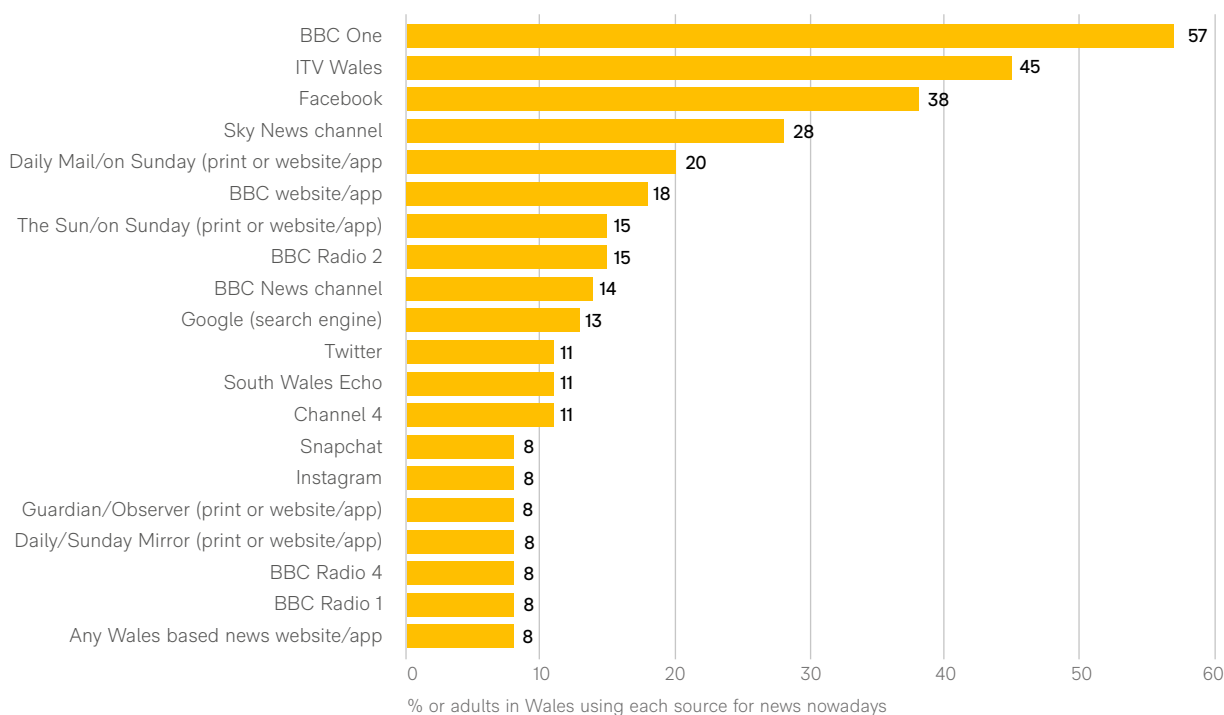
Figure 25: **The most used news sources in Wales (based on the News Consumption Survey presenting data from 2018 and with any source with lower than 4% excluded from the chart)**

For news about their own nation, BBC One, ITV 1 Wales, and Facebook are the most popular sources

For news about their own nation, adults in Wales go mostly to BBC One and ITV 1 Wales, Facebook, the *South Wales Echo* or the *Western Mail*. Nearly half of adults (44%) use BBC One, with about a third (35%) using ITV1 Wales. A quarter of adults say they use Facebook to get news about their nation. Around 12% read the *South Wales Echo* and 6% the *Western Mail*.[291]

7% of adults in Wales are not interested in news about their own nation

On the one hand, in 2018 about 7% of adults in Wales did not follow news about their own nation at all. This was a much higher percentage of people compared to Northern Ireland (2%) or Scotland (4%). On the other hand, a greater share of people indicates that they are very or quite interested in news about their own nation in Wales (89%).[292] This indicates a disparity and divide within Wales. Either people are highly engaged with local and national news about Wales or they are not interested at all. For a healthy democracy and democratic process it is important to involve everyone in Wales.
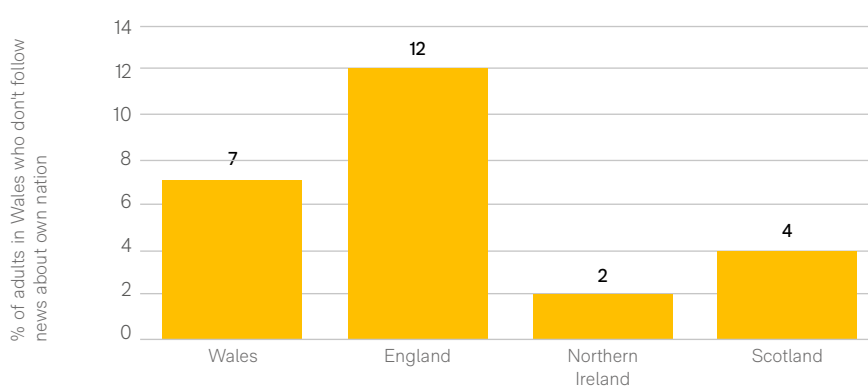

Figure 26: **Share of people indicating to not follow news about their own nation, by nation (based on the News Consumption Survey presenting data from 2018)**
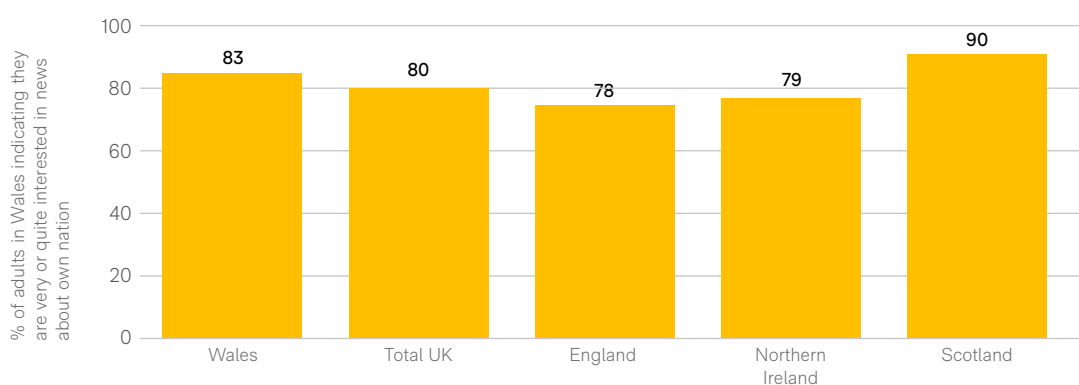

Figure 27: **Share of people indicating to have interest in news about their own nation, by nation (based on the News Consumption Survey presenting data from 2018).**

Viewers in Wales are the least satisfied among all nations about the provision of high-quality news of PSB

In Wales PSB viewers rated the range of news output less highly than across the rest of the UK. 70% of regular viewers in Wales rated BBC One highly for its wide range of quality news. This was lower than the UK average, which was 75%.[293]

Is BBC representing devolved matters in Wales correctly?

The Ofcom Advisory Committee for Wales in its consultation response to Ofcom's 2018 'Thematic Review of Representation and Portrayal on the BBC', expressed concerns about the provision of news and current affairs programming about Wales both on the BBC's services for Wales and its UK-wide services. They highlighted that 'the issue of how news about Wales is reported, both to viewers within Wales as well as across the rest of the UK, is particularly important in the context of devolution.' They further explained that devolution 'has resulted in diverging legislation and administration across major areas of government policy in these nations compared to England, covering such areas as economic development, education and health.'

They outline an example: 'there are, in effect, four NHS services operating across the UK, yet, particularly on network news, reporters and editors at a UK-level tend to report the activities of the UK government in relation to England and English politics as though they apply to audiences in all parts of the UK when in fact they do not.'

The Ofcom Advisory Committee for Wales further outlined that reporters appeared to miss the opportunity to make relevant policy comparisons, reflecting how legislation and practice differ across the UK, which can lead to serious consequences, 'leaving room to fear that electors in the majority of UK nations are potentially being misled daily and provided with incorrect information to use as the basis for their voting decisions'.[294]

In March 2019, Ofcom launched an in-depth review of BBC news and current affairs. The Cardiff School of Journalism, Media and Culture at Cardiff University analysed current affairs programmes over one year (from June 2018 to June 2019) looking at BBC's *Panorama* and *Analysis*, as well as ITV's *Tonight* and Channel 4's *Dispatches*. They found that England was by far the most-referenced nation, with *Panorama* mentioning Scotland once and England and Wales once. Where a devolved reference was made, there was some limited signposting in the opening introduction in *Analysis, Dispatches* and *Tonight,* but none in six of the eight *Panorama* episodes. *Panorama* also relied entirely on implicit references to the devolved nations, as did *Tonight* and *Dispatches,* with only the BBC's *Analysis* making explicit references to the devolved nations' powers. Additionally, they found in all health and education news items, that more than half of all BBC news items (51.2%) contained no devolved

signposting, whereas on commercial media outlets nearly two-thirds did not. Similar findings have been made for other devolved policy matters in the analysed media in the study.[295]

Based on the findings, it seems clear that there are issues in the reporting on devolved matters in Wales. Could training or a code of practice for journalists in the UK be the answer?

In terms of news provision, audiences in Wales rated BBC One's (64%) and ITV 1 Wales' (63%) delivery very similarly. However, these ratings are the lowest compared to the other nations, which suggests that viewers in Wales are less satisfied with their news delivery.[296]

UK	
All channels combined	**60%**
ITV/STV/ITV Wales/UTV	**67%**
BBC One	**70%**

Scotland	
All channels combined	**60%**
STV	**73%**
BBC One	**65%**

England	
All channels combined	**60%**
ITV	**66%**
BBC One	**70%**

Northern Ireland	
All channels combined	**65%**
UTV	**80%**
BBC One	**75%**

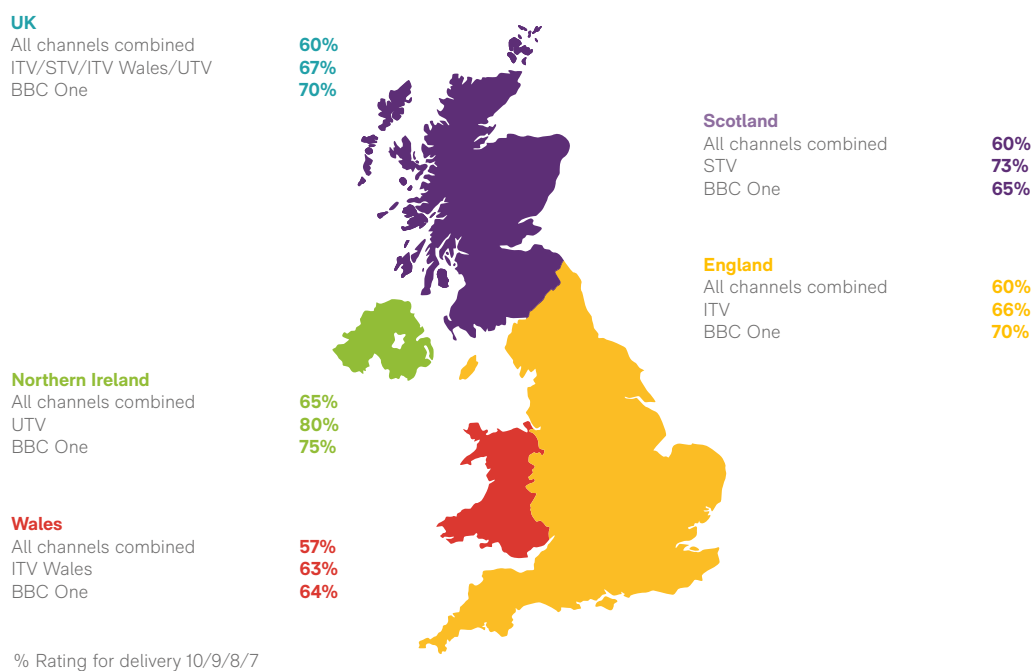| **Wales**	
All channels combined	**57%**
ITV Wales	**63%**
BBC One	**64%**

% Rating for delivery 10/9/8/7

Figure 28: Provision of high-quality regional news within nation by PSB provider and by nation (7-10 rating) (figure extracted from Ofcom's 'Media Nations: Wales 2019' report)

Fake news and misinformation: A problem for Wales?

In July 2019 the Chartered Institute of Marketing (CIM) published the results of a nationwide survey of over 2,000 adults as a submission to the UK Government's consultation on online harms and found that more than half of adults in Wales (53%) with a social media account said that they had seen something they would consider to be fake news in the previous three months, with more than a third (36%) saying they had seen fake news in the previous week.[297]

For comparison, research from 2019 on the basis of a survey of the news sharing habits on social media, found that more than half of British social media users (58%) came across news in the previous month on social media that they thought was not fully accurate.[298]

Fake news about COVID-19 in Wales

Based on desk research, not many reported instances of fake news spread specifically in Wales could be identified. In April 2020, ITV reported that a Welsh hospital criticised the spread of false social media posts that claimed two nurses had died of coronavirus in Swansea. The posts were shared thousands of times before they were deleted. In this context, Wales' Health Minister Vaughan Gething urged the public to get their information from trusted sources to avoid increasing fear and anxiety (in the eye of conspiracy theories linking 5G to coronavirus).[299]

As a response to such coronavirus fake news, the UK Government set up a Counter Disinformation Unit in March 2020 to work with social media firms to remove disinformation and conspiracy theories linked to COVID-19.[300]

The prevalence of fake news on social media is the likely cause of declining confidence in the accuracy of social media content. In a similar survey in 2014, CIM found that 62% of adults in Wales indicated that they trusted content on social media (giving a score of 6 out of ten or more). By 2019, this had fallen to 34%, with only 1% saying that they were very confident (a score of nine or ten out of ten) that information on social media was accurate or genuine.[301]

What to do against disinformation?

The CIM study mentioned above was a response to the UK Government's 2018 consultation on online harms. Due to the investigation into Russia's reported use of social media to spread disinformation about the Brexit referendum in 2016, the UK Government set up a national security communications unit with the task of 'combating disinformation by state actors and others.' After the 'Cambridge Analytica inquiry', the Home Office and the Department for Digital, Culture, Media and Sport (DCMS) started an 18 months investigation. The DCMS report, published in July 2018, recommended social media companies take more responsibility for the content published on their platforms. Following this investigation and report, the UK Government opened a consultation and published an (initial) Online Harms White Paper in February 2020. In the initial White Paper, future policy steps were outlined to combat online harm and misinformation and it was announced that the UK Government was minded to appoint Ofcom as regulator for such matters. New regulations and policies are likely to be introduced in the coming months and years.[302]

Number of journalists working in Wales is increasing, but working situations are changing

Using the latest data from the Labour Force Survey (LSF) from the Office of National Statistics (ONS) applying the Standard Occupational Classification of 'Journalists, newspaper and periodical editors' (SOC 2471) and other data sources we can make estimate how many journalists work in Wales.

In 2018, the National Council for the Training of Journalists (NCTJ) found that around 3% of journalists working in the UK were based in Wales. This was supported by the Journalists at Work survey (JaW) from 2018.[303] Based on data from the LSF, 90,000 people were working as journalists in the UK in 2018. That means that about 2,700 journalists were working in Wales at that time.

Table 8: Estimation on geographic location of journalism employment based on LSF data and JaW data

Geographic location of journalism employment	2012	2018
Total UK (LFS data)	65,000	90,000
Wales in % (JaW data)	2%	3%
London in %	37%	33%
Scotland in %	10%	8%
Northern Ireland in %	2%	4%
Estimated total in Wales	1,300	2,700

Within 6 years, based on our estimations, the number of journalists in Wales has more than doubled, from 1,300 in 2012 to 2,700 in 2018. However it is important to note that this figure is based on respondents self-identifying as a journalist, and does not necessarily reflect the number of qualified journalists operating in Wales, or indeed the security of their employment. Based on a report from 2018, the Working Futures forecast estimates that the employment of journalists is expected to increase by 8% in the UK between 2017 and 2024.[304]

This overall level of employment in journalism and the increase of employment over the last few years may jar with the anecdotal perception that journalism is an occupation in decline. In its report, the National Council for the Training of Journalists stated that, whilst the number of journalists may have increased, other evidence suggests that their employment has become more widely dispersed away from the mainstream publishing centres. Rather than a collapse in the total numbers of journalists, there is more of a change in their status, meaning an increased number of journalists working outside what some would consider 'mainstream journalism' balanced by increases in other sectors. Some of these jobs are predominantly in online journalism and many more are in forms of journalism that might be best thought of as being hybrid: involving the journalist in a range of tasks, some of which are closer to public affairs or public relations, or others which combine with activities such as teaching journalistic skills in universities. The survey of the NCTJ also shows a continued growth of part-time and self-employment among journalists.[305]

Nevertheless, it needs to be pointed out that journalism is still a very London-centric occupation in the UK. The LFS data shows that nearly two-thirds of journalists (65%) work in London (52%) and the South East (13%) and this compares with only 29% of all employment. This is confirmed by the Journalists at Work 2018 data. Journalists working in London receive the highest average salaries (£35,000). In Wales journalists receive the lowest salaries, of £22,500 on average (similar to the Midlands and Scotland).[306]

The 2020 modernisation plans of the BBC Newsroom: 450 journalist jobs will be cut

As discussed above, in January 2020 BBC News outlined plans to modernise its newsroom to complete its £80m savings target. The BBC announced a review of the number of presenters and programmes and the different changes would lead to an estimated 450 job losses. Additionally, more BBC journalists would be based outside London in future.

Fran Unsworth, Director of News and Current Affairs, said: 'We need to reshape BBC News for the next decade in a way which saves substantial amounts of money. We are spending too much of our resources on traditional linear broadcasting and not enough on digital.'[307]

Paul Siegert, NUJ national broadcasting organiser, commented 'We have major concerns that the new ways of working planned across the BBC' news division could lead to a fall in quality and would urge the BBC to ensure they are audience-informed and not audience-led.'[308]

And there are different sector trends. Only 2% of all online journalists of the UK are located in Wales and a below average representation of magazine and TV journalists (for all journalists this is at 3% in Wales – see above). Consolidation as well as less regulated local news provision (see above) in the TV, radio and newspaper markets in Wales, has led to the loss of former traditional journalism jobs. Rachel Howells in her doctoral thesis has analysed for example the number of editorial and production staff at two major newspaper publishers in Wales and found that at these two publishers the number of editorial and production staff dropped from almost 1,000 in 2002 to under 300 in 2015.[309]

National Assembly for Wales' concerns on declining news journalism in Wales

In its 2018 report 'Read all about it - Inquiry into News Journalism in Wales', the Culture, Welsh Language and Communications Committee of the National Assembly for Wales highlighted concerns about the current state of news journalism in Wales and stated that 'Wales is far from unique but we believe it faces the most challenging news environment in the UK.' They made a number of recommendations including the establishment of different funds to support news media in Wales.[310]

Due to the decline of news provision in Wales, the National Assembly for Wales also reacted, creating a Digital Taskforce to find out how better to communicate its own news to the people of Wales. The Digital Taskforce launched in June 2017 its 'Creating a Digital Dialogue' report.[311] One of the recommendations included in the taskforce's final report was to employ an impartial editor, along with a small team of journalists 'focused on producing content about the stories coming out of the Welsh Assembly, packaged in a way that is suitable for digital platforms'. The report further recommended that this content should be delivered as a 'distributed digital news service' via social media and other channels, like dedicated email newsletters.[312]

Other publishers of printed content in Wales

There are a number of large, medium, and small publishing houses across Wales that publish books and other printed media. However, the industry has seen contraction in recent years. The Books Council of Wales states that there are more than 100 publishers in Wales and that upwards of 1,300 new Welsh-language and English-language titles of interest to Wales are published every year.[313] Some of the main publishers in Wales are listed on the Welsh Book Trade Information website314 (please note that this is not an exhaustive list):[315]

– Gomer Press, the largest and oldest publisher of English and Welsh language books in Wales, was established in 1892 and publishes around 120 titles a year (in September 2019 it was announced that Gomer would be closing their publishing arm to focus on printing);

– the University of Wales Press, was established in 1922 and publishes 50 to 70 new titles each year focussing on the humanities, arts, and social sciences;

– Dref Wen, Cardiff-based publishers established in 1998 and specialising in children's books written in both English and Welsh;

– Welsh Academic Press, a publishing house established in 1994 focussing on historical and political non-fiction;

– Graffeg, publishers founded in 2003 by Peter Gill specialising in illustrated non-fiction books;

- Deadstar Publishing, graphic novel publishers based in Cardiff established in 2011;

- Crown House Publishing, a Carmarthen based publishing company established in 1998, specialised in literature about education, coaching, NLP, hypnosis, self-help and personal development;

- Other publishers include Publish & Print, based in Pontypridd, Accent Press, based in Mountain Ash and Cardiff, Parthian Books, based in Cardigan and Seren, based in Bridgend (a subsidiary of Poetry Wales Press Ltd.)

Support for Welsh news and written content

As it seems that public-intervention in news provision is accepted at least in part by the Welsh Government through its support of Papurau Bro (see above), Golwg360 (see above) and the Independent Community Journalism Fund (see above), there are a number of additional funds and support mechanisms for news provision and other publishing that should be noted. In addition to Welsh Government support, UK-wide and local public and private funds and initiatives also exist (please note that this is not an exhaustive list):

Books Council of Wales (grants and services)

The Books Council of Wales is a national body, funded by the Welsh Government, which provides a focus for the publishing industry in Wales. The Books Council has a staff of 48 (FTEs). It provides a number of specialist services (in the fields of editing, design, marketing and distribution) with a view to improving standards of book production and publication in both Welsh and English. Additionally, the Books Council actively promotes reading and literacy in Wales.

It also distributes grants to publishers. The Council distributed a total of £670,322 towards the publishing of English-language books and magazines[316]; 74 books were supported together with 5 magazines from the Literature Grant. In addition, 15 books which had received author advance grants were published, and 21 marketing grants were distributed. A total of £1,633,550 was distributed towards the publishing of Welsh-language books and magazines and other material, including games and electronic material (such as e-books) as well as the online news service (referred to below). 228 books were supported, and 15 magazines. Payments to authors and illustrators amounted to £297,797, and a sum of £25,976 was distributed to booksellers.[317] An extension to the additional funding of £200,000 from the Welsh Government was given to Golwg Newydd to continue the online news service, Golwg 360 (see above).

Llenyddiaeth Cymru / Literature Wales (funding and support)

Literature Wales is the Welsh national literature promotion agency and society of writers, existing to promote Welsh-language and English-language literature in Wales. It offers bursaries for writing projects, runs literary events and lectures, and provides financial assistance for creative mentoring and other literary-based ventures. The organisation also selects the National Poet for Wales, and manages competitions including Wales Book of the Year, the Cardiff International Poetry Competition, and the Rhys Davies Short Story Competition.[318]

The Bureau Local (The Bureau of Investigative Journalism) (support)

The Bureau Local is a collaborative, investigative network revealing stories that matter to communities across the UK. Launched in March 2017, The Bureau Local has built a network across the UK whose members include regional and national news outlets, local reporters, hyperlocal bloggers, technologists, community-minded citizens and specialist contributors. The Bureau Local was set up with a £500,000 Google grant from Google's Digital News Initiative and Open Society Foundations. It has a local community in Wales.[319]

BBC's Local Democracy Reporting Service (funding)

Under an agreement with the News Media Association (NMA), the BBC announced it would fund 150 journalists starting in 2017 under the Local Democracy Reporting Service. The journalists are funded by the BBC as part of its latest Charter commitment and are employed by regional news organisations. At present the so-called Local Democracy Reporters have been allocated to news organisations in England, Scotland, Wales and Northern Ireland. These organisations range from a radio station to online media companies and established regional newspaper groups. Local Democracy Reporters cover top-tier local authorities and other public service organisations. In total four contracts with local media organisations for 11 reporters in Wales have been made. At the time of writing (April 2020), it is not known if the scheme will be extended.[320] WCRN members noted the difficulties for community radio stations in accessing this scheme due to its entry requirements.

BBC's Local News Partnerships (LNP) (training and data sharing)

The Local News Partnerships (LNP) between the BBC and the UK regional news industry aim to support public service reporting, sustain local democracy and improve skills in journalism. The partnerships were created in 2017 as a result of an agreement between the BBC and the News Media Association, which represents the majority of the UK's regional press, and a wider dialogue with other parts of the local news industry. More than 100 media organisations representing more than 900 print, online or broadcast outlets are now local news partners, many of which are located in Wales.

Partners are entitled to receive content generated through the News Hub, Shared Data Unit and Local Democracy Reporters. It set up a shared data unit where local reporters can learn new skills, access BBC News video and audio material and local papers can use 150 licence-fee funded reporters to cover public meetings as part of its £8m annual Local Democracy Scheme (see above).[321]

Centre for Community Journalism (C4CJ) (training and support)

The Centre for Community Journalism is part of Cardiff University's School of Journalism, Media and Cultural Studies. The University's Centre of Community Journalism is a flagship engagement project that delivers on the University's commitment to the communities of Cardiff, Wales and beyond. The Centre is aligned with the University's Civic Mission by supporting the development

of community news hubs in Wales as well as offering advice and guidance for hyperlocals in the UK and around the world. The Centre is also responsible for launching the UK's only representative body for the sector, The Independent Community News Network (ICNN).[322]

National Union of Journalists Wales (NUJ Wales) (support and training)

The NUJ represents workers across all areas of the media industry in Wales including the BBC and ITV, local radio, newspapers, magazines, books and PR. They represent a large number of freelance journalists and photographers, and those working in community journalism and hyperlocal hubs. Members in Wales are organised in geographic branches that include Cardiff and South East Wales, Swansea, Shropshire and North Wales Coast. There is also a specialist branch for staff at the BBC. Ahead of the 2016 National Assembly for Wales elections, the NUJ Welsh executive council produced a manifesto for the media, in consultation with the broader union leadership. Additionally, NUJ training in Wales was funded by the Welsh Government's Wales Union Learning Fund, set up to develop media workers' skills (from 2013-2016).[323]

Future News Fund (funding)

The Future News Fund of £2m was announced in 2019 and is administered on behalf of DCMS by Nesta. Through the fund Nesta supports a diverse group of projects through the Future News Pilot Fund, which are testing out new ideas that either reimagine engagement with audiences or develop new ways to financially sustain news production. The fund was based on a recommendation from the Cairncross Review. The fund, which ran from February until June 2020, will give financial and wrap-around support across two tracks: the innovation sprint run by Nesta for testing and prototyping news ideas, and the accelerator track for commercial businesses run by Bethnal Green Ventures. As well as supporting these novel ideas and approaches, the programme is aiming to share as many lessons as possible about what works well and what does not when it comes to innovating in the public interest news space. In February 2020, the 19 successful projects were announced.[324]

National Council for the Training of Journalists (NCTJ) and the Community News Project (training)

The National Council for the Training of Journalists is a charity that provides an education and training system to develop current and future journalists for the demands of a fast-changing multimedia industry. It also facilitated for example the Community News Project, a partnership between Facebook, local news publishers and the NCTJ. The project is creating around 82 new community reporter roles in newsrooms around underserved areas in England, Scotland and Wales.[325]

Wales Media Awards

The Wales Media Awards are organised on behalf of the Journalists' Charity and is the major Welsh fundraiser for the Journalists' Charity, which supports working and retired journalists in urgent need with advice, grants and other forms of financial assistance.[326]

Media education in Wales

There are also a number of university departments for journalism and media in Wales, which are highly renowned internationally. These include among others, the Cardiff School of Journalism, Media and Cultural Studies, Swansea University Media and Communication Studies, Aberystwyth University Media and Communication Studies and University of Glamorgan BA (Hons) Journalism.

Notes

239   Ofcom (2019). News Consumption Survey. Available at:
https://www.ofcom.org.uk/__data/assets/pdf_file/0031/189823/News-Consumption-Survey-2019-Wales-v3.pdf

240   State of Wales (2019). The Welsh Media III: Where are people getting their news? Available at:
https://stateofwales.com/2019/08/the-welsh-media-iii-where-are-people-getting-their-news/

241   See https://www.statista.com/topics/3965/newspaper-market-in-europe/

242   See https://www.bbc.com/news/uk-wales-34658444

243   Ofcom (2019). News Consumption Survey. Available at:
https://www.ofcom.org.uk/__data/assets/pdf_file/0031/189823/News-Consumption-Survey-2019-Wales-v3.pdf

244   Data extracted from IWA Media Audit 2015 and ABC Circulation (https://www.abc.org.uk/).

245   See https://www.bbc.com/news/uk-35561145

246   Data extracted from IWA Media Audit 2015 and ABC Circulation (https://www.abc.org.uk/).

247   Ofcom (2018). Public interest test for the acquisition by Trinity Mirror plc of publishing assets of Northern & Shell Media
Group Limited: Ofcom's advice to the Secretary of State. Available at: https://assets.publishing.service.gov.uk/government/
uploads/system/uploads/attachment_data/file/717994/Ofcom_PIT_TMNS_31052018_redacted.pdf

248   The data is based on newspapers listed in ABC (https://www.abc.org.uk/). It is of course possible that print media not listed
in the ABC-database has different declining rates.

249   Ramsay, G. & Moore, M. (2016). Monopolising local news. Available at:
https://www.kcl.ac.uk/policy-institute/assets/cmcp/local-news.pdf

250   See https://www.parliament.uk/business/committees/committees-a-z/lords-select/communications-committee/news-
parliament-2017/journalism-inquiry-launch/

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DCMS_Cairncross_Review_.pdf

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269   Ofcom (2019). News Consumption Survey. Available at:
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       https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

271   The calculations are based on hours reported in the BBC Wales Management Reviews of 2014/15-2018/19, S4C Annual
       Reports from 2014/15-2018/19, Ofcom Media Nations Wales Report 2019 for ITV and the licences granted for the local television
       broadcasters by Ofcom. Due to the various sources, the provided numbers should be seen as estimates. Especially the local
       television broadcasters' licences do not reflect the transmitted hours of content but just the minimum required amount.

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282   See https://www.bbc.com/news/uk-wales-39128358

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       news&seq=2#metadata_info_tab_contents

285   Ofcom (2019). News Consumption Survey. Available at:
       https://www.ofcom.org.uk/__data/assets/pdf_file/0031/189823/News-Consumption-Survey-2019-Wales-v3.pdf

286   See https://www.bbc.com/news/uk-wales-41346477

287   See https://www.bbc.co.uk/mediacentre/latestnews/2020/news-modernisation

288   This list is based on desk research.

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       https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

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       https://www.ofcom.org.uk/__data/assets/pdf_file/0019/160651/media-nations-2019-wales-report.pdf

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https://www.assembly.wales/laid%20documents/cr-ld11544/cr-ld11544-e.pdf

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313   See http://www.cllc.org.uk/ni-us

314   See http://www.wbti.org.uk/

315   This list is based on desk research.

316   This includes the IWA's *the welsh agenda* magazine and blog.

317   See http://www.cllc.org.uk/grant

318   See https://www.literaturewales.org/

319   See https://www.thebureauinvestigates.com/explainers/about-the-project

320   See https://www.bbc.com/lnp/ldrs

321   See https://www.bbc.co.uk/lnp

322   See https://www.communityjournalism.co.uk/about/

323   See https://www.nuj.org.uk/where/wales/

324   See https://www.nesta.org.uk/feature/future-news-pilot-fund/

325   See https://www.nctj.com/

326   See https://www.walesmediaawards.co.uk/home

4   Digital media and the Internet

Internet access and Internet device up-take

Decent broadband coverage is improving in Wales, but more remains to be done

There are three ways to connect to a broadband network:[327] In order to report on broadband coverage Ofcom distinguishes between the availability of services for decent (10 Mbit/s and above), superfast (30 Mbit/s and above), ultrafast (300 Mbit/s and above) and full-fibre broadband, which can offer speeds of 1 Gbit/s.[328]

Based on Ofcom's 'Connected Nations 2019 – Wales Report', 165,000 homes in Wales (12%) now have access to full-fibre broadband connections (FFTP / FFTC), over 90,000 more premises than 2018. In addition to full-fibre rollout, investment in superfast and ultrafast coverage continues, but at a generally slower pace than previously reported. The number of homes with access to superfast broadband in Wales now stands at 93%, with ultrafast speeds available to 31% of homes in Wales, a three percentage point increase from 2018 (28%).[329]

Coverage from conventional fixed line networks continues to improve but around 50,000 homes and businesses in Wales are still unable to receive a decent broadband service. Increased coverage from fixed wireless networks, including those of the mobile operators, provides an alternative to a fixed line connection but Ofcom estimates this still leaves approximately 18,000 premises in Wales without any decent broadband service at all. This also means that the broadband coverage in Wales is below the average especially for ultrafast speed in the UK.[330]
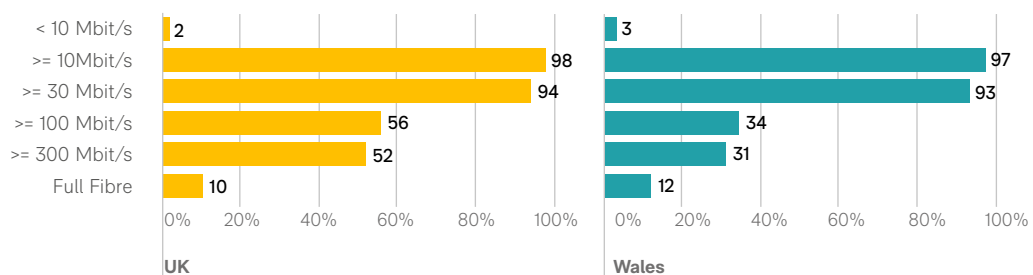

Figure 29: Fixed broadband coverage from at least one operator for each minimum download speed in Wales compared to the UK (data extracted from Ofcom 'Connected Nations 2019: Interactive report)

A recently published report by the Centre for Economics & Business Research (Cebr) – 'Full fibre broadband: A platform for growth' has estimated that the Welsh economy could benefit by almost £2 billion as a result of connecting everyone in Wales to full fibre broadband by 2025. The report claims that almost 25,000 people could be brought back into the workforce through enhanced connectivity. This could include roles within small businesses and entrepreneurs – as well as allowing thousands more people to work remotely.[331]

Bringing superfast broadband to Wales, from USO to Superfast Cymru - Long-term planning is needed

In March 2018, the UK Government introduced legislation for a Broadband Universal Service Obligation (USO), which will give eligible homes and businesses in the UK the right to request subject to eligibility criteria a broadband connection that delivers a decent broadband service of at least 10 Mbit/s download speed and 1 Mbit/s upload speed. Ofcom is in charge of implementing the USO. The USO has been in force since 20 March 2020 and people can make a request to BT if they fulfil the eligibility criteria (or to KCOM if you live in the Hull area). If the costs to connect a premise is more than £3,400, people will have to pay the excess costs.[332]

In 2017, the Welsh Government responded to Ofcom's inquiry about the planned USO. The Welsh Government was critical saying that the USO 'does seem somewhat unambitious' compared to the aspirations of the UK Government, Welsh Government and on a European level (which aims to reach 30 Mbit/s to all by 2020). The Welsh Government instead believed there was a strong case for introducing a USO at 30 Mbit/s. Additionally, the cost threshold could disadvantage people living in Wales due to the largely rural nature of many premises in Wales.[333]

Other schemes already existed to bring broadband connection to more premises in Wales. On a UK level, communities in Wales can apply for support via the community led broadband scheme with the help of Wales-based organisations.[334] The Welsh Government makes available funding and support through the Access Broadband Cymru scheme, which provides grants to fund (or part-fund) the installation costs of new broadband connections that at least double current download speeds (£400 for 10 Mbit/s and above and £800 for 30 Mbit/s and above).[335] Additionally, the Superfast Cymru programme with Openreach, which rolled out superfast broadband access to most homes and businesses in Wales.[336] Superfast Cymru delivered superfast broadband access to around 733,000 homes and businesses in Wales (at >24 Mbit/s), of which 717,000 can achieve speeds of at least 30 Mbit/s. The project was delivered with a public sector investment of over £220m. This roll-out finished in 2018. The Welsh Government awarded its Superfast Cymru successor scheme contract to BT which is expected to provide 26,000 premises, in three lots across Wales with access to FTTP technology by March 2021. This will be achieved with £26m of public subsidy from the Welsh Government and EU funding.[337] In the future EU funding will not be accessible for Wales.

In November 2019, the Welsh Government published a consultation on its recent Open Market Review (OMR) of existing and future superfast broadband coverage over the next three years. The purpose of the consultation was to confirm the premises in Wales which do not have Next Generation Access (NGA) broadband infrastructure, capable of delivering at least 30 Mbit/s to premises and/or Gigabit services, or where there are no plans to provide such infrastructure over the next three years.[338]

Given that Wales is behind the average UK internet access speed, more still needs to be done. Access to fast internet can create new business opportunities and lets people in Wales get access to information and services. As the Welsh Government suggested in its response,[339] there is a need to set out a roadmap of speed improvements over a longer period of time increasing speed through long-term planned out support schemes.

Mobile services across Wales are improving

Mobile coverage across Wales is gradually improving but some parts of the country still struggle to get a good mobile connection. Ofcom reports on the coverage based on the mobile internet providers and for coverage of internet, call and voice. Ofcom gives data about 4G mobile internet access and distinguishes between indoor and outdoor coverage. Mobile internet in Wales is provided by EE, Vodafone, O2 and Three.[340]

89% of Wales' landmass (91% of the UK) now has good outdoor 4G coverage from at least one mobile operator. Only 58% of Wales' landmass (66% UK) has good outdoor 4G coverage from all four operators. Indoor call coverage from all four operators is available to 90% of premises in Wales. Indoor 4G coverage from all four operators has increased to 73% of premises in Wales. 11% of the landmass in Wales does not have good outdoor 4G coverage from any operator, again, largely unchanged from 2018.[341]

What plans does the Welsh Government have to make Wales 5G ready?

5G networks provide several enhancements over 4G networks, including higher speeds and the capability to deliver extra capacity where needed, such as in urban areas or sports stadiums. Future evolutions of these initial 5G networks will enable additional services that rely on a near instantaneous network response (a latency of the order of only a few milliseconds) and need high reliability, with applications in sectors such as manufacturing, logistics, agriculture, transport/automotive, energy, media and entertainment, and healthcare. Examples of applications include controlling vehicles at distance, eg in mines, or enabling robots in automated factories to communicate with each other.

In March 2020, planning applications showed plans to build 5G mobile masts in Cardiff in Thornhill, St Mellons and Rhiwbina.[342] A 2019 Senedd Research Blog[343] stated that 5G deployment will usher in another set of public policy challenges for the Welsh Government – including seeking coordination between the many stakeholders – from local authorities to shops, property owners and utilities – who own the assets on which mobile network operators want to site their equipment. In a previous inquiry, the Economy, Infrastructure and Skills Committee investigated Welsh readiness for the 'fourth industrial revolution', as new technology – such as automation and 5G networks – is predicted to transform the nature of the economy. In its response, the Welsh Government said that it has commissioned digital business growth agency Innovation Point to 'advise on, stimulate and exploit opportunities in the emerging 5G landscape'. Innovation Point has assembled an expert advisory group to help 'prepare and shape a coherent national 5G programme'.

The Senedd Research Blog points out that one thing is clear from experience: that as technology progresses, gaps in coverage persist – both between Wales and other UK nations, and between rural and urban areas within Wales. Public intervention – at a Welsh and UK level – will be needed if Wales is not to fall further behind as 5G networks emerge.[344]
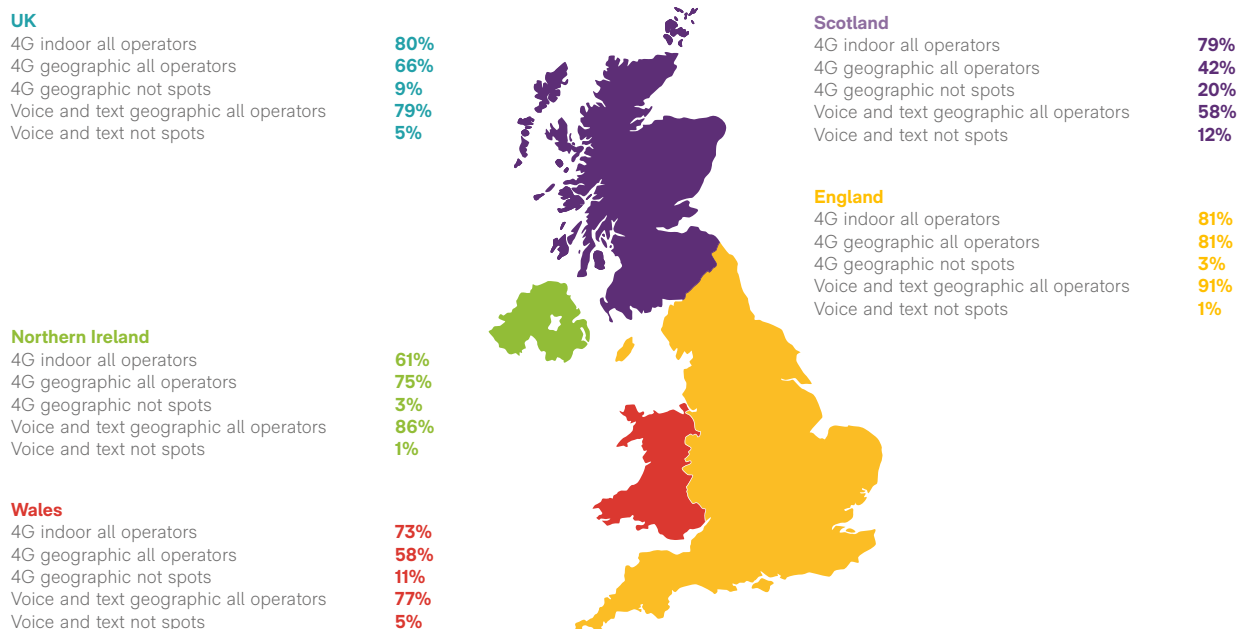
UK
4G indoor all operators	80%
4G geographic all operators	66%
4G geographic not spots	9%
Voice and text geographic all operators	79%
Voice and text not spots	5%

Scotland
4G indoor all operators	79%
4G geographic all operators	42%
4G geographic not spots	20%
Voice and text geographic all operators	58%
Voice and text not spots	12%

England
4G indoor all operators	81%
4G geographic all operators	81%
4G geographic not spots	3%
Voice and text geographic all operators	91%
Voice and text not spots	1%

Northern Ireland
4G indoor all operators	61%
4G geographic all operators	75%
4G geographic not spots	3%
Voice and text geographic all operators	86%
Voice and text not spots	1%

Wales
4G indoor all operators	73%
4G geographic all operators	58%
4G geographic not spots	11%
Voice and text geographic all operators	77%
Voice and text not spots	5%

Figure 30: Mobile coverage across Wales compared to the UK (figure extracted from Ofcom's "Connected Nations: Wales 2019" report)

The proposed Shared Rural Network programme being negotiated between the operators and UK Government, with support from Ofcom, will aim to extend coverage for all operators well beyond this. The SRN is likely to provide a significant up-lift to mobile coverage in Wales. The benefit to Wales is likely to be greater than that for the UK as a whole. Additionally, the roll-out of 5G services has been started by all four mobile network operators over the past year and are now operating in over 40 towns and cities across the UK.[345]

What does the Welsh Government do to increase mobile internet connections in Wales?

Since 2017, the Welsh Government has had a Mobile Action Plan. This focuses on how it will use its devolved powers – such as the planning system and business rates relief – to stimulate investment in mobile networks. In 2019, the National Assembly's Economy, Infrastructure and Skills Committee published a report into the Welsh Government's action in this area. Although mobile coverage has increased in Wales since 2017, the Committee said that the role the Action Plan had played in this improvement was 'unclear'. The Committee called for the Welsh Government to use its devolved levers 'to potentially tip the scales of commercial viability in favour of further investment in some areas'. [346]

One of the key recommendations in the report was that the Welsh Government should allow higher masts under the permitted planning regime. Permitted development allows certain development – such as building masts – to take place without being subjected to a full planning application process. This regime is currently more lenient in England and Scotland than it is in Wales. This does not mean that masts taller than those allowed under permitted development cannot be built in Wales: just that to do so they must go through a more rigorous planning process.

The Welsh Government has since agreed to increase the height of masts that will be allowed under permitted development, to bring them in line with the rest of the UK.

Wales should also benefit from the new initiative by the UK Government. Following detailed discussions between the mobile network operators (MNOs) and the UK Government (supported by Ofcom), in October 2019 the UK Government announced in-principle support for the MNOs' proposed 'Shared Rural Network'. The Shared Rural Network would expand each operator's outdoor 4G coverage to 92% of the UK landmass by 2025, with specified increases in each of the UK nations. 4G outdoor coverage from at least one MNO is expected to increase to 95% by the same date.

3 in 4 people in Wales own a smartphone while new devices such as smart speakers and wearables become increasingly popular

Of course, in order to use mobile and broadband internet in Wales to access media internet devices are needed. Some 75% of adults in Wales now own a smartphone. Smartphone ownership in Wales has steadily increased over the last five years. Additionally, 65% of households in Wales have a tablet device. The ownership of a laptop in Wales has decreased, as some people have replaced their laptop with a tablet (see above for ownership of Internet-connected TVs and radio devices).[347]
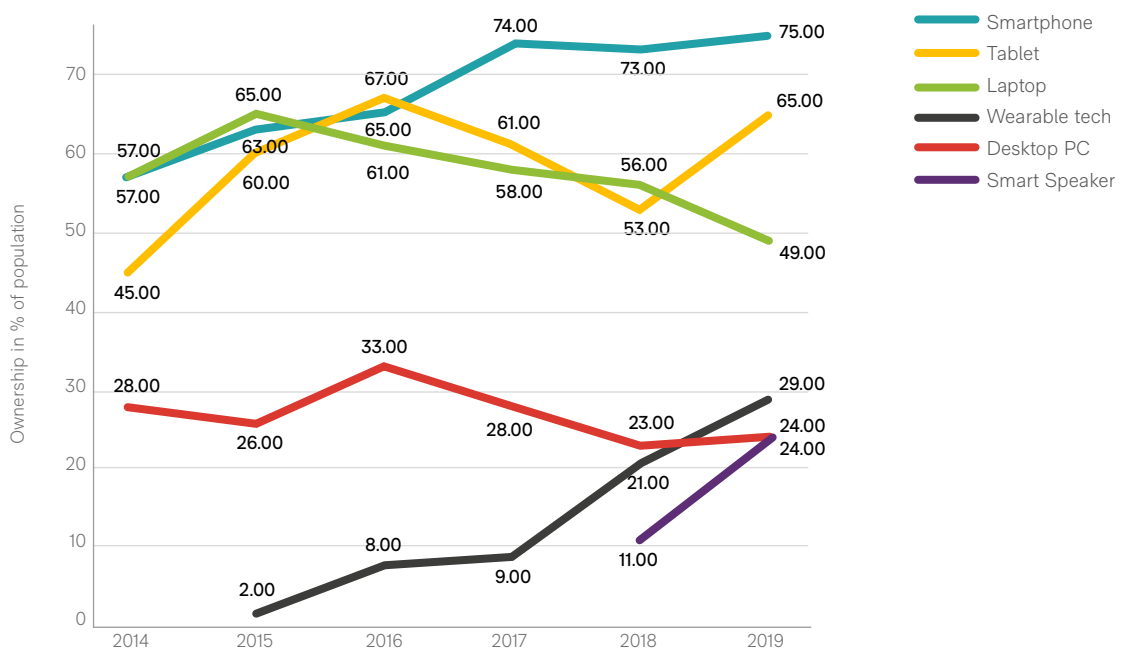

Figure 31: **Internet device take-up in Wales (data extracted from Ofcom 'Media Nations 2019: Interactive report)**

What is especially interesting is that an increasing number of people in Wales own a wearable internet device such as a smart watch (29%) and that one in four households in Wales have a smart speaker in 2019 (24%). This is the highest share of households compared to the UK average (20%) and the other nations (England – 20%, Northern Ireland – 22% and Scotland – 21%). Amazon is the most popular smart speaker in Wales (72% of smart owners).

The future of media: children's media use in Wales

In February 2020, Ofcom published its 'Children and parents: media use and attitudes report 2019' with findings based on 3,500 interviews with children and parents.[348] While we have already shown in the Media Audit how media consumer behaviour has changed through technological advancements, the report about children's usage might also indicate longer term trends.

Ofcom found that 10 is increasingly becoming the age of 'digital independence' when children get their own smartphone in the UK. Most children use tablets to go online. For children in Wales the following findings are especially interesting:

children in Wales are more likely than those in the other UK nations to use a smart speaker (41%); children in Wales are also more likely, along with those in Northern Ireland, to use a tablet to go online (79% and 75% compared to 67% in Scotland and 68% in England); children in Wales and Northern Ireland are less likely to feel there are enough programmes for children their age, or programmes that show children from the same part of the country as them. It is also more important for both nations that there are enough programmes that show children from their country. Parents in Wales are more likely to have concerns about gaming.

The majority of children in Wales who go online (62%) say they have never seen hateful content. This may be because parents in Wales are the most likely to have certain rules in place set by parents about their children's online use – in particular, only going online when supervised/ accompanied – thereby safeguarding the content they see.

More findings about children's media use can be found in the report.[349]

The use of smart speakers is increasing in the home, with uses from streaming music and listening to live radio, to accessing weather reports or setting personal alarms. Among homes in Wales with a smart speaker, the top three claimed activities on this device were: listening to a live radio station (59%), searching for information online (55%), and listening to music via a streamed service such as Spotify or Apple Music (48%).[350]

One in three use the Internet to download or stream music or television programmes in Wales

Based on the British Population Survey from 2016 to 2017, the Internet in Wales is most used for the sending or receiving of emails. 85% of respondents from Wales indicated that they use the Internet for this service. Job hunting and social media are also very often used services via the Internet in Wales. Around one in three respondents in Wales use the Internet to download or stream music or TV programmes (33% and 31% respectively). 24% use the Internet to play games and 19% download or stream films in Wales. Based on data from 2015, adults in Wales spend about 21 hours per week on the Internet, which is below the UK average of 22.9 hours.[351]
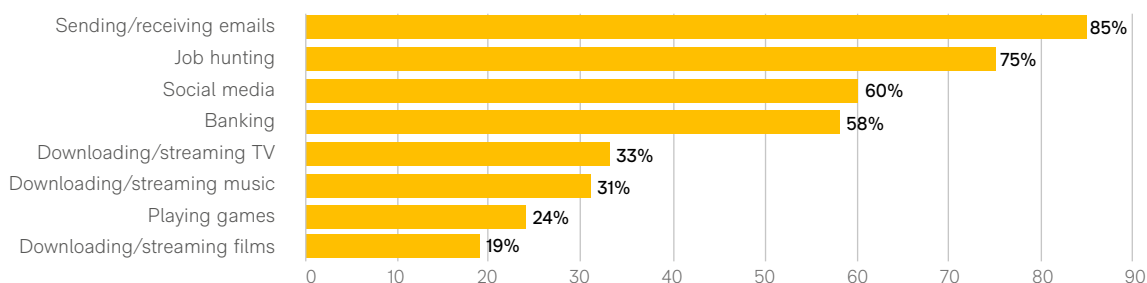
Figure 32:

The user of Internet by service in Wales (based on data from the British Population Survey)

Broadcasters online

BBC Online: Increased spend in Wales

BBC Online offers a range of digital services to Wales. This includes the BBC website, BBC.com, and services on the website including the BBC iPlayer, BBC Sounds and more and several apps (see more information about BBC iPlayer and BBC Sound below). BBC also offers Red Button services, which is the branding used for digital interactive television services (teletext). Based on the new licence agreement of 2017, BBC also has obligations specific to BBC Online services in Wales. The BBC must ensure that BBC Online provides news and information for Wales; that it provides content in Welsh; and that BBC Online provides dedicated coverage of sport for Wales.[352]

There are no specific obligations regarding the spending of BBC in the nations regarding BBC Online (such obligations exist for BBC Radio and TV). The spending on BBC Online and Red Button Service increased over the last years. 5.7% of the spend on these services are made in Wales (for comparison, the network spend on television in Wales by the BBC was 5% last year, see above). BBC spending in Wales increased from £9 million in 2017/18 to £12 million in 2018/19.[353]
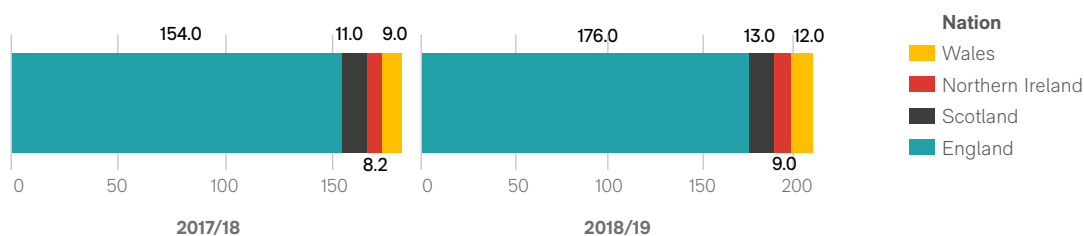

Figure 33: BBC spend in million £ on BBC Online and Red Button by Nation (data extracted from Ofcom 'Media Nations 2019: Interactive report')

ITV Wales Digital offer

In February 2019 ITV appointed its first ever Content Editor with specific responsibility for building new audiences on new platforms and on its website. The channel launched a range of new podcasts based on its long running political series, *Sharp End* and a new interview series, *Welsh Lives*. It also introduced a series of digital only interviews under the banner *Point of View* with interviewees speaking about their role in a wide range of controversial issues.

S4C's digital offering for Wales increases

In March 2019, the Department for Digital, Culture, Media and Sport (DCMS) published its response to the independent review 'Building an S4C for the future' of S4C. The Government accepted the recommendations to update S4C's public service remit in several areas including digital and online services.[354]

Since the review, S4C has invested significantly in its digital offering as it evolves from a television-only service to be a provider of digital content across a range of platforms throughout the UK. Based on Ofcom's 'Media Nations' report, the use of S4C's online player, S4C Clic, is increasing, with box-sets offered for the first time at the end of 2018, and compulsory log-in from June 2019. S4C also offers content on the BBC iPlayer.[355]

Audio listening in Wales moves online

Listening habits have changed in Wales with the growth of online platforms like smart speakers and other internet connected devices as well as greater competition for listeners from podcasts and music streaming services. While live radio is still the most popular audio activity in Wales, 5% of listening to live radio already happens on a laptop, tablet or mobile device (see above). 10% of listening to audio in Wales happens via streamed sites like Spotify.[356]

Share of listening in Wales

Type of audio
- Live radio on a radio set
- Live radio on a laptop, tablet, mobile etc./on demand listening
- Audiobooks
- Music video channels/sites (e.g. YouTube, MTV)
- Other podcasts/downloads
- Personal Collection on CD, vinyl etc
- Personal digital music or audio collection (stored on a device)
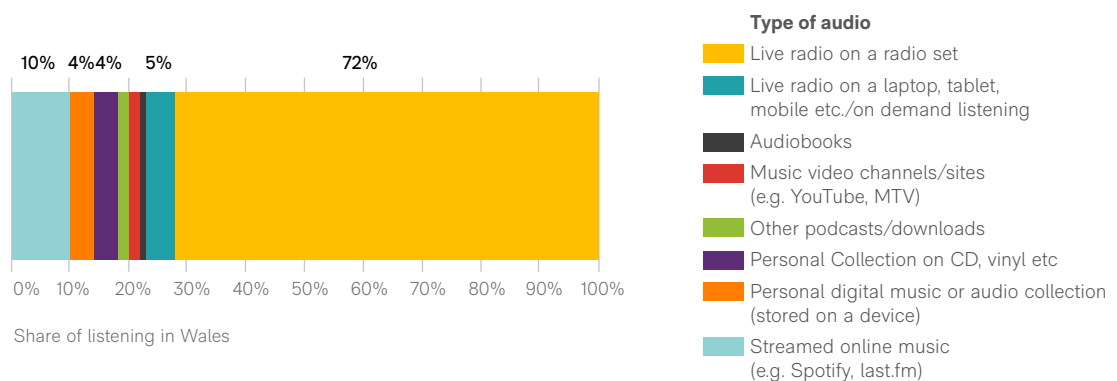- Streamed online music (e.g. Spotify, last.fm)

Figure 34: **Share of listening to audio in Wales based on type (based on TouchPoints data from 2018)**

Commercial radio players are also moving to digital and generating new digital advertising streams. For example, Global's Digital Audio Exchange (DAX) and Bauer's In Stream services have created new ways of advertising in radio and audio, using data available from online listeners to provide more relevant ads. Based on data provided by Radiocenter, this has helped increase digital revenues in radio to £49m in 2019, up from less than £20m in 2014. These revenues are small compared to the digital ad market as a whole but are growing as a proportion of radio's total income.[357]

BBC is increasing their audio online offers. In 2018, BBC iPlayer Radio was replaced by BBC Sounds, the BBC's internet streaming, catch-up, and radio service which brings together live radio, music playlists and podcasts. Jonathan Wall, Controller of BBC Sounds confirmed that 'Sounds is growing and growing with 3 million people now coming to us for music, radio and podcasts each week.' 20 new podcasts and music programmes to be launched in 2020 were announced in February 2020.[358]

Podcasts become increasingly popular and are provided also by PSB and newspapers in Wales

In Wales, a range of organisations create and distribute podcasts covering a range of topics in English and Welsh including politics, current affairs, arts and sport. In 2019, based on Ofcom's Technology Tracker, respondents were asked if they ever used listen-again services or podcasts from various providers. Three in ten (30%) respondents in Wales said they used these services, in line with England (34%) and Scotland (25%), but higher than in Northern Ireland (22%). Almost a quarter (24%) claimed to use the BBC for these services, followed by those who used UK commercial radio (14%) or other UK-based providers (11%). Use of non-UK based providers had the lowest claimed use for listen-again services or podcasts, at 4%.[359]

The BBC began producing podcasts in 2004 and is one of the largest podcast producers in the world, with content available across a number of subjects including news, drama and entertainment. BBC announced that Radio Wales podcast downloads reached 1.7 million in 2018.[360] News brands based in Wales have also launched podcasts, covering news, current affairs and sport such as Wales Online's *Martin Shipton Meets* and *The Welsh Rugby Podcast*. Wales Online is the online portal for several newspaper titles in Wales, including the *Western Mail* and *South Wales Echo* (see above).[361]

BBC podcasts will run adverts outside the UK: what effects do EU's digital media portability roles have?

In May 2018, the BBC announced it will start running adverts on podcasts available outside the UK for the first time. The move was part of an initiative to find new funding to supplement the BBC's existing commercial income. It sees global podcasts brought in line with the BBC World News TV channel and the bbc.com/news website, where audiences already see advertising. Podcasts will have a 30-second advert at the start and end of each episode.[362]

In 2007, the BBC Trust also approved the launch of BBC.com – which meant that international users see today advertising on selected pages of the BBC as well. There are a number of reasons behind this decision. The bulk of the BBC is funded by the UK licence fee paid by every household with a TV in Britain. However, under the new BBC charter, the BBC is not allowed to use licence fee funding for the benefit of international audiences. These rules also mean that UK citizens travelling will see adverts for BBC services.

Digitisation brings many challenges as media services previously restricted to certain geographical areas become available globally. In 2018, and in light of the EU's Digital Single Market, the EU's digital media portability rules took effect. The aim of the regulation is to ensure that Europeans who buy or subscribe to films, sports broadcasts, music, e-books and games in their home Member State are able to access this content when they travel or stay temporarily in another EU country. This rule also covers services like Netflix, Amazon Prime Video and other paid digital media services. The rules do not apply for free-of-charge services.[363]

What does this mean for BBC services that are paid through the licence fee? The BBC, which introduced a registration system for its iPlayer last year, cannot ensure that non-payers would be kept out of viewing its wares for free in Europe. It is not the only service where the rules do not apply, either. UK terrestrial TV broadcasters Channel 4 and ITV are not opening their free services to the rest of Europe. In a comment to the Guardian, the BBC said that it was 'interested in being able to allow UK licence fee payers to access BBC iPlayer while they are on holiday, and welcome the European Union regulation to help make this feasible.' The spokesman continued: 'There are complex technical issues to resolve which we are investigating and it will be dependent on what legislation is in effect in the UK in the future.' The problem may resolve itself due to Brexit.[364]

BBC Radio Cymru started to commission Welsh-language podcasts

At the time of writing (April 2020), BBC podcasts in Welsh have almost entirely been drawn from content broadcast on BBC Radio Cymru. However, in May 2019 BBC Cymru announced it would commission seven original podcasts in Welsh for distribution on BBC Sounds. Some S4C TV commissioning has also included podcasts associated with the programme, for example *FFIT Cymru*, a programme about healthier living, which has an associated podcast. Podcasts featuring catch-up content in Welsh are also produced and distributed by commercial radio and community radio stations broadcasting in Wales.[365]

New media players in Wales

Almost six in ten adults in Wales use video-on-demand services

There are also many video-on-demand (VOD) services available to consumers in Wales over the Internet. These range from PSB services like BBC iPlayer, ITV Hub, S4C's Clic, All 4 and My5 to the subscription services offered by Netflix and Amazon Prime Video. Based on the Media Nation Wales report of Ofcom, 56% of adults in Wales use VOD services, in 2019.[366]

Among all these services, the BBC iPlayer and Netflix had comparable, and the highest, levels of use (34% and 28% respectively), followed by the ITV Hub (25%). In BBC Wales' Management Review it was stated that in 2018, BBC iPlayer requests for BBC Wales' content increased three-fold to 44 million in 2018/19.[367] Around one in ten respondents in 2019 claimed to use other services such as YouTube (13%), Amazon Prime Video (11%), All4 (11%) and My5 (10%). Again, none of these services had increased use by respondents in Wales since 2018.[368]

Regulations for BBC's iPlayer changed in 2019

In 2019, the BBC proposed changes to the regulations of the BBC iPlayer to Ofcom. The proposition aims to change BBC iPlayer from a service where programmes are available to 'catch-up' for 30 days after broadcast, to one where programmes are available for 12 months as standard, with some available for longer. As required by the BBC Charter and Agreement, Ofcom carried out a competition assessment.

In line with Ofcom's provisional view, they concluded that the BBC's proposed changes to BBC iPlayer could deliver significant public value over time. They could increase choice and availability of public-service broadcast content and help ensure the BBC remains relevant in the face of changing viewing habits. However, Ofcom stated that they remained concerned about the competitive challenges created, particularly for other public service broadcasters' video-on-demand services. Ofcom concluded that the public value justified the adverse impact on fair and effective competition, and the BBC could proceed with its plans being subject to certain conditions and guidance by Ofcom. The conditions are that BBC is required to set out how the mission and public purposes would be delivered; the performance measures; and how the BBC has had regard to the effects of BBC iPlayer on competition in the UK.[369]

Paying for on-demand content does not appear to be a deterrent, as nearly half (46%) of all households in Wales had a subscription-based VOD service in Q1 2019. This is up from 38% in Q1 2018. As with the rest of the UK, Netflix is the most popular service (in 40% of all homes in Wales).[370]

More international players have recently entered the market including Apple TV Plus and Disney Plus, and more services have also been announced, like Comcast's Peacock and HBO Max. While at the moment local players like BBC and ITV still have large shares of the VOD market in Wales, changing consumer behaviour and the entrance of new international players to Wales' market will further disrupt Wales' media landscape.[371]

UK's first own subscription VOD - BritBox

BritBox launched in the UK on 7 November 2019. BritBox is a joint BBC and ITV venture at £5.99 per month. ITV controls the venture with a 90% share, with the BBC having the option to increase its holding to 25%. The service contains archive content from the main UK public service broadcasters (BBC, ITV, Channel 4 and Channel 5) and Film 4, and Comedy Central UK, as well as BritBox original content commissioned from UK production companies, planned to be available in 2020.

BritBox was first launched in the United States in 2017 and in Canada in 2018. A launch in Australia for late 2020, was announced on 5 March 2020. There are content restrictions between each platform, leading some content to be available on one platform and unavailable on another. On 5 December 2019, ITV's subscription video on demand Group Director Reemah Sakaan said in an interview that the service in North America (NA) reached profitability, this was followed in 2020 by the news that the service in North America had surpassed 1million users. A research study commissioned by Ofcom previously predicted that BritBox could achieve 2 million UK subscribers by the year 2023 (current subscriber numbers are not available).[372]

Because of the launch of BritBox, ITV group communications and corporate affairs director Paul Moore told The Independent: 'The vast majority of British shows will no longer be on Netflix within the next year.' This means thousands of hours of British content will disappear from Netflix and other VOD services.[373]

ITV's compliance team is voluntarily vetting BritBox shows to make sure they adhere to the broadcasting code, which applies to the broadcaster's TV channels and is governed by Ofcom. The broadcasting code includes strict rules relating to harm and offence and generally accepted standards, including inappropriate, explicit and violent content. However, BritBox is officially subject to a much less stringent set of rules than those of traditional TV channels such as ITV and the BBC.[374]

While some say that BritBox has come too late to enter the market, an earlier attempt to launch a similar service by UK public service broadcasters (BBC Worldwide, ITV and Channel 4) under the codenamed 'Project Kangaroo' was blocked by the UK Competition Commission in 2009. The commission stated that the case surrounding Kangaroo was about the control of valuable UK-originated TV content. 'BBC Worldwide, ITV and Channel 4 together control the vast majority of this material, which puts them in a very strong position as wholesalers of TV content to restrict competition from other current and future providers of video-on-demand services to UK viewers', said Peter Freeman, the chairman of the Competition Commission, in its final report.[375]

Upcoming new media players: Vloggers and influencers in Wales

Next to subscription-based VOD players operating in Wales, other platforms have enabled a new group of media creators in Wales, so-called vloggers or influencers. An especially important role for vloggers is on YouTube (where vloggers are also called YouTubers). Based on research by Ofcom, 13% of adults in Wales used YouTube in 2019.[376]

In the last couple of years, Vloggers have moved from being a group of hobbyists to acknowledged professional media content creators who take an increasingly larger share of hours spent on media content consumption and advertising revenues from traditional media players. Vloggers creating vlogs are now acknowledged as mainstream media for entertainment but also news provision. Vlogs also provide a unique way of storytelling. Vlog entries often combine embedded video (or a video link) with supporting text, images, and other metadata.

The most common ways to make money on YouTube are the YouTube Partnership scheme, Google AdSense and by collaborating with companies on sponsorships and advertising. In January 2020, it was announced that YouTube monetisation rates had risen to an average of £13 per 1,000 ad views. YouTubers also regularly work with a wide range of different companies, receiving payment in exchange for advertising a brand, or their products. Many studies support that vloggers have an increasingly large impact on certain sectors like tourism, fashion and other products and services.[377]

Of course, also traditional media players also use YouTube to share their own material. For example, Wales Online, the online portal for several newspaper titles in Wales including the Western Mail and South Wales Echo, has had a YouTube channel since 2014 and over 3 million views.[378] S4C's YouTube channel started in 2013 and has a similar amount of views.[379]

But most content uploaded to YouTube comes from individuals, many of whom consider YouTube their job and their channel a primary source of income. Wales has also a number of successful vloggers. In 2016, BBC looked at a number of successful YouTubers from Wales and gave insights about these channels:[380]

- Real Ale Craft Beer by Simon Martin (Europe's largest craft beer channel) with **15,507 subscribers and 2.9 million views**;

- Goss Makeup Channel by Wayne Goss with **2.77 million subscribers and 345 million views**;

- Huw's Nursery by Huw Richards-Price (seventeen-year-old Huw has one of the biggest gardening channels on YouTube making £12,000 from his videos) with **37,511 subscribers and 7.3 million views**;

- Kinging-It by Craig Holmes and Aimee Bannister (travel vlog) with **10,543 subscribers and 2.7 million views**.

In 2017, the Wales Blog Network, which is an authoritative listing for all blogs in Wales, listed a number of vloggers from Wales on YouTube.[381] It is difficult to identify all impactful YouTubers from Wales and there is a lack of more detailed research into these media creators. As Michael Parsons, senior lecturer in marketing at the University of South Wales' business school, said to the BBC: 'There are more than two million blogs published every day.' He believes the success of vloggers lies in people gravitating towards those who are creative and inspiring while we live in a world inundated with information. He went on to say that 'people are very distrustful of the media, of politicians, so if they can follow somebody like themselves then they are more likely to believe it and follow it.'[382]

The rise of micro influencers in Wales

Ofcom's report 'Children and parents: media use and attitudes report 2019' published in February 2020, found that 52% of 12-15 year olds in the UK said they watch vloggers or YouTube personalities. Ofcom also announced a new trend. In the report the rise of the 'vlogger next door' is highlighted. The report states that while high-profile YouTube stars remain popular, children in the UK are now increasingly drawn to so-called 'micro' or 'nano' influencers. These often have fewer followers but might be local to a child's area or share a niche interest.[383] This shows that children value being able to follow the lives of people in their local area, or those with similar interests to them, and perhaps gain more direct engagement with these influencers than their more-established or 'celebrity' counterparts. While much attention is paid to international successful YouTube stars, in the future more attention to micro influencers also in Wales can be expected.

Wales' video game industry: Lagging behind England

Based on the Association for UK Interactive Entertainment (ukie) research, the UK ishe 6th largest video game market in 2018 in terms of consumer revenues, after China, USA, Japan and Germany. Approximately 37.3m people in the UK play video games. The UK consumer spend on games was valued at a record £5.7bn in 2018, up 10.0% from 2017 (£5.18bn). And many internationally successful video games have been made in the UK. For example, *Grand Theft Auto V* by Rockstar Games, which is as of 2019, the highest grossing media title of all time. As of June 2018, there are 2,261 active games companies in the UK (UK Games Map).[384]

With 30 games companies, Cardiff lags far behind other UK towns and cities, including Bristol which has 50. Cardiff is 16th in ukie's table of UK towns and cities with the most gaming companies. Based on a 2019 article by the BBC, there are however 65 studios across Wales.[385] Games Wales, a non-profit industry group made up of Welsh games developers and supporting organisations, has 56 local gaming companies as members.[386]

In recent years, the Welsh Government has supported the local video games industry through funding with variable success. When video games company OysterWorld moved to Pontypridd in 2013 it received funding from the Welsh Government. However, by August 2016 they had gone bankrupt with debts of over £2m. This was despite the Welsh Government giving them grants worth £1.4m. Another example is Relentless Software, which also shut down in August 2016 despite only opening a new studio in Pontypridd in March 2016 and being given £550,000 by the Welsh Government.[387]

However, there are many other video games companies recently set up in Wales and Wales has also some success stories in the game industry. For example, Mike Bithell, a graduate of the University of South Wales' BA in Computer Game Design, was voted by gamesindustry.biz as one of the top 100 most influential people working in the British games industry in 2017. His independent project, *Thomas Was Alone*, was described by *The Telegraph* as a 'wonderful indie puzzle-platformer bursting with personality'. The game was originally released as a flash-based browser game in 2010, before eventually being released on PC and numerous PlayStation, Xbox and Nintendo consoles in April 2013 to further critical acclaim.[388]

Wales Interactive, an independent video games developer and publisher based in Pencoed, Bridgend, is another successful example of Wales' gaming industry. The company is an officially recognised developer for PlayStation, Xbox and Nintendo and has created more than 20 games across the platforms, many of which have received critical acclaim. It has been nominated for more than 80 awards since its inception in 2012, including the prestigious BAFTA Cymru Games Award.[389]

Can Wales become a global player in the video game industry?

Currently, Wales still lags substantially behind England in the video games industry. Simon Reed, lecturer at the University of South Wales, claims that Wales has the potential to become a global player in the video game industry, because 'the skills are here, the education is here, the infrastructure is here'.[390]

Indeed, many universities in Wales offer courses for game design and development creating a large pool of local talent. We identified the following programmes based on the Games Wales database[391] and desk research:

– BA (Hons) in Computer Games Design at the University of South Wales

– BA (Hons) Computer Games Enterprise at the University of South Wales

– BA (Hons) Creative Computer Games Design at University of Wales Trinity Saint David

– BA (Hons) in Games Art at University of South Wales

– BSc (Hons) Computer Game Development at University of South Wales

– BSc (Hons) Computer Games Development at University of Wales Trinity Saint David

– Game Art at Glyndŵr University

– BSc (Hons) Computer Games Design & Development at Cardiff Metropolitan University

As the number of study programmes creates more talent in Wales young people living in Wales are increasingly interested to work in the gaming industry. Barclays Business Banking in Wales surveyed over 2,000 8-18-year olds across Britain and published the results at the beginning of 2020.[392] The study shows how the popularity of video gaming among Gen Z gamers will impact their career choices. 62% of respondents in Wales would choose a career in gaming over becoming a lawyer, 57% over being a doctor or nurse and 55% would rather work in the gaming industry than be a professional athlete. 47% of Welsh respondents said video gaming is more fun than the real world, with 56% suggesting that gaming is now their favourite hobby. In fact, the research discovered more than half of Welsh respondents prefer to play video games than watch TV, Netflix or Amazon Prime, and over two thirds prefer it to reading.

This indicates that the video game industry can potentially become an even more important industry in Wales in the future not only for production but also consumption of video games. And the Welsh Government continues to support local video game companies. For example, in 2018 Tiny Rebel Games launched *Doctor Who Infinity* (mobile game) after securing £300,000 in funding from the Welsh Government, alongside investment from the British game developer Double Eleven to aid the game's design and production. The *Doctor Who* brand is licensed to Tiny Rebel Games by BBC Studios.[393] And we see further potential in Wales related to other globally popular intellectual property brands that have great potential for video games.

A wide range of social media platforms are used in Wales

Based on Ofcom's 2017 Technology Tracker report, adults in Scotland (97%) and England (95%) are marginally more likely to be social media users than those in Wales (93%) and Northern Ireland (89%). The same story plays out in daily usage: England (74%), Scotland (73%), Wales (67%) and Northern Ireland (53%).[394]

If we look at Ofcom's report 'Children and parents: media use and attitudes report 2019'[395] we can find more detailed data on social media platform use in Wales. The report finds that older children are using a wider range of social media platforms than ever before. WhatsApp in particular has grown in popularity among 12-15 year-olds since last year, despite having a minimum age limit of 16. For the first time, it rivals Facebook, Snapchat and Instagram as one of the top social media platforms for older children. Newer platforms are also becoming more popular. Around one in seven older children use TikTok, which enables users to create and upload lip-sync, comedy and talent videos, while one in 20 older children uses Twitch, a live streaming platform for gamers.[396]

Social media platforms and digital media enable the use of the Welsh language and create communities for learning

The use of the Welsh language on new media and specifically social media has been well established. A study from 2010 found evidence that suggests that the use of the Welsh language has been normalized to some extent within Facebook and that the language has established an active presence in Facebook groups and profiles.[397] Another study published in 2012, looking at Twitter, supports this. The study finds that the Welsh-speaking community appears to have responded positively to the Internet and the new media it facilitates, while Twitter has become a new domain for the production and consumption of the Welsh language, as well as facilitating new connections between members of the Welsh-speaking community.[398]

The Welsh language is not only used on existing social media sites. In 2019, a new social media platform in the Welsh-language was launched, called Tŵt. Built with native support for Welsh and English language users, the network aims to connect the Welsh diaspora and provide a privacy-focussed alternative for social media users. Tŵt is built on open-source technology and connects to a network of networks that boasts two million members, providing an instant audience and source of connections for new users. Unlike other social media platforms, the interface is fully available in Welsh and supports the use of non-English text. The platform allows users to share 500 characters of text as well as images and videos, with easy to understand control over visibility and discoverability.[399]

And social media has also been found to be a valuable tool for Welsh-language learners.[400] A study from 2015 analysed the learning behaviour of a number of Welsh-learners. The study found that all participants use social media to support their learning, but use varies considerably. At the 'low' end, learners use sharing facilities to watch Welsh television programmes or films, video on YouTube or to download music, and use free resources such as those provided on the BBC website. Receiving Facebook posts in Welsh provides some reading practice and Skype is also used for conversation to support practice in speaking.

There are a small number of Welsh learning groups on Facebook, such as the one run by Coleg Gwent (Gwent College), one of five regional educational centres providing lessons and resources for adult learners. While most language learning apps do not include Welsh there are some including Duolingo. There is a specific language learning community called SSIW (Say Something In Welsh), which is particularly successful, with 30,000 participants having signed up for courses offering a combination of online and offline opportunities.[401]

Support for the video game industry in Wales

As described above, public intervention to fund video game development has been accepted by the Welsh Government through its support of several game developing companies and game development projects (see above). And digital initiatives for new media projects are funded by both local media players and governments. There are a number of other funds and support mechanisms that should be mentioned here (please note that this is not an exhaustive list):

Video Games Tax Relief (VGTR)

Video Games Tax Relief (VGTR), established in 2014, is a government scheme that allows UK game developers to apply for tax relief funding from HMRC. The computer game must qualify as being British under the Video Games Cultural Test which is administered by the British Film Institute (BFI) and DCMS (Department for Culture, Media and Sport). Video Games Tax Relief is part of the Creative Sector Tax Relief which also covers film production, animation and high-end television. Video Games Tax Relief is also known as the UK Games Tax Relief Scheme.[402]

Criticism about the VGRT

The VGRT has received criticism in recent years. On the one hand, it is claimed that for a video game to gain VGTR status is not easy due to the Video Games Cultural Test. In July 2016 the BFI said 'Of the 515 games that have applied for tax relief certification to date, only 180 have been granted final certification.'[403]

On the other hand, the VGRT has been criticised as supporting 'tax-dodging multinational corporations'. The Guardian was also critical that VGTR creates tax avoidance opportunities by pointing out that Warner Media, which owns Rocksteady (Batman: Arkham series) and Traveller's Tales (the Lego games), used the policy to claim up to £60m in corporation tax relief. Sony claimed around £30m, while Sega received a £20m tax reduction. The last time the tax relief programme generated controversy was in 2019. Independently of the Guardian investigation, TaxWatch UK discovered that Take-Two Interactive (Grand Theft Auto V) used VGTR to claim £42m via its UK studio, Rockstar North.[404]

The BFI claims that every £1 invested into the games industry via VGTR generated £4, citing more jobs and other economic spillover effects and that the 'cultural test' is very relaxed as it is enough to have an office in the UK or simply use the English language in your game. The critics say that VGTR helps the industry that is lucrative as it is, while incentivizing other countries to cut tax if they want to stay competitive.[405]

A detailed analysis in the scope of European Commission tax relief schemes is necessary to validate or negate these various criticisms.

'Let's get Digital' programme

The 'Let's get Digital' programme for aspiring game designers is part of Social Enterprise GoConnect and the Cwm a Mynydd Rural Development Plan programme for Caerphilly and Blaenau Gwent (the Cwm a Mynydd Local Action Group is funded through the Welsh Government Rural Communities – Rural Development Programme 2014-2020, itself funded by the European Agricultural Fund for Rural Development and the Welsh Government). It is designed to provide young adults living within rural communities of Caerphilly and Blaenau Gwent with better access to specialist digital education to help address a growing skills gap. It is thought that increasing opportunities in the gaming industry can potentially become a growing source of employment in the area if the skills-base can be developed.[406]

UKGTF CIC

UKGTF CIC (UK Games Talent and Finance) is a non-profit Community Interest Company with the remit to support the UK's early stage games development and digital interactive business and creative ecosystem in terms of both companies and individuals.[407] It runs the UKGF (UK Games Fund).[408]

Games Wales

Games Wales[409] is a non-profit industry group made up of Welsh games developers, educational institutions, media partners and industry bodies with a shared interest in promoting the games industry in Wales. Games Wales runs the annual Wales Games Development Show and organises social and educational events through Games Wales South and Games Wales North. It is supported by BAFTA Cymru and many local gaming companies and organisations.

Other funding opportunities for video games and digital services

Other funding and support opportunities for video games in Wales include the BAFTA Cymru Games Award[410], Creative Europe Video Games Development Funding and MEDIA (which is no longer available after Brexit). Games Talent Wales, which was launched in 2019 (a grassroots talent development programme for video games led by Wrexham Glyndŵr University and the University of South Wales partnered with the Welsh Government),[411] and Creative Wales (see above), which funds and focuses on film, TV and music as well as on gaming.[412]

The Books Council Wales (see above) also funds games and electronic material (such as e-books) as well as the online news services.[413] BBC's Make It Digital Initiative has a number of programmes for digital training,[414] similarly to Digital Wales, which is funded by the Welsh Government.[415]

Notes

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334   See https://gov.wales/broadband-in-wales/community-led-broadband

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Contributors & Acknowledgements

Author: Dr Marlen Komorowski

Dr Marlen Komorowski works as independent consultant for diverse research projects. She works for Cardiff University as impact analyst of the Clwstwr programme (http://www.clwstwr.org.uk), a five-year to create new products, services and experiences for the screen and news sector in South Wales. She is senior researcher and Professor for European Media Markets at Vrije Universiteit Brussels and is associated with the research centre imec-SMIT-VUB (Studies on Media, Innovation & Technology) in Brussels. As a researcher, her work focuses on media and creative industries-related projects, impact analysis, industry clustering, ecosystem and value network analysis, new business models and the impact of the digitisation on industries and firms.

Contact: marlen@iwa.org.uk or komorowskim@cardiff.ac.uk.

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Survey respondents

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