

Response to the Ofcom Annual Plan 2021/22

Welsh Government's relationship with Ofcom

The need to engage quickly and efficiently with our key stakeholders so we can respond at pace to the impact of the global COVID-19 pandemic has highlighted the value of a strong and effective relationship between Welsh Government and Ofcom. We want to build on our positive relationship with Ofcom in Wales in 2021/22 and strengthen links with policy leads centrally.

The Welsh Government continues to liaise closely with David Jones as the Ofcom Board Member for Wales to ensure that the interests of Wales are appropriately represented on Ofcom's Board. We recognise the invaluable contribution of the Ofcom Advisory Committee for Wales; the Content Board Member for Wales; and the Communications Consumer Panel Member for Wales.

We note the commitment in the proposed plan of work to continue to review where staff are located and ensure Ofcom's workforce reflects people and perspectives from across the whole of the UK. The Welsh Government is keen to identify opportunities to increase the number of individuals based in Wales to ensure the office is sufficiently resourced and to increase its visibility in Wales. This includes opportunities as the organisation assumes new duties and in the context of additional regulatory responsibilities following the announcement that the UK Government has appointed Ofcom as the online harms regulator.

Memorandum of Understanding

The Welsh Government welcomes the positive engagement to date with Ofcom on the review of the Memorandum of Understanding (MoU) which outlines the relationship between the UK Government, the Welsh Government, Senedd Cymru and Ofcom.

The review will be finalised in coming weeks and we aim to strengthen elements of the MoU to reinforce our role in setting the strategic priorities for Ofcom with respect to its activities in Wales. We would expect there to be ongoing consideration of opportunities to further strengthen and define our relationship with Ofcom, through the MoU and generally, recognising Ofcom's independence from government, in future.

The 2021/22 Proposed Plan of Work

The following are the Welsh Government response to specific elements of the proposed plan of work.

Encouraging investment in strong secure fibre networks

Whilst welcoming the commitment to continued encouragement of investment in fibre deployment, as well as ensuring that fibre networks are strong, secure and protected, we again highlight our position that consumers, residents or businesses, in rural areas should not face higher prices for broadband and mobile phone services than those in urban areas particularly with these communities unlikely to provide competitive fibre environments to providers.

As such, we welcome the continued monitoring of the BT Openreach separation and the potential positive impact this could have on our rural communities.

We also welcome the creation of a Mobile Strategy and would welcome an opportunity to contribute to any work undertaken.

Delivering universality of broadband services

Welsh Government again remains concerned that the Universal Service Obligation will not deliver connectivity to homes and businesses in Wales that are most at risk of overlooked. The premises cost cap still does not reflect the reality of the cost of providing a sustainable broadband solution in the most rural areas of Wales.

The proposed plan of work should include a commitment to an annual review of and adjustment to the working and effectiveness of the USO.

In implementing the universal broadband service the proposed plan of work states that Ofcom will monitor the work of BT and KCOM and whilst welcoming this commitment we believe that there needs to be greater focus out on their operations to ensure comprehensive delivery.

Shared Rural Network.

The Welsh Government welcomes the agreement on the Shared Rural Network and the positive impact its services will have on those areas across Wales that currently experience little or no mobile coverage. However, we would ask that the proposed plan of work details a more robust and challenging role for Ofcom in ensuring that the project delivers on its plans to eliminate several “not spots” across Wales and is more transparent in its sharing of data.

PSTN Switch over.

Although regular discussions have taken place regarding the PSTN switch over and joint awareness raising sessions held, there remain a number of concerns about the impact of the PSTN on the ability of residents and businesses to continue to contact the necessary authorities in the event of a power cut and of the impact on life and limb services. It is understood that a requirement by network providers to ensure a small timeframe exists to connect to emergency services will exist, but it is important that all potential issues are fully addressed.

We believe that pressure on network providers be strengthened to ensure that the process of identification and subsequent remedying of issues is robust.

5G innovation

The Welsh Government welcomes the commitment from Ofcom to encourage interested parties to explore innovative ways to use 5G and other emerging technologies, such as LoRaWAN, particularly in rural communities. This reflects the Welsh Government’s ambitions and there is scope for Ofcom and the Welsh Government to work together to create the right conditions for interested parties to test and deploy innovative technology in Wales.

The proposed plan of work should highlight a commitment to work with the Welsh Government to encourage the use of new technologies in Wales.

Broadcasting

The value of broadcasting to audiences has never been clearer. It is vital that Ofcom continues to fulfil its obligations in relation to public service broadcasting in Wales, including those related to ITV Cymru Wales, S4C and Channel 4. We note ongoing work to set and enforce content standards. A particular issue highlighted in Wales in recent months has been the issue of misreporting of information by broadcaster, with the Wales position on the COVID-19 crisis and action to limit the spread of the virus not being relayed correctly. This not only impacts on democracy in Wales, but has significant implications from a public health perspective. We would ask that Ofcom, as the regulator for communications services in the UK with a role in maintaining standards of accuracy, consider their response to this issue in planned activity in 2021/22.

The Welsh Government supports activity relating to the *Small Screen: Big Debate* consultation on the future of public service broadcasting, at a pivotal point in time for broadcasting. We look to work with Ofcom during this process to support an evolving regulatory regime that keeps pace with technologic progress, changing content consumption habits and reflects global influences. We welcome the commitment to work with devolved governments on this to ensure any recommendations and proposals in 2021 reflect the needs and characteristics of Wales.

We note plans in 2021/22 to build on Ofcom's previous assessment of PSB performance to consider what audiences want from public service media over the next five to ten years. It will be essential that any work provides sufficient opportunities to engage with audiences across the UK to highlight differences. This includes the importance of the Welsh language to meeting audience needs in Wales.

The Welsh Government will respond to Ofcom's *Small Screen: Big Debate* consultation on the future of public service broadcasting.

We welcome the focus on increasing diversity in television and radio, which is a key priority for Creative Wales for the creative industries and broadcasting in Wales.

Ofcom's role as external regulator of the BBC

We note plans to consider how the BBC operating licence should evolve to reflect the digital world and for the first periodic review of the BBC, ahead of the UK Government's mid-term review of the Charter. We have previously welcomed Ofcom's assurance that the Operating Licence and performance measures for the BBC will evolve over time, and would expect there to be opportunities for Welsh Government to engage with this work, to support a Licence that is fit for purpose in Wales. We also seek assurances that actions related to monitoring and reviewing the BBC's delivery as set out in the proposed plan of work include an assessment of delivery in Wales.

Licences

We note continued activity to issue, manage and maintain licences for TV and radio broadcast services. We reiterate previous statements; that when television and radio licenses for stations in Wales are awarded or reviewed, due consideration should be given to the bilingual nature of Wales and the importance of the Welsh language in the context of the Welsh Government's aim of having one million Welsh speakers by 2050, by specifying in the contract that a set number of hours be broadcast in Welsh along with a statement about Welsh-language web content such as text, streams and clips.

Radio

The COVID-19 pandemic has highlighted the importance of radio to keeping audiences in Wales entertained and informed. The Welsh Government would not wish to see further relaxation or removal of the current localness rules on commercial radio.

Stakeholders in Wales welcomed the emergency short term COVID-19 restricted service licences made available by Ofcom during 2020. This was highlighted in the Senedd Cymru's report on the impact of the COVID-19 outbreak on journalism and local media. We welcome the intention to deliver new restricted service licenses in 2021/22.

The repurposing of the Ofcom Community Radio Fund and the additional funding made available for a third round of support to support stations impacted by COVID-19 has also been welcomed in Wales. The Welsh Government is keen to work closely with Ofcom to ensure any funding made available in 2021/22 benefits eligible community radio stations in Wales.

Online harms

We note that, since the publication of the proposed plan of work, the UK Government has set out its detailed plans for legislation to protect people against online harm and has confirmed its intention to appoint Ofcom as the regulator for this new regime. It would be helpful to understand if Ofcom proposes further changes to 2021/22 activity now its role has been confirmed.

There has been positive engagement to date with Ofcom on this area of work and it is critical this engagement continues in earnest now Ofcom has been formally appointed so that future activity reflects priorities in Wales and recognises differences in devolved areas, such as education and the curriculum, safeguarding and the Welsh language. As research is undertaken in this area we would expect this to capture views and online behaviours and attitudes from across the UK.