



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu](#)

[The Culture, Welsh Language and
Communications Committee](#)

20/10/2016

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Hannah Blythyn Bywgraffiad Biography	Llafur Labour
Suzy Davies Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Neil Hamilton Bywgraffiad Biography	UKIP Cymru UKIP Wales
Bethan Jenkins Bywgraffiad Biography	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Dai Lloyd Bywgraffiad Biography	Plaid Cymru The Party of Wales
Jeremy Miles Bywgraffiad Biography	Llafur Labour
David Rees Bywgraffiad Biography	Llafur (yn dirprwyo ar ran Lee Waters) Labour (substitute for Lee Waters)

Eraill yn bresennol
Others in attendance

Mark Sweeney	Cyfarwyddwr Materion Llywodraethu a Rheoleiddio, Ofcom Director of Government and Regulatory Affairs, Ofcom
Rhodri Williams	Cyfarwyddwr Cymru, Ofcom Director Wales, Ofcom

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Steve George	Clerc Clerk
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Adam Vaughan	Dirprwy Glerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:31.

The meeting began at 09:31.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introductions, Apologies, Substitutions and Declarations of Interest

[1] **Bethan Jenkins:** Diolch a chroeso i'r Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu. Eitem un ar yr agenda yw 'cyflwyniad, ymddiheuriadau a dirprwyon' a chroeso i Aelodau'r Cynulliad yma heddiw. Os bydd yna larwm tân, dylai pawb adael yr ystafell drwy'r allanfeydd tân penodol a dilyn cyfarwyddiadau'r tywyswyr a'r staff. Ni ddisgwylir prawf heddiw. Dylai pawb droi eu ffonau symudol i fod yn dawel.

Bethan Jenkins: A very warm welcome to the Culture, Welsh Language and Communications Committee. Item one on our agenda is 'introductions, apologies and substitutions'. I'd like to welcome Assembly Members here today. In the event of a fire alarm, everyone should leave the room by the fire exits and follow the instructions from the ushers and staff. We're not expecting a test today. Everyone should turn their mobile phones to silent.

[2] The National Assembly operates bilingually. So, headphones are available to hear simultaneous translation and to adjust the audio for people who are hard of hearing. Simultaneous translation is available on channel 1 and sound amplification on channel 0.

[3] Nid oes angen cyffwrdd â'r botymau ar y microffonau oherwydd y gallai hynny amharu ar y system, a gofawch fod y golau coch ymlaen cyn dechrau siarad. A oes unrhyw datgan—buddiant i'w ddatgan? Na. Grêt, diolch.

You don't need to touch the buttons on the microphones because that can disable the system, and please ensure that the red light is on before you start speaking. Does anyone have any declarations of interest? No. Excellent, thank you.

[4] Ymddiheuriadau: mae Lee Waters wedi cynnig ei ymddiheuriadau, ac mae David Rees—croeso i David Rees—yn lle Lee Waters yma heddiw. Mae Dawn Bowden hefyd wedi cynnig ymddiheuriadau, ond nid oes neb wedi dod i ddirprwyo iddi yma heddiw.

Apologies: we've received apologies from Lee Waters, and David Rees will be substituting for him—a very warm welcome to you. Dawn Bowden has also apologised, but we have no substitute for her today.

09:32

Sesiwn Graffu Gyffredinol gydag Ofcom General Scrutiny of Ofcom

[5] **Bethan Jenkins:** Eitem 2 ar yr agenda yw sesiwn craffu cyffredinol gydag Ofcom. Nid wyf yn siŵr a ydy Ofcom wedi gweld, ond rydym ni wedi bod yn cymryd tystiolaeth gan y BBC, ITV, S4C, ac rydym ni eisiau, fel pwyllgor newydd, sicrhau ein bod ni'n cymryd tystiolaeth gan y sector er mwyn sicrhau ein bod ni yn y Cynulliad yma yn cael mewnbwn i mewn i'r hyn sydd yn digwydd o ran darlledu yma yng Nghymru. Felly, diolch yn fawr i Rhodri Williams, cyfarwyddwr Cymru Ofcom, a Mark Sweeney, cyfarwyddwr materion llywodraethol a rheoleiddio, yma heddiw. Os oes pwt bach gennych i'w ddweud yn glou—ond mae digon o gwestiynau gyda ni, fel yr ydych chi'n gallu ei ddychmygu, i'w gofyn i chi fel Aelodau Cynulliad.

Bethan Jenkins: Item 2 on our agenda is a general scrutiny session with Ofcom. I'm not sure if Ofcom will be aware of this, but we have been gathering evidence from the BBC, ITV, S4C and, as a new committee, we want to ensure that we do take evidence from the sector to ensure that we, in this Assembly, do have an input into what's happening in terms of broadcasting in Wales. So, thank you very much to Rhodri Williams, director for Wales from Ofcom, and Mark Sweeney, director of governance and regulatory affairs, for being here today. If you do want to make an opening statement, you're welcome to do so, but we have plenty of questions, as you can imagine. So, over to you.

[6] **Mr Sweeney:** Excellent. Thank you very much, Chair. Committee, thank you very much for inviting us to come and give evidence to you today. We're very grateful to have the opportunity. I will, if you are happy, just say a very, very brief word, then, in that case, about Ofcom's new responsibilities, but I will keep it brief because I'm sure you'd like to get into questions. And, I'm happy to develop, obviously, any of this throughout the session. The first thing to say, really, is that, as you all know, the new charter and agreement marks a significant departure. It will be the first time that the BBC has had an external regulator. From our perspective, the distinction between the governance of the BBC and the role of the unitary board in running the BBC, and our role as an external regulator holding it to account, is critical, and I expect we might explore what that distinction will mean in practice in this session.

[7] Broadly speaking, we have three sets of responsibilities in relation to the BBC in the new dispensation, once it is put in place from April next year. The first is to ensure editorial standards are upheld across the BBC—to act as a backstop regulator for complaints in that context. The second is a role in relation to the BBC's performance: to hold it to account for delivering the public purposes, which includes, but is not limited to, setting the operating licence. And, finally, we have a role in relation to the competitive impact of the BBC, and, effectively, ensuring that, while the BBC is able to deliver its public purposes and its mission, at the same time, the impact that it has on the market as it does so is proportionate to the public gain. There are various other aspects of our role, which I won't go into in detail now, but, as we look towards the likelihood of the charter agreement being agreed in November, we're beginning, obviously, to turn to working through how we will implement our responsibilities in each of those areas, and we'll be conducting public consultations in each. I will stop there and invite questions.

[8] **Bethan Jenkins:** Diolch yn fawr iawn am fod yn fyr. Fy nghwestiwn cyntaf i yw: rŷm ni wedi gofyn i'r BBC, ITV ac S4C os bydden nhw'n fodlon rhoi adroddiad blynyddol gerbron y Cynulliad. Yn amlwg, rŷch chi wedi dod i mewn yn y gorffennol, ond nid ydych chi wedi dod i mewn yn strwythurol, felly. A fyddech chi fel endid yn barod i roi eich adroddiad rŷch chi'n ei wneud gerbron y Cynulliad, er mwyn sicrhau bod yna sicrwydd o ran sgrwtineiddio Ofcom yn flynyddol?

Bethan Jenkins: Thank you very much for your brevity. My first question is: we've asked the BBC, ITV and S4C if they would be willing to lay an annual report before the Assembly. Now, clearly, you have appeared in the Assembly in the past but haven't done so on a structured basis. So, would you as an entity be willing to lay your annual report before the Assembly, in order to ensure that there is annual scrutiny of Ofcom?

[9] **Mr Sweeney:** I think there are two aspects to this, if I may. The first thing is, in relation to the BBC regulation specifically: the charter will require us to produce an annual report on how we have discharged our duties. I think the charter is silent on what we should then do with that report. I see no reason at all why we would not want to make it available to each of the devolved legislatures as well as to Parliament. The other point, as I'm sure you know, is that Ofcom already produces an annual report on a range of our activities, which will continue. We were committed, originally by the Smith

Commission in relation to Scotland, and then by the St David's Day agreement in Wales, and also in Northern Ireland, to agree a memorandum of understanding between Ofcom, the devolved administrations, the UK Government and the devolved legislatures. So, I imagine we'll also come to address that point about laying our annual report through the agreement of an MoU with the Assembly and with the Welsh Government. So, I think the short answer is: I don't see a difficulty with that.

[10] **Bethan Jenkins:** A allwch chi **Bethan Jenkins:** Could you just tell us
 jest ehangu ar pryd bydd y when that memorandum will be in
 memorandwm hwnnw'n cychwyn? place? When will you actually make
 Pryd byddwch chi'n gwneud y that memorandum with the Assembly
 memorandwm hwnnw gyda'r specifically?
 Cynulliad yn benodol?

[11] **Mr Sweeney:** The initiative on this, I think, sits with the UK and Welsh Governments at the moment. So, I think, from that perspective, we're ready to begin discussing the content of the memorandum more or less now. We are in the final stages of agreeing a memorandum of understanding with the Scottish Government and Parliament. The Scottish Parliament's relevant committee, the committee analogous to this, considered a draft of that memorandum, I think three weeks ago, and it's set to be voted on on the floor of the Scottish Parliament shortly. We expect that—that is likely to provide the template—but, obviously, it may need to vary to reflect the specific concerns and issues in each nation. So, again, the short answer: I think we can begin talking about that now.

[12] **Bethan Jenkins:** Jest i **Bethan Jenkins:** Just to confirm,
 gadarnhau, felly: rŷch chi'n disgwyl i therefore, would you expect the
 Lywodraeth Cymru ddechrau'r Welsh Government to start those
 trafodaethau hynny? Oherwydd, yn negotiations? Because, clearly, we as
 amlwg, byddai diddordeb gyda ni fel a committee would be interested in
 pwyllgor i edrych ar y memorandwm looking at that memorandum also.
 hwn hefyd. Felly, ai'r broses yw y So, would the process be that it
 byddai hynny yn mynd i'r would go to Government first, and
 Llywodraeth yn gyntaf, ac wedyn then that the Government would
 bydd y Llywodraeth yn siarad â'r communicate with the Assembly? I
 Cynulliad? Nid wyf yn siŵr beth wasn't sure what you meant in that
 roeddech chi'n ei ddweud yn hynny o regard?
 beth.

[13] **Mr Sweeney:** My expectation is that the UK Government would begin the process, because it was a commitment made by the UK Government to the devolved administrations in each of Edinburgh, Cardiff and Belfast. The way in which the UK Government approached it in relation to Scotland was to discuss a draft of the memorandum with the devolved administration and with us, and then to invite the relevant parliamentary committee in the Scottish Parliament to give their views. So, I think my suggestion would be that, in the first instance, the committee should discuss with the Welsh Government and find out where they are in the process.

[14] **Bethan Jenkins:** Océ, diolch yn fawr. Mae hynny'n helpu. Jest i fynd ymlaen at Gymru'n benodol: yn amlwg, mae Ofcom yn gweithredu yma ac mae yna bwyllgor ymgynghorol yng Nghymru sy'n cael canllawiau gweithredu. Sut ydych chi'n sicrhau anghenion penodol Cymru yn sgil eich gwaith trwy Ofcom Cymru? Sut mae beth mae Ofcom Cymru yn ei wneud yn adlewyrchu Cymru a beth mae dinasyddion Cymru ei eisiau? A hefyd, beth yw eich cyfathrebu, wedyn, gydag Ofcom yn ganolog?

Bethan Jenkins: Okay, thank you. That's a great help. If I could just move to Wales specifically: it's clear that Ofcom operates here and that there is an advisory committee in Wales that receives operational guidance. How do you secure the specific needs of Wales in terms of your work through Ofcom Wales? How does the activity of Ofcom Wales reflect the aspirations of the citizens of Wales? And also, what is your communication, then, with Ofcom centrally?

[15] **Mr Williams:** Wel, i ddechrau, trwy ein gwaith ni fel swyddogion yng Nghymru, rŷm ni'n cymryd mai un o'r pethau cyntaf rŷm ni'n gorfod eu gwneud yw cael dealltwriaeth glir o'r anghenion ac o'r materion hynny yng Nghymru sydd yn fwy pwysig, efallai, nag y bydden nhw yn gyffredinol ar draws y Deyrnas Unedig. Mae'r pwyllgor cynghori rŷch chi'n cyfeirio ato fe yn ein cynorthwyo ni i wneud hynny, a'r hyn rŷm ni wedi'i wneud dros y blynyddoedd diwethaf yw ceisio sicrhau bod gennym ni, ar y pwyllgor, grŵp o bobl sydd yn

Mr Williams: Well, to begin with, through our work as officials in Wales, we assume that one of the first things that we must do is to gain a clear understanding of the needs and of those issues in Wales that are more important, perhaps, than they may be generally across the United Kingdom. The advisory committee that you refer to assists us in doing that, and what we have done over the past years is endeavour to ensure that we have a group of people on the committee who are experts in one or more of those areas that we

arbenigwyr mewn un neu ragor o'r meysydd yr ŷm ni'n gyfrifol amdany nhw. Er enghraifft, mae cadeirydd y pwyllgor, John Davies, wedi bod yn gyfrifol yn y gorffennol am redeg beth oedd, bryd hynny, yn BT Wholesale, ac felly mae'n arbenigwr ar faterion telegyfathrebu. Mae Huw Roberts, aelod arall o'r pwyllgor, wedi bod yn gyfrifol am weithredu'r Post Brenhinol yng Nghymru.

are responsible for. For example, the chair, John Davies, in the past was responsible for running what was called BT Wholesale, and therefore he is an expert on telecommunication issues. Huw Roberts, another member of the committee, was responsible for running the Royal Mail in Wales.

[16] Felly, trwy ein hymwneud ni â'n rhanddeiliaid—a phan rŷm ni'n sôn am randdeiliaid, nid ydym ni'n sôn fan hyn am gwmnïau masnachol yn unig, rŷm ni'n sôn am unrhyw un sydd am siarad gyda ni, ac am y rheswm hwnnw, rŷm ni'n cynnal digwyddiadau y tu allan i Gaerdydd, er enghraifft yn y sioe amaethyddol yn Llanelwedd, i wrando ar gonsŷrn y cymunedau gwledig hynny, sydd, wrth gwrs, fel y byddwch chi i gyd yn ei wybod, â phryderon ynglŷn ag argaeledd gwasanaethau band eang, ffonau symudol ac ati. A'r hyn yr ŷm ni'n ei wneud wedyn yw cymryd y wybodaeth yna, ei fwydo i mewn i'r system yn Ofcom, ac mae yna ddigon o gyfle ers y cychwyn cyntaf.

So, through our engagement with our stakeholders—and when we talk about stakeholders, we're not here talking about commercial companies only, we are actually thinking of anybody who wishes to talk to us, and for that reason, we hold events outside Cardiff, for example at the agricultural show in Builth Wells, to listen to the concern of those rural communities, which, of course, as you will all know, have concerns about the availability of broadband services, mobile phone signal and so on. And what we then do is take that information, feed it into the system in Ofcom, and there are ample opportunities, since its very inception, to do that.

[17] Mae Ofcom wedi'i drefnu mewn ffordd sy'n ei wneud yn rhwydd i ni fynegi'r materion hynny sydd o bwys i ni yng Nghymru i'n cydweithwyr yn Llundain, ac wedyn defnyddio eu harbenigedd nhw i geisio sicrhau gwelliannau yn y meysydd hynny. Ac rŷm ni'n teimlo bod y system honno yn gwella. Dros

Ofcom has been organised in a way that has made it easy for us to express those matters of import in Wales to our colleagues in London, and then to use their expertise to seek improvements in those areas and those fields. And we believe that that system is improving. Over time, stakeholders get used to our way of

amser, mae rhanddeiliaid yn dod i arfer â'n ffordd ni o weithio, o fwydo mewn i'n rhaglen waith flynyddol, ac mae'r Llywodraeth hefyd yn gyfarwydd â gwneud hynny. Rŷm ni'n edrych ymlaen at gael gwelliant eto yn y sefyllfa honno wrth inni benodi aelod o'r bwrdd a fydd yn benodol yn eistedd yno fel aelod dros Gymru.

[18] **Bethan Jenkins:** A allech chi jest roi rhyw gwpwl o enghreifftiau, cyn inni symud ymlaen, o'r hyn sydd wedi cael ei ddysgu gan eich cyfathrebiad gyda dinasyddion Cymru, er enghraifft trwy'r sesiynau amaethyddol? Achos, weithiau, rŷm ni'n ansicr ynglŷn â beth sydd yn newid mewn lot o sectorau, fel y bydd rhai yn cwestiynu o ran radio. Beth sydd yn gwella, wedyn, yn sgil y ffaith bod y sesiynau yma'n digwydd?

[19] **Mr Williams:** Rwy'n credu mai'r enghreifftiau y byddwn i'n cyfeirio atyn nhw fyddai ym myd y band eang a hefyd ym myd gwasanaethau ffôn symudol, lle mae'r ddealltwriaeth—. Rwy'n credu, os awn ni nôl i ban gafodd Ofcom ei sefydlu yn 2004, roedd yna rhyw deimlad, efallai, mai dyna sut oedd pethau—os oeddech chi'n byw mewn ardaloedd gwledig, ni fydech chi'n derbyn gwasanaethau o'r math yna, ac fe fydden nhw ond ar gael mewn rhai ardaloedd penodol. Rwy'n credu erbyn hyn bod y ddealltwriaeth—ac rwy'n credu bod Sharon White, ein prif weithredwr, sydd wedi bod gyda ni yn ei swydd ers rhyw flwyddyn

working, and of feeding into our annual work programme, and the Government is also familiar with doing that. We look forward to a further improvement in that situation as we appoint a member of the board who will be specifically sitting there as a member for Wales.

Bethan Jenkins: Can you just give us a few examples, before we move on, of what you have learned from your communications with the citizens of Wales, for example in the sessions in the Royal Welsh? Because, on occasion, we're uncertain as to what is changing in many sectors, as you will hear later in terms of radio. So, what improvements have been made, then, in light of the fact that you are holding these sessions?

Mr Williams: Well, I believe that the examples that I would allude to would be in the areas of broadband and also mobile phone services, where the understanding—. I believe, if we go back to the establishment of Ofcom in 2004, there was a feeling, perhaps, that that's how things were—if you lived in a rural area, then you wouldn't receive those kinds of services, and they would only be available in some specific areas. I believe, by now, that the understanding—and I believe that Sharon White, our chief executive, who has been in post for almost a year now, has made it clear that we, by now consider receiving affordable,

bellach, wedi gwneud yn glir ein bod ni bellach yn ystyried bod cael gwasanaethau band eang fforddiadwy, dibynadwy a chyflym yn rhywbeth sydd yn rhaid i ddinasyddion, lle bynnag maen nhw'n byw, ei dderbyn. Felly, mae'r canfyddiad—nid yn unig o fewn Ofcom; rwy'n credu ei fod yn wir mewn cylchoedd ehangach na hynny—o bwysigrwydd y gwasanaethau hynny—.

dependable and speedy broadband services as something that citizens, wherever they may live, should receive. So, the perception—not only within Ofcom; I believe that it's true in wider circles than that—of the importance of those services—.

[20] Ac wrth sôn am y sector amaethyddol, wrth gwrs, lle mae yna reidrwydd ar ffermwyr i wneud mwy a mwy o'u gwaith yn electronig, lle nad yw ei wneud ar bapur yn opsiwn rhagor—mae hynny wedi cael ei fynegi yn glir i ni gan gynrychiolwyr o'r sector amaethyddol. Ac, yn y gorffennol, mae prif weithredwr Ofcom, y prif weithredwr diwethaf, wedi dod i Lanelwedd i wrando'n uniongyrchol, ac rwy'n credu bod gwrando yn uniongyrchol, bod mynd i lefydd—. Yn ddiweddar, buon ni lan mewn lle o'r enw Llanymawddwy, un o'r llefydd mwyaf pellennig yr ydw i wedi bod ynddyn nhw yng Nghymru erioed, i glywed y bydden nhw'n mynd o fod heb fand—eang o gwbl i fod â gwasanaeth ffibr i'r eiddo a fydd yn delifro gwasanaeth o 300 Mb yr eiliad.

And you referred to the agricultural sector, of course, where farmers are duty-bound, almost, to carry out their work electronically, as doing it in writing is not an option anymore—that has been expressed clearly to us by representatives of the agricultural sector. And, in the past, the former chief executive of Ofcom came to Builth Wells to listen directly, and I think that listening directly, going to places—. Recently, we visited a place called Llanymawddwy, one of the most isolated places I've ever visited in Wales, in order to hear that they would be going from not having any sort of broadband whatsoever to receiving fibre to the property service that will deliver a service of 300 Mbps.

[21] **Bethan Jenkins:** A beth fydd yn newid gyda chael yr aelod Cymraeg ar fwrdd canolog Ofcom?

Bethan Jenkins: And what will change in having a Welsh representative on Ofcom's central board?

[22] **Mr Williams:** Rwy'n credu ei bod yn sicr yn mynd i fod yn fanteisiol bod yna rywun o Gymru yn eistedd ar y bwrdd. Ar hyn o bryd, mae gyda ni gynrychiolwyr ar y bwrdd cynnwys ac mae gyda ni gynrychiolydd ar y panel defnyddwyr—cyfathrebu. Mae yna fantais glir o gael rhywun yn eistedd ar fwrdd Ofcom fydd nid yn unig yn siarad ynglŷn â materion penodol o ran Cymru, wrth gwrs, ond yn rhan o'r trafodaethau cyffredinol hynny ynglŷn â pholisi Ofcom sydd â goblygiadau pellgyrhaeddol i bobl yng Nghymru. Felly, mae hynny yn rhywbeth y mae pobl—. Rwy'n cofio y gwnaeth Llywodraeth Cymru, yn y dyddiau cynnar, bwysu am hynny pan basiwyd Deddf Cyfathrebu 2003. Ni ddigwyddodd e bryd hynny, ond mae yn mynd i ddigwydd yn y dyfodol agos.

Mr Williams: I believe it's certainly going to be advantageous to have somebody from Wales sitting on that board. At present, we have representatives on the content board and we have representatives on the communication and users panel. There is a clear advantage in having somebody sitting on the Ofcom board who will not only speak about specifically Welsh issues, of course, but will also be part of those general discussions regarding Ofcom policy that have far-reaching implications for the people of Wales. So, that is something that people—. I remember that the Welsh Government, in the early days, pressed for this when the Communications Act 2003 was passed. It didn't happen at that point, but it is going to happen in the near future.

[23] **Bethan Jenkins:** Jeremy.

Bethan Jenkins: Jeremy.

[24] **Jeremy Miles:** Diolch. Bore da. Rwyf am ddechrau drwy edrych ar drefniadau trwyddedu ar gyfer sianel 3.

Jeremy Miles: Thank you. Good morning. I want to start by looking at the licensing arrangements for channel 3.

[25] I've been to meetings that have lasted longer than ITV's weekly content obligation under the channel 3 licence, so I'm wondering whether you feel that the process of looking for a separate licence was worth it, if that's the obligation that we've ended up with at the end of it.

[26] **Mr Williams:** Rwy'n credu y gwnaed y penderfyniad ynglŷn â beth oedd yr oblygiadau i drwydded ITV pan wnaethom ni gynnal, nid yr

Mr Williams: I believe that the decision was taken as regards what the implications for the ITV licence when we held, not the last review of

adolygiad o ddarlledu cyhoeddus diwethaf ond yr un cyn hynny. Rwy'n gwybod bod y pwyllgor wedi clywed hyn gan gynrychiolwyr ITV, ond y cwestiwn oedd: beth oedd gwerth y drwydded yr oedd ITV yn ei derbyn? Mae'r hyn yr ym ni'n gallu gofyn i ITV i'w wneud yn gorfod bod yn gyson â gwerth y drwydded. Yn amlwg, roedd yna drafodaeth ynghylch a oedd y gofynion yn cael eu gosod ar lefel uwch, yna efallai y byddai yna risg y byddai ITV yn penderfynu, 'Wel, nid ydym am wneud hyn rhagor. Fe wnawn ni barhau i ddarlledu, ond nid fel darlledwr gwasanaeth cyhoeddus'.

the licence arrangements but the one before that. I believe that the committee heard this from ITV representatives, but the question was: what was the value of the licence that ITV received? What we can ask ITV to do has to be consistent with the value of that licence. Obviously, there was a discussion about whether those obligations were being placed on a higher level and whether there would then be a risk that ITV would then decide, 'Well, we're not going to do this any longer. Okay, we have to broadcast, but not as a public service broadcaster'.

[27] Ar ôl astudio yn fanwl iawn dros gyfnod o amser, ac ymgynghori, fe ddaethom ni i'r casgliad fod y pecyn o ofynion sydd yn weithredol ar hyn o bryd yn rhesymol ac yn gynaliadwy. Oedd, roedd yn golygu gostyngiad yn y rhaglenni heblaw am raglenni newyddion a oedd yn cael eu gwneud gan ITV. Ond rwy'n credu mai'r hyn a wnaethom ni oedd sicrhau bod yr elfennau pwysicaf yn y bwndel hwnnw o raglenni yn cael eu cadw, sef rhaglenni materion cyfoes a rhaglenni yn ymwneud â gwleidyddiaeth ac â materion defnyddwyr, a bod y rheini yn aros yn yr oriau brig.

Having studied it in great detail over a period of time, and having consulted on it, we came to the conclusion that the package of requirements that is in place at present is reasonable and sustainable. Yes, it did mean a reduction in the programmes apart from the news programmes delivered by ITV. But I believe that what we did was ensure that the most important elements in that bundle of programmes were retained, namely current affairs programmes and programmes relating to politics and user issues, and that they were to stay in the peak hours.

[28] Y rhaglenni a gollwyd oedd y rhaglenni a oedd yn cael eu darlledu, efallai, ar ôl 10.30 neu 11 o'r gloch y nos. Felly, roedd yr elfennau pwysicaf yn arlwy ITV wedi cael eu diogelu, ac

The programmes that were lost were those programmes that were broadcast, perhaps, after 10.30 or 11 o'clock at night. So, the most important elements in the ITV offer

rŷm ni wedi bod o'r farn, ers i'r penderfyniad gael ei gymryd, mai dyna oedd y penderfyniad cywir. Mewn oes lle dim ond pedair neu pum sianel deledu ddaearol oedd i gael, roedd y sefyllfa'n wahanol iawn, ond yn yr oes ddigidol, gyda channoedd o sianeli, lle mae modd i hysbysebwy'r brynu gofod hysbysebu ar nifer fawr o sianeli, mae'n rhaid bod yn realistig, rŷm ni'n meddwl, ynglŷn â gwerth trwydded ITV.

had been safeguarded, and we are of the view, since the decision was taken, that that was the correct decision. In an age when there were only four or five terrestrial channels, the situation was completely different, but in the digital age, with hundreds of channels available, where it's possible for advertisers to purchase advertising space on those hundreds of channels, we have to be realistic, we believe, about the value of the ITV licence.

[29] **Jeremy Miles:** Sut wnaethoch chi asesu gwerth eu safbwynt nhw yn y trafodaethau? Sut wnaethoch chi asesu taw pum awr a hanner oedd y penderfyniad iawn?

Jeremy Miles: How did you assess the value of their input in those negotiations? How did you actually come to the decision that five and a half hours was the right decision?

[30] **Mr Williams:** Drwy edrych ar werth y drwydded yn nhermau'r ffaith—pa gyfleoedd oedd ar gael, beth oedd y gystadleuaeth oedd gan ITV o ran darlledwyr eraill, faint o'r farchnad hysbysebu oedd ganddyn nhw, a faint o fantais oedden nhw'n ei chael o'r ffaith bod ganddyn nhw fynediad i'r sbectrwm digidol hynny. A hefyd, yr ased arall sydd ganddyn nhw, wrth gwrs, yw bod ganddyn nhw'r slot sianel 3 yna ar y canllaw rhaglenni electronig. Drwy roi'r rheini gyda'i gilydd, a'u mesur nhw yn erbyn ein hasesiad ni o gost cynhyrchu rhaglenni, daethom ni i gasgliad, fel y dywedais i, o ran y ffigur yr ŷm ni wedi cytuno arno yn awr—mae'n rhesymol, a'n ffigur, wrth gwrs, sydd yn wahanol yng Nghymru i'r hyn yw ef yn

Mr Williams: We looked at the value of the licence in terms of the fact—which opportunities were available, what competition ITV had as regards other broadcasters, how much of the advertising market that they had actually secured, and how much of an advantage they received from the fact that they had access to that digital spectrum. And also, the other asset that they have is that they have that channel 3 slot on the electronic programme guide. We put all of that together and then measured that against our assessment of the cost of programme production, and came to a conclusion, as I said, on the figure that we've now agreed upon, which is reasonable, and a figure, of course, which is different in Wales to what we have in the English regions. In the

rhanbarthau Lloegr. Yn rhanbarthau Lloegr, yn hytrach na 90 munud o raglenni heblaw am newyddion, hanner awr yw'r gofyniad, ond mae'r gofynion ar ITV yng Nghymru, yng Ngogledd Iwerddon, ac ar STV yn yr Alban, yn wahanol, yn uwch. Felly, roedd yna gydnabyddiaeth gan Ofcom ar y pryd bod parhau i ddarparu rhaglenni yn y cenhedloedd yn fwy pwysig ac yn cyfiawnhau ac yn teilyngu gofynion uwch.

English regions, instead of 90 minutes of programmes apart from news programming, the obligation is half an hour, but the obligation on ITV in Wales, in Northern Ireland, and on STV in Scotland is different, is higher. So, there was acknowledgment from Ofcom at the time that continuing to deliver programmes in the nations was more important and therefore justified and merited higher obligations.

[31] **Jeremy Miles:** Ond nid ydw i'n deall beth oedd y syniadaeth y tu ôl i gael trwydded benodol ar gyfer hynny, achos roedd hynny gyda chi dan y drwydded cyn hynny.

Jeremy Miles: Well, I don't understand the rationale behind having a specific licence for that, because you had that under the previous licence.

[32] **Mr Williams:** Oedd, mae hynny'n wir, ond rwy'n credu mai'r teimlad oedd, yn wahanol—. Roedd yna drwydded ar wahân, neu drwyddedau ar wahân, yn yr Alban, trwydded ar wahân yng Ngogledd Iwerddon, ond roedd trwydded Cymru rywsut yn gymysgedd o un drwydded yng ngorllewin Lloegr, a oedd ag un set o ofynion, a thrwydded arall yng Nghymru, gyda gofynion gwahanol.

Mr Williams: Yes, that is true, but I believe that the feeling was, different from—. There was a separate licence, or separate licences, in Scotland, a separate licence in Northern Ireland, but the Welsh licence was somehow a mix of one licence in the west of England, with one set of obligations, and another one in Wales, with different obligations.

[33] **Jeremy Miles:** Ond yr unig newid yw'r pum awr a hanner o gynnwys, a ydy hynny'n wir—y gwahaniaeth?

Jeremy Miles: But the only change is that five and a half hours of content, is that correct—the difference?

[34] **Mr Williams:** Wel, mae'r newyddion—mae yna ofyniad newyddion yng ngorllewin Lloegr hefyd, lle mai'r gwahaniaeth pwysig

Mr Williams: Well, there is a news obligation in the west of England too, but the important difference is that there's an additional hour of

yw bod yna awr ychwanegol o raglenni yn ymwneud â gwleidyddiaeth, materion cyfoes a materion defnyddwyr yn ychwanegol yng Nghymru i'r hyn sydd yna yn Lloegr. A'n teimlad ni oedd ei fod yn llawer iawn gwell, yn fwy eglur, bod hynny'n cael ei osod mewn trwydded ar wahân fel ei bod yn glir fod cyfundrefn ITV—ac efallai y bydd yna newidiadau perchnogaeth yn digwydd yn y dyfodol—y byddai yna drwydded ar wahân i Gymru, fel yn yr Alban a Gogledd Iwerddon, gyda gofynion yn wahanol i ranbarthau Lloegr, ac roeddem ni'n meddwl bod hwnnw'n newid oedd yn werth ei wneud.

[35] **Jeremy Miles:** Océ. Diolch am hynny. Yn nhermau rheoleiddio telerau'r drwydded, a ydy hynny'n digwydd yma yng Nghymru neu a yw yn digwydd—sut mae hynny'n digwydd? Pwy sy'n gyfrifol o fewn Ofcom am sicrhau hynny?

[36] **Mr Williams:** Mae'n broses sydd yn digwydd ar y cyd. Mae yna dîm o arbenigwyr yn Llundain sydd yn gyfrifol am faterion trwyddedu yn gyffredinol ac am sicrhau bod pob un o ddeiliaid trwydded Ofcom drwy'r Deyrnas Unedig yn cadw at amodau eu trwydded nhw. Ond, yn amlwg, rŷm ni fel swyddogion yng Nghymru yn chwarae rhan yn hynny. Ni yn aml sydd yn gwybod beth sydd i'w gael ar y sgrin yn achos ITV—pa fath o raglenni sy'n cael eu gwneud, os oes yna ymateb negyddol neu bositif

programmes relating to politics, current affairs and consumer affairs additional in Wales to what you have in England. And our feeling was that it was very much better and clearer that that should be placed in a separate licence so that it would be clear that the ITV arrangement—and there may be ownership changes in the future—that there would be a separate licence for Wales, as you have in Scotland and Northern Ireland, with different obligations to those of the English regions, and we did believe that that was a change worth making.

Jeremy Miles: Okay. Thank you for that. In terms of regulating the terms of the licence, does that happen here in Wales or does it happen—how does it happen? Who's responsible within Ofcom for ensuring that that is in place?

Mr Williams: It's a joint process. There is a team of experts in London responsible for licensing arrangements generally and ensuring that each of the Ofcom licence holders throughout the United Kingdom adheres to their licensing conditions. But, obviously, we as officials in Wales play a role in that. We very often know what is available on the screen in the case of ITV—what types of programmes are being made, whether there is a negative or a positive response to them, and we

amdanyn nhw, ac rŷm ni'n collaborate with our colleagues in cydweithredu gyda'n cydweithwyr yn London to ensure that the terms of Llundain i sicrhau bod amodau'r the licence are kept. drwydded yn cael eu cadw.

[37] **Jeremy Miles:** Ocê. Diolch.

Jeremy Miles: Okay. Thank you.

[38] **Dai Lloyd:** Dim ond i bwysleisio'r cwestiynau, a phwysigrwydd y cwestiynau mae Jeremy wedi bod yn eu gofyn—cyddestun hyn i gyd, wrth gwrs, ydy, yng Nghymru, nad yw pobl yn darganfod eu newyddion am Gymru, ac am y lle hwn yn benodol, cymaint o'r papurau newydd, achos nid yw'r darpariaeth papurau newydd o Gymru, fel yr ydym ni wedi ei weld efo refferendwm Brexit, cystal â hynny fel bod pobl gael eu gwybodaeth. So, rydym ni'n dibynnu ar ofynion darlledu gwasanaeth cyhoeddus. Dyna pam mae'r pwysigrwydd yma ar y drwydded, a dyna pam, i fod yn deg i Jeremy, mae ef wedi bod yn amlhau geiriau ynglŷn â'r pwysigrwydd yna. Wedyn, roeddwn i jest eisiau pwysleisio bod hynny yn bwysig, achos mae yna ddiffyg gwybodaeth am Gymru, sydd wedi dod yn eglur, ac rwy'n credu bod yn rhaid i'r sawl sydd ar y teledu wedyn fod yn camu i fewn i'r gwagle yna, achos nid yw'r papurau newydd yn cyfro Cymru. Mae pobl yn cael eu gwybodaeth o'r wasg Brydeinig. So, mae'n ofynnol felly i'r teledu fod yn camu i fewn ac, yn benodol, dyna pam pwysigrwydd y gofynion yma. A jest i danlinellu'r ffaith yna, rydym ni'n disgwyl cadarnhad o hynny a'r ffaith bod y

Dai Lloyd: If I could just emphasise the questions, and the importance of the questions that Jeremy has been asking—the context of all of this, of course, is that, in Wales, people get their news about Wales, and about this place particularly, not so much through the newspapers, because the provision of newspapers in Wales, as we saw with the Brexit referendum, isn't particularly strong in terms of providing information. So, we are dependent on public service broadcasting obligations. That's why this licence is so important, and that's why, to be fair to Jeremy, he has concentrated on the importance of that. I just wanted to emphasise that that is hugely important, because there is a lack of information about Wales, as has become clear, and I think the television providers do have to actually fill that void, because the newspapers don't cover Wales. People get their information from the British press. So, television has to step in there, and that is why these obligations are so very important. And just to highlight that fact, we expect confirmation of that and the fact that this licensing business, and the obligations on ITV, are taken seriously, and ensure that Ofcom does keep a close eye in order

busnes trwyddedu yma, a'r gofynion ar ITV, yn cael eu cymryd o ddifri, ac i wneud yn siŵr bod Ofcom yn archwilio'n fanwl bod y gofynion yna yn cael eu dal i fyny. So, buaswn i'n chwilio am sicrwydd o hynny, achos ei fod yn fater penodol hefyd ynglŷn â plwraliaeth, achos oni bai am hynny rydym ni'n mynd i ddibynnu jest ar y BBC. A dyna pam mae'n bwysig o'ch ochr chi, felly, i fynd ar ôl gofynion ITV.

to ensure that those obligations are met. So, I would seek an assurance on that, because it is a specific issue also in terms of plurality, because otherwise we're going to be entirely dependent on the BBC. That's why it is important, from your point of view, to go after the obligations on ITV.

[39] **Bethan Jenkins:** A wyt ti eisiau dod i fewn yn glou nawr, Jeremy?

Bethan Jenkins: Jeremy, do you want to come in quickly there?

[40] **Jeremy Miles:** Pan oedd ITV gyda ni, gwnaethon nhw sôn mai un o'r manteision o gael y drwydded oedd bod hi'n caniatáu iddyn nhw gymryd risgiau creadigol a buddsoddi yn y gwasanaeth ac ati. Ai dyna'ch argraff chi o sut mae'r berthynas yn mynd o dan y drwydded newydd?

Jeremy Miles: When ITV were here, they mentioned that one of the advantages of having the licence was that it allowed them to take creative risks and to invest in the service and so on. Is that your impression of how the relationship works under the new licence?

[41] **Bethan Jenkins:** Jest y ddau gwestiwn yna, felly, sori.

Bethan Jenkins: So, just two questions there, sorry.

[42] **Mr Williams:** Wel, yn sicr mae'r hyn y mae Dai yn ei ddweud ynglŷn â phlwraliaeth, a chyfraniad ITV i hynny, yn allweddol. Rydw i'n credu, ym maes newyddion, ym maes rhaglenni yn ymwneud â gwleidyddiaeth, a'r lle yma a San Steffan, fod cyfraniad ITV yn allweddol bwysig. Byddai Ofcom yn sicr yn cytuno bod cyfraniad ITV i blwraliaeth yng Nghymru yn bwysig iawn. Wedyn, rydw i'n credu—. Sori, a

Mr Williams: Well, certainly Dai's comments on plurality, and ITV's contribution to that, are crucial. I do think that, in terms of news and political coverage, and this place and Westminster, the contribution of ITV is crucially important. Ofcom would certainly agree that the contribution of ITV to plurality in Wales is hugely important. I think—. Sorry, would you mind repeating your question?

allech chi—?

[43] **Jeremy Miles:** Wrth gwrs. Pan oedd ITV gyda ni fan hyn, fe wnaethon nhw sôn mai un o'r manteision o gael y drwydded oedd ei fod yn caniatáu iddyn nhw gymryd risgiau creadigol, a buddsoddi yn y gwasanaeth ac ati. Rwyf jest yn moyn argraff bras gennych chi am hynny.

Jeremy Miles: Of course. When ITV came before us, they said that one of the advantages of having the licence was that it allowed them to take creative risks and invest in the service and so on. I just wanted your impression about that.

[44] **Mr Williams:** Rydw i'n credu, ers iddyn nhw gau'r ganolfan enfawr oedd arfer bod gyda nhw yng Nghroes Cwrlwys a symud i'r bae fan hyn, ein bod ni wedi gweld argoelion o hynny. Un o'r newidiadau, er enghraifft, yw ein bod ni wedi gweld am y tro cyntaf ers 25 mlynedd rhaglenni gan ITV Cymru yn ymddangos ar rwydwaith ITV. Mae hynny'n rhywbeth prin iawn gan unrhyw gynhyrchedd. Felly, mae hynny, rydw i'n credu, yn arwydd o'r uchelgais uwch rŷm ni wedi gweld yng Nghymru ers i'r drwydded newydd gael ei roi—ers bod yna sicrwydd yna.

Mr Williams: I do think, since they closed the huge centre that they had in Culverhouse Cross and moved down to the bay, that we have seen some promising signs of that. One of the changes, for example, is that we've seen for the first time in 25 years programmes by ITV Wales appearing on the ITV network. That's been very rare for any producer. So, I think that is a sign of the greater ambition that we have seen in Wales since the new licence was granted, and since that assurance and certainty was in place.

[45] Rydw i'n credu bod hynny i weld, eto, yn rhai o'r rhaglenni mae'r cwmni wedi bod yn eu darparu, a'r ffaith—i sôn amdano fe unwaith eto—eu bod nhw yn dal i gynhyrchu rhaglenni yn ymwneud â gwleidyddiaeth, ei fod yn bersbectif gwahanol i un y BBC, a'u bod nhw hefyd, mewn rhai enghreifftiau, wedi mynd y tu hwnt i ofynion y drwydded.

I think that that can be seen, again, in some of the output provided by the company, and—if I could return to this issue—the fact that they still produce programmes related to politics, and that they provide a different perspective to the BBC, and that, in certain examples, they have gone beyond the requirements of the licence.

[46] Felly, ar noson etholiadau'r

So, on the night of the Assembly

Cynulliad, roedd ITV yn darlledu trwy'r nos, er nad oedd hynny yn cyfrif tuag at eu gofynion nhw o gwbl. Felly, ar eu cost eu hunain, ar eu buddsoddiad nhw eu hunain, roedd y rhaglen honno yn cael ei chynhyrchu.

[47] **Bethan Jenkins:** Un cwestiwn clou ynglŷn â ITV cyn i ni symud ymlaen at y BBC: a fydddech chi'n disgwyl—rwy'n gwybod bod y cytundeb yn mynd hyd at 2025—bod mwy o oriau i Gymru o fewn unrhyw ailedrych ar gytundeb newydd yn y dyfodol? Hynny yw, a ydy pump awr a hanner yn ddigonol i gynnal yr hyn sydd yn digwydd yma yng Nghymru? Os ydyn nhw'n mynd dros yr hyn maen nhw'n i fod yn ei wneud yn barod, a fyddai disgwyl i hynny cael ei adlewyrchu mewn unrhyw gytundeb newydd?

[48] **Mr Williams:** Wel, fel rŷch chi'n ei ddweud, bydd bron i 10 mlynedd cyn ein bod ni'n ystyried y drwydded eto. Ond, yn y cyfamser, wrth gwrs, mae e'n rhydd i ITV gynhyrchu gymaint—os ydyn nhw eisiau mynd y tu hwnt i'r isafswm hwnnw sy'n cael ei osod yn y drwydded, mae rhyddid iddyn nhw wneud hynny, a byddwn ni yn croesawu iddyn nhw wneud hynny. Ond mater iddyn nhw yw hynny. Ni fyddwn yn ystyried y mater yn ffurfiol eto nes fydd y drwydded yn agosáu at ddod i ben.

[49] **Bethan Jenkins:** Océ, diolch. Suzy.

elections, ITV was broadcasting throughout the night, although that didn't actually count towards their obligations under the licence. So, they did that at their own cost, and that's how that programme was actually produced.

Bethan Jenkins: One quick question on ITV before we move on to the BBC. I know that the agreement goes on until 2025, but would you expect more hours for Wales within any consideration of a new agreement in the future? That is, is five and a half hours sufficient to sustain what is happening here in Wales? If they're already exceeding that obligation, would you expect that to be reflected in any new agreement?

Mr Williams: Well, as you say, it'll be almost 10 years before we reconsider or return to this licence. But, in the meantime, ITV, if they so choose, can go beyond that minimum that is set in the licence; they are, of course, free to do that and we would welcome that. But that is a matter for them. We won't formally consider the issue again until the licence approaches the time for renewal or coming to an end.

Bethan Jenkins: Okay, thank you. Suzy.

[50] **Suzy Davies:** Diolch. Just before I move on to my questions, I just want to go back to where Bethan started with you both, to see if I've understood correctly how Ofcom in Wales will be involved in Ofcom's new role as a BBC regulator. Now, at the moment, I've got that there's going to be this memorandum of understanding, which we don't really know that much about, and, of course, the existing advisory committee. Are there any other routes into the board, if you like—

[51] **Mr Sweeney:** Shall I—?

[52] **Suzy Davies:** —in terms of influence?

[53] **Mr Sweeney:** Sorry to interrupt. Shall I say a little about this, if that's all right? So, effectively, the way that we operate at the moment is, as you'll know, we regulate broadcasting beyond the BBC, and we regulate some aspects of the BBC, so, at the moment, the broadcasting code—large chunks of Ofcom's broadcasting code—apply to the BBC. It's the rules around impartiality, elections, referendums and commercial references that will come within scope for the first time for us next year. So, we have a board, which is, if you like, Ofcom's overall formal decision taking body. That's set out in the legislation.

[54] So, the first point to make is that there will be a board member appointed by each of the Welsh Government, the Scottish Government and the Northern Ireland Executive. That will occur over the course of next year. The reason I'm being unspecific about dates is because it hangs off, in part, primary legislation. So, there is now a law in place that allows that to happen for the Scottish Government, the Wales Bill currently before Westminster will do the same in relation to the powers of the Welsh Government, and there will be legislation in relation to Northern Ireland that follows behind that, so it's likely to be a graduated process. So, that's the first point: a member appointed by the Welsh Government on the board, who'll be there as a member of the board, not as a delegate of the Welsh Government, but nevertheless will bring direct experience of issues in Wales.

10:00

[55] The second thing to say is that we have—and this is statutory—a content board, which is composed of people with experience in different aspects of broadcasting, and they provide advice to Ofcom when it is making

decisions in relation to broadcast regulation. We also have an advisory committee, as you said, in each nation. Those are statutory as well. So, they're not there at the whim of Ofcom. They are there in the Communications Act 2003. John Davies is the current chair, and, again, there's a range of expertise. The advisory committee's role is different because they are free to speak their minds, publicly and to us. And they do, rightly. So, the content board, as Rhodri mentioned, also has a member from Wales. So, there is, if you like, in each bit of the structure—both the internal decision-making structure, but also the external, if you like, challenge structure—a Welsh voice or voices. The other thing to say, obviously, frankly, is the way in which we work internally as an organisation. But that is intended to sort of set out how the structures work.

[56] Finally, the memorandum of understanding is something that predates, if you like, the decision that we would take on BBC regulation. So, it was agreed at the end of 2014 for Scotland, and in the spring of 2015 for Wales. This is effectively about Ofcom's accountability to this body and to other legislatures in the UK. The driving force behind that was the sense that, as we're a UK broadcaster regulator, we should come and account to each of the different legislatures in the same way. So, that's what drives the MOU. So, we should be prepared to come and talk not just about the BBC, as today, but about any aspect of Ofcom's work under the memorandum of understanding.

[57] **Suzy Davies:** Well, thank you for that. I was just trying to ascertain whether it's the structures that really help the Welsh voice get heard at board level, or how much of it is down to sort of soft diplomacy, people knowing each other rather well, and that sort of thing. So, thank you for that answer. Specifically now on the new role in regulating the BBC, how's that going to improve BBC services in Wales? How's that going to work? What does it look like to you?

[58] **Mr Sweeney:** I will try not to give a long answer. Briefly, the way that the charter agreement sets this up is to give the BBC a set of public purposes. There's a new public purpose, which has been reframed from the current one in the existing charter, which relates to the role of the BBC in the nations, which is very clear about the role of the BBC not just in providing programmes that reflect the interests of the people in the nations and regions of the UK, but also looking specifically at issues like portrayal and so on. The BBC board is supposed to set out a strategy for how it will go about delivering those purposes. So, the first point is: in the first instance, it's for the board, which will set the BBC strategy, to decide how it will spend its

resources to address that question. The role that the charter agreement gives us is to set a framework for holding them to account for that. So, in the agreement, there's a specific duty on us to consider the needs of the nations when we're setting an operating licence or licences for the BBC services. So, we will need to consult on that licence or those licences. We will do so over the period between now and taking on our new responsibilities in April. I should say that it is likely to be a slightly iterative process, because you will know that the BBC's unitary board doesn't yet exist. The individuals making it up will have to be appointed, some by the board itself, once it has a chair, some by the UK Government, and with the approval of the devolved administrations. Once that board exists, in spring next year, it will have to set a strategy and it will have to consult. So, there will be a slight process of iteration, I think, whereby we set a first operating licence or licences for the BBC, which will include in it requirements in relation to the nations. The BBC board will have to work out what it thinks this public purpose should flow through into in terms of services in Wales.

[59] **Suzy Davies:** Okay. Can I just jump in there?

[60] **Mr Sweeney:** Yes.

[61] **Suzy Davies:** What if your consultation reveals that the needs of Wales are different from those that the BBC unitary board identified?

[62] **Mr Sweeney:** So, two things: first of all, quite a lot of what we need to do or consider is baked into the wording of the charter agreement already. So, schedule 2 of the agreement sets out a list of things that we must consider including, or must include, in the operating licence regime. That includes requirements in relation to programming for Welsh audiences—non-network programming—but also in relation to production of programmes in Wales for the network, for the wider BBC. A lot of those are basically carried forward from the current regime—the requirement to have those targets or measures in place. For the first time, though, the agreement will require us to consider specific production quotas for each of the nations, rather than just a quota for out of London and the rest of the UK, as the current agreement does, which is an important change, I think.

[63] If we consult on that, but also more generally on the question of what do audiences in Wales want, and we get a strong series of views back, the first thing to say is the BBC will also conduct a consultation, and they will see all the response to ours. Everything that we do in this space is transparent;

we will publish everything. I would expect the BBC to take account of that. In the end, if we get to a point where there has been a strong strand of concern about a particular aspect of services in Wales through our consultation, and the BBC sets a strategy that doesn't take account of that, it's open to us to set a condition in the operating licence that requires them to deal with it. My expectation would be that if we and the BBC both do our jobs properly and thoroughly then there will be extensive consultation by both of us and you would expect that, if they are genuinely open, clear and balanced consultations, the same sorts of themes would come through both. But we will have to see.

[64] **Suzy Davies:** On the back of that, then, once you've reached the sort of combined view of what should be improving services for people in Wales, what happens if the BBC doesn't come up to scratch in terms of content and quality, as opposed to quota? You've already got powers in relation to that, haven't you?

[65] **Mr Sweeney:** We have powers to enforce any requirements that we place on the BBC. The charter and agreement give us fairly broad powers within that context, so we can set regulatory conditions that can be hard targets or could be other things that we require them to do—they don't have to be a measurable number. We can also either put in place ourselves measurements of performance, or we can require the BBC to put in place measurements of performance, if we don't think that what they're doing is adequate. In the end, at the extreme, if the BBC were to be set a requirement by us—a regulatory condition—and were to fail to meet it, then we could take a number of steps. We could set them a further condition. We could, in the end, fine them, if we wanted to—the agreement gives us that power.

[66] In practice, I expect what would happen might be that if we set a requirement for the BBC that they fail to meet then that would become apparent fairly early on, it wouldn't be sort of revealed at the end of the year, and we would be in a dialogue with them about, 'Well, why are you not meeting it? Do you not think it's right? Do you think that there are constraints that we have not understood as regulator?' or, in fact, 'Do we as regulator think that there's evidence that you should be doing better?' So, you would hope and expect that, as in a lot of areas that we regulate, you don't instantly reach for the stick, you try to work with the person you're regulating first of all—conscious of the fact that the BBC is the broadcaster and we are the backstop regulator. But, in the end, we do have quite hard and quite wide-ranging enforcement powers in the charter and agreement.

[67] **Suzy Davies:** Well, how would you use those powers in this scenario, then, because the requirement for a distinctive output and services doesn't just apply to Wales, it applies to all the nations and regions? So, the BBC is obviously going to have to try and balance that. What powers do you have to regulate them if you think, as Ofcom, they've got that balance wrong?

[68] **Mr Sweeney:** It's a really good question, and one that we're going to have to wrestle with quite a lot over the next six months to a year in the first instance. So, to take your point about distinctiveness, distinctiveness is at the heart of the Government's White Paper. It's in the public purposes, and we're clear that one of the things that comes through from the White Paper and the consultation that led to it is that people want a distinctive BBC. At the same time, levels of public trust in and engagement with the BBC are also quite high—our PSB review data show that. So, the question for us is, first of all—or the approach for us, rather, is that, first of all, it's for the unitary board to say, 'Our public purposes require a distinctive BBC across its output and services. What does that mean as a whole? What does it mean for each of the nations and regions of the UK?' They then set out their strategy.

[69] At the same time, schedule 2 of the agreement gives us guidance on this and says that there are various things in relation to distinctiveness: for example, it talks about particular things in relation to Radio 1 and Radio 2 and UK apps, where we are required to consider whether there should be regulatory conditions or requirements in that area.

[70] So, the first step is for the BBC to decide what they think 'distinctive' means and to set out how they intend to meet it. In parallel, we will need to work through what we think a distinctive BBC looks like. I talked earlier about two lots of consultations ongoing. We will both consult the public as we go about trying to answer this question, and then the question will be, 'Is what the BBC set out something that we recognise and think that audiences and viewers will recognise as distinctive?' We will then track audience perceptions over time. So, one of the things that we will do is regularly measure not just the hard quota stuff, but how do audiences perceive the BBC: do they perceive that it is sufficiently distinctive from channel 3? Do they perceive it's distinctive from services they could access online or through other platforms like Freeview? So, we haven't got a magic definition of distinctiveness and 10 measures of it, in a way, in Ofcom. We're going to have to consult and listen and work out what we think audiences consider it is, and what we think the BBC are going to do to meet it, and if there is not alignment between those

two things then there's a job for us to do to bring the two things into line.

[71] **Suzy Davies:** And what if the BBC comes back to you and says, 'Actually, this commitment we've now got to better portrayal of the regions and nations is affecting our competitiveness'? Is that a matter for you, or is that a matter for UK Government?

[72] **Mr Sweeney:** It's not a matter for the Government, I think, in that the charter and agreement sets up a system that is designed to be at arm's length from government in general for its 11-year period, apart from the five-year mid-term review of the effectiveness of the new regime. So, if the BBC came to us and said, 'Because we are doing things that we think make us distinctive, at the same time we have a problem because we're losing audience share, and that's a problem for us', well, the answer—the short answer is 'it depends'. The reality is that the unitary board, in the first instance, which is going to run the BBC, is going to have to look at these two things and say, 'Well—'. In a sense, there is a tension at the heart of everything that the BBC does. It has public purposes and £3.7 billion of public money to deliver those, and it therefore has quite a prescriptive set of responsibilities on it. At the same time, there'll be times when it wants to make creative choices, which might not be what you were trying to do if you were trying to raise advertising revenue, if you were driven by that. So, to a degree, the BBC ought to be able to accommodate a bit of a tension between what you would do if you were in a fully competitive environment and the fact that it has, effectively, a large subsidy from licence-fee payers to deliver specific things.

[73] If they came to us and said, 'We are very worried, having eyeballed this, that there are particular levels of programming that we can't afford to deliver, because over in another part of the charter and agreement we have to deliver something else', then we would need to look with them at whether what was there overall in terms of requirements was sustainable. To give you a concrete example, at the moment, you will know that the way that the regulatory framework works is that the BBC Trust, which is both regulator and governor of the BBC, sets a service licence for each individual service and that licence contains a mixture of targets and quotas and requirements, some of which are governance—you know, 'Is there a remit for the station?'—and some of which are things it should meet and hit. There are a lot of them, and they're quite prescriptive. So, one thing we might look at as a regulator is: are we setting targets for the things that really matter and leaving the BBC to deliver in areas where we think it will deliver anyway, as it were? Rather

than having 160, 200, 250 targets, what are the 80, 60—however many it is—things that we absolutely need to have a very firm quota for, because it's necessary for delivery, for public confidence and so on, and where are the areas where we might allow the BBC more flexibility? So, you have to decide in the end what you absolutely have to make sure you drive performance on, and where you can give the BBC more discretion. Like I say, from our perspective, the first responsibility to make those decisions lies with the board.

[74] **Suzy Davies:** Okay, thank you for that. Just one final question, really, on S4C. I appreciate that you've got a limited role as far as S4C's concerned, but, because of the cuts to their budget over recent years, I just wondered, with your broadcasting code responsibilities, whether you had anything to say in the terms of the quality of their content, and actually whether you'll be involved in the review in any way, as Ofcom.

[75] **Mr Sweeney:** So, I might answer on the review and see if Rhodri wants to say something about quality of content. So, on the review, it's possible, but at the moment we're not engaged in discussions with Government about the review. So, as you will know, the Government and the BBC and S4C have arrived at a position in the charter and agreement about funding up to 2022, and then the review will look at funding beyond that. At the moment, I think S4C are waiting, and we are waiting, to see what the Department for Culture, Media and Sport want to do in relation to the review.

[76] **Suzy Davies:** So, it's possible.

[77] **Mr Sweeney:** It's entirely possible. I mean, when Government looks at any manner of different things, not just in broadcasting but also the wider communication sector, it will often come to us, not unreasonably, and ask for data or analysis. As with all data and analysis, what we do is we're publicly transparent about that. So, if we're asked to produce some work, we'll put it on our website so that everyone can see it.

[78] Rhodri, do you want to say something about the quality of service?

10:15

[79] **Mr Williams:** Rydw i'n credu, o **Mr Williams:** I believe that, from the ran y gwaith rydym ni'n ei wneud, point of view of the work that we do, rydym ni'n asesu i ba raddau mae we assess the degree to which S4C

S4C yn cwrdd â'i phwrpasau cyhoeddus yn yr un ffordd ag rydym ni'n ei wneud gyda darlledwr eraill—darlledwyr gwasanaeth cyhoeddus, hynny yw—ac rŷm ni'n cyhoeddi adroddiad ynglŷn â hynny, sydd yn cynnwys data ynglŷn â rhaglenni: pa fath o raglenni, yr ystod o raglenni, yr ymateb gan y gynulleidfa, sydd, wrth gwrs, yn dangos gostyngiad dros gyfnod o amser yn y gynulleidfa, ond hynny yn gyson, hefyd, gyda'r gostyngiad yn y nifer o bobl sy'n gwyllo sianeli darlledu gwasanaeth cyhoeddus yn gyffredinol. A hefyd rŷm ni yn cyhoeddi ymchwil ynglŷn ag agweddau'r gynulleidfa tuag at raglenni S4C. Hyd yn hyn, yn y cyfan o'r ymchwil yna, nid wyf yn credu bod yna ddim bydd sydd wedi codi sydd wedi achosi i ni orfod ymwneud yn ffurfiol ag S4C o gwbl. Mae'r ymateb sy'n dod o ran gofyn i bobl a ydyn nhw'n meddwl bod rhaglenni S4C yn cyflawni'r pwrpasau y dylen nhw—mae'r ymateb yn gadarnhaol dros ben.

[80] **Suzy Davies:** Jest un peth olaf: achos bod y gynulleidfa'n gostwng ym mhob man, a oes angen ailedrych ar *public service broadcasting* o gwbl nawr, efallai, neu yn y dyfodol—jest gofyn y cwestiwn yn wreiddiol eto?

[81] **Mr Williams:** Wel, os ym ni'n sôn am ddarlledu gwasanaeth cyhoeddus yn gyffredinol, mae hynny'n rhywbeth mae Ofcom yn ei

meets its public purposes in the same way as we look at other broadcasters—that is, public service broadcasters—and we then publish a report on that, which includes data on programmes: the type, the range, the response from the audience, which, of course, shows a reduction over a period of time in the audience, but that's consistent, too, with the reduction in the number of people who are watching public service broadcasters generally. And we also publish research on audience attitudes towards S4C programmes. To date, in the whole of that research, I don't believe that there is anything that has arisen that has caused us to become formally engaged with S4C at all. The response we get when we ask whether they believe that S4C programmes meet the purposes they should—the response has been very positive indeed.

Suzy Davies: Just one final point: because the audience numbers are reducing across the board, do we need to review public service broadcasting at all at this point, or will we need to do so in the future? I'm just putting the question out there.

Mr Williams: Well, if we're talking about public service broadcasting generally, then that is something that Ofcom does every five years anyway.

wneud bob pum mlynedd ta beth. Felly, rŷm ni newydd, yn gymharol ddiweddar, gwblhau adolygiad o ddarlledu gwasanaeth cyhoeddus ac wedi dod i'r casgliad ei fod e, ar y cyfan, yn cyflawni'r hyn mae disgwyl iddo fe ei gyflawni ac yn gwneud hynny'n llwyddiannus. Byddwn ni, mae'n siŵr, yn edrych ar yr un cwestiynau eto ymhen rhyw dair blynedd a hanner, pedair blynedd.

So, comparatively recently, we completed a review of public service broadcasting and came to the conclusion that, on the whole, it does achieve what it is expected to achieve, and does so successfully. I'm sure that we'll be looking again at the same question in about three and a half to four years' time.

[82] **Suzy Davies:** Diolch yn fawr.

Suzy Davies: Thank you.

[83] **Bethan Jenkins:** Mae un cwestiwn clou gen i ar y BBC. Roeddwn i'n eistedd ar y pwyllgor diwethaf, yn y Cynulliad diwethaf, ynglŷn â'r siarter, a phan ddaeth Ofcom i mewn, roedd yna ryw fath o densiwn ynglŷn â'r ffaith nad oedd ateb cadarn mai Ofcom dylai fod yn rheoleiddio'r BBC. Yn sicr, roedd yna gwestiynau ynglŷn â chyllideb a gallu Ofcom i wneud y gwaith hwnnw. A ydy hynny yn dal i sefyll? A ydych chi, fel rheoleiddiwr, yn credu bod digon o gyllideb, digon o *expertise*, gyda chi yn y system yn barod er mwyn gallu ehangu ar gwmpas eich gwaith yng nghyd-destun y BBC?

Bethan Jenkins: One quick question from me on the BBC. I was a member of the predecessor committee in the last Assembly, and when Ofcom came in to discuss the charter, there was some tension from the point of view that there was no decisive answer as to whether Ofcom should be regulating the BBC. Certainly, there were questions about the budget and Ofcom's ability to do that work. Does that still stand? As a regulator, do you believe that you have sufficient budget and sufficient expertise within the system to expand your remit to cover the BBC?

[84] **Mr Sweeney:** Yes, I think we do, but we're not complacent. So, as I mentioned, and as you know, we already regulate the wider broadcasting sector, both PSBs and commercial. In relation to the three, if you like, buckets of regulation that we will be taking on in relation to the BBC—the broadcasting code, we already consider complaints under the broadcasting code in relation to quite a lot of things that the BBC do. We'll be adding to that, and I'm under no illusion that questions of impartiality, and so on, are significant, but we already do that for other broadcasters. So, there it's a case of expanding on existing capacity. Competition regulation and looking

at the competitive impact of the BBC: again, we do some of that now, because when the BBC Trust considers the public value of a new service proposal, we prepare the market impact assessment, which the trust take into account. We will have to consider public value, too, and so that will require more capacity, but it's not an alien skill set for us. The final area, performance, is probably the most challenging in the sense that it is the area of largest expansion, if I can put it like that. So, we obviously review the PSB system, as Rhodri has talked about, we have licensing reviews of individual channels, obviously, when we relicense, and we have specific annual obligations for Channel 4. But, if you like, setting the licensing regime for the BBC and holding it to account for that is the area where Ofcom's remit is perhaps expanding the most from its current position. Again, there, I think we are confident, but not complacent, that we're on track to be ready for April. We have actually gone through a period of recruitment to refresh and increase the size of the relevant part of Ofcom. We have a new group director for content, who will oversee a lot of this work, called Kevin Bakhurst, who is currently the deputy director general at RTÉ. He will take up post in Ofcom at the beginning of November. And we have, obviously, a range of colleagues below that as well. So, we will be ready, but we recognise it's a big and significant issue, and one that will rightly attract a lot of public scrutiny of our work.

[85] **Bethan Jenkins:** It'll definitely attract public scrutiny. [*Laughter.*]

[86] Dai Lloyd, ar radio.

Dai Lloyd, on radio.

[87] **Dai Lloyd:** O, reit. Diolch, Gadeirydd. Newid cywair: fe awn ni ar ôl radio, ond, eto, yn yr un cyddestun ag yr oeddem wedi sôn amdano eisoes—a dyna pam mae wedi bod mor allweddol bwysig bod cyfathrebu yn rhan o waith y pwyllgor yma nawr, yn y Cynulliad—hynny yw, y portread o Gymru o fewn Cymru a thu fas i Gymru. Rydym ni wedi delio ag ef ynglŷn ag ITV, y BBC ac, wel, S4C, yn naturiol.

Dai Lloyd: Oh, right. Thank you, Chair. To change key, we'll pursue radio, but, again, in the context that we were talking about earlier—and that's why it has been so important that communication is part of the remit of this committee at the Assembly now—namely, the portrayal of Wales within Wales and outwith Wales. We've dealt with it as regards ITV, the BBC and, well, S4C, naturally.

[88] Yn nhermau radio, rwy'n deall fod gyda chi waith eang i'w wneud;

In terms of radio, I understand that you have a very wide remit; you're

rydych chi'n rhedeg ar ôl pawb, a dweud y gwir, yn trio rheoleiddio pawb a phopeth. Os awn ni ar ôl radio masnachol yn y lle cyntaf, ac, wrth gwrs, mae yna bryderon yn cael eu mynegi o bryd i'w gilydd ynglŷn â lefel darpariaeth cynnwys lleol, pa radio lleol bynnag yw e. Hynny yw, faint o'r cynnwys sydd *actually* yn lleol ac nid jest yn dod o bobman, fel gallech chi fod yn unrhyw le yn gwranddo ar y ddarpariaeth yna, ac, yn benodol yn y cyd-destun yna, beth yw lefel y ddarpariaeth iaith Gymraeg? Nawr, rwy'n gwybod yng nghyd-destun masnachol preifat, felly, fod hynny'n mynd i fod yn her, ond o'ch ochr chi, fel rhywun sydd yn arolygu'r meysydd yma, beth ydych chi'n gallu ei wneud? Gwnawn ni agor y drafodaeth fel yna.

[89] **Mr Williams:** Wel, a gaf i ddechrau drwy esbonio rywfaint am gefndir y trwyddedau gwahanol sydd yn bodoli ar hyd a lled Cymru? Maen nhw i gyd yn wahanol i'w gilydd; nid oes yna ddim cyfundrefn blanced sydd yn gosod yr amodau o ran nifer yr oriau lleol, pa fath o gerddoriaeth, y balans rhwng y gerddoriaeth a'r llefaru sydd yn digwydd mewn gorsafoedd. Mae pob un yn unigol. Ac, yn y gorffennol, cyn i Ofcom ddod i fodolaeth, y drefn oedd mai'r rheoleiddiwr a oedd yn gosod allan gofynion ar gyfer pob un o'r trwyddedau hynny wrth iddyn nhw gael eu hysbysebu. Byddai rhywun yn dweud—yr awdurdod radio oedd y corff a oedd yn ei wneud cyn

chasing after everyone, trying to regulate everybody and everything. If we pursue commercial radio in the first place, and, of course, concerns are expressed from time to time as regards the level of local content provision, whichever local radio it may be. That is, how much of the content is actually local and not from everywhere, in that you could be anywhere listening to that provision, and, specifically in that context, what is the level of the Welsh language provision? Now, I know that in the commercial private context, then, that that's going to be challenging, but from your side, as an inspector of these areas, what can you do? Let us open the discussion in that manner.

Mr Williams: Well, may I start by explaining part of the background of the various licenses that exist across Wales? They are all different; there is no blanket regime that places conditions in terms of the number of local hours, what kind of music should be played, the balance between music and speech in radio stations. Each licence is an individual licence. And, in the past, before Ofcom's inception, the system was that the regulator would set out the requirements for each and every one of those licences as they were advertised. Someone would say—the radio authority was the body responsible prior to Ofcom, and they would say, 'We're going to advertise

Ofcom—'Rŷm ni'n mynd i hysbysebu trwydded radio newydd yn yr ardal benodol yma, ac rŷm ni'n disgwyl i bob un sydd yn ceisio am y drwydded yn gorfod cyflawni A, B, C, D' ac ati, a gallai hynny gynnwys, mewn ardaloedd lle mae'r Gymraeg yn cael ei siarad gan ganran uchel o'r boblogaeth, y ganran o raglenni a fyddai'n cael eu darparu yn Gymraeg neu nifer yr oriau o raglenni yn Gymraeg.

[90] Erbyn hyn, yn dilyn newidiadau deddfwriaethol yn San Steffan, mae'r gyfundrefn wedi cael ei newid yn gyfan gwbl, ac yn yr adegau prin hynny lle—. Hynny yw, ar y cyfan, mae'r rhan fwyaf o'r gofod ar gyfer gwasanaethau FM wedi cael ei lenwi, felly nid yw'n digwydd yn aml iawn y dyddiau yma, ond pan mae e yn digwydd, pan ŷm ni yn hysbysebu trwydded newydd, mae'r drefn yn gwbl wahanol. Yr hyn sy'n digwydd yw bod y sawl sydd yn cynnig am y drwydded yn dweud wrthym ni, 'A dyma ŷm ni am ei gynnig i'r gwrandawyr'. A'r dewis sydd gan Ofcom mewn sefyllfa fel yna yw naill ai asesu rhwng ceisiadau sydd yn cystadlu gyda'i gilydd pa un ohonyn nhw rŷm ni'n meddwl yw'r gorau, neu, os taw dim ond un sydd, fel digwyddodd yn yr achos diwethaf gododd yng Nghymru, benderfynu a ydym ni'n dyfarnu'r drwydded honno neu beidio.

[91] Felly, mae gan bob un o'r

a new radio licence in this specific area, and we expect everyone who applies for this licence to meet requirements A, B, C, D' et cetera, and that could include, in areas where the Welsh languages is spoken by a high percentage of the population, the percentage of programming that would be required to be provided through the medium of Welsh, or the number of hours that would need to be provided through the medium of Welsh.

By now, following legislative changes at Westminster, the regime has been entirely transformed, and on those rare occasions when—. That is, on the whole, most of the space for FM services has been taken up, so it doesn't happen very often these days, but when it does happen, when we do advertise a new licence, the system is entirely different. What happens is that the applicant for the licence will tell us, 'This is what we intend to provide to the listeners', and the option that Ofcom has under such circumstances is either to assess the various applications made as to which we think would be the most effective, or, if there is just one, as happened in the last case in Wales, we need to decide whether we actually grant that licence or not.

Therefore, each and every one of the

gorsafoedd ei fformat—dyna'r term rŷm ni'n ei ddefnyddio i ddisgrifio'r bwndel yma o ddisgrifiadau o'r gwasanaeth a gynigir. Unwaith y mae hwnnw'n cael ei gynnig a'i gytuno, yna rŷm ni'n sicrhau mai dyna y mae'r orsaf ei hunan yn ei ddarparu, a'r hyn sydd yn digwydd o bryd i'w gilydd—mae'n dda gen i ddweud nad yw'n digwydd yn aml iawn—naill ai oherwydd ein gwaith ni ein hunain, neu, efallai dderbyn cwyn gan aelod o'r cyhoedd, yw y byddwn ni'n gofyn i un o'r gorsafoedd ddarparu tapiau inni, neu ffeiliau erbyn hyn, o'u cynnwys nhw dros gyfnod o amser ac yn asesu a ydy'r hyn sydd yn cael e ddarlledu yn gyson â'r hyn sydd yn ysgrifenedig yn y fformat. Ambell waith, rŷm ni'n ffeindio bod yna wendidau; ambell waith rŷm ni'n ffeindio nad oes sail i'r gŵyn, ond, yn gyffredinol, rwy'n credu y byddwn ni'n dweud ein bod ni'n hapus, fod yr amrywiol wasanaethau sydd yng Nghymru yn gweithredu mewn ffordd sydd yn gyson â'r gofynion trwyddedu.

[92] **Bethan Jenkins:** A fyddech chi'n caniatáu trwydded, er enghraifft, pe bai yna gwmnïau sydd jest yn glastwreiddio'r gwasanaeth cymaint fel nad oes, er enghraifft, newyddion o Gymru yn bodoli? Mae lot fawr o bobl, er enghraifft, yn gwrandao ar bethau fel Capital a Heart, ond nid oes bron dim byd o gynnwys am Gymru o Gymru. Sut ydych chi'n gallu cyfiawnhau'r ffaith

radio stations has its format—that's the term that we use to describe this bundle of descriptions of the service provision being offered. Once it has been proposed and agreed, then we ensure that that is what the radio station itself does provide to its listeners, and what happens from time to time—and I'm pleased to say that it doesn't happen very often—either because of our work or because of complaints made by members of the public, is that we would ask one of the radio stations to provide us with tapes, or sound files now, in terms of their content over a period of time, and we would assess whether what is being broadcast is consistent with what is contained within that format. On occasion, we will find that there are certain weaknesses and, on occasion, we will find that the complaint has no basis, but, generally speaking, I would say that we are content that the various services available in Wales do operate in a way that is consistent with the licensing obligations placed upon them.

Bethan Jenkins: Would you grant a licence, for example, if there were companies that just diluted the service so much that, for example, news from Wales doesn't exist? A number of people, for example, listen to Capital and Heart, but there's almost no content about Wales or from Wales. How can you justify the fact that they are doing their work properly if Wales isn't

eu bod yn gwneud eu gwaith yn effeithiol, os nad yw Cymru yn cael ei hadlewyrchu'n ôl i'r bobl hynny sydd yn gwrando ar y gwasanaethau hynny?

reflected back to the people who listen to those services?

[93] **Mr Williams:** Wel, am y rheswm roeddwn yn dweud—mae'r hyn sydd yn gynwysedig yn eu fformat nhw yn cynnwys y gofyniad i ddarlledu rhywfaint o newyddion o Gymru, ac maen nhw'n gwneud hynny. Ond ni allwch chi gymharu'r lefel o allbwn sy'n cael ei ddisgwyl, sydd ynghlwm â'r drwydded, â'r hyn, efallai, y byddech yn ei gael gan un o wasanaethau cenedlaethol y BBC. Ond mae'r lefel yn gyson â'r hyn sydd yn y drwydded. A'r hyn rŷm ni wedi'i weld—hynny yw, dyna pam roeddwn yn cyfeirio at y—

Mr Williams: Well, for the reason I mentioned earlier—what's included in their format would include the obligation to broadcast some news from Wales, and they do that. But you cannot compare the level of output expected, which is inherent within the licence, with what you may receive from a national service provided by the BBC, for example. But the level is consistent with what's contained within the licence. And what we've seen—that's why I referred to the—

[94] **Bethan Jenkins:** Mae pob trwydded ar wahân, ac felly rydych chi'n cytuno i'r drwydded honno, er efallai bod yr hyn sydd am Gymru o Gymru jest yn wan, wan iawn, sef fy marn i.

Bethan Jenkins: Every licence is separate, and so you agree to that licence, although perhaps the content about Wales or from Wales could be very, very weak, which is my view.

[95] **Mr Williams:** Mae'r rhan fwyaf o'r trwyddedau wedi cael eu hetifeddu; roedd y rhan fwyaf ohonyn nhw yn bodoli cyn i Ofcom ddod i fodolaeth. Felly, mae'r hyn sydd yn gynwysedig yn y drwydded yn rhywbeth a oedd wedi cael ei gytuno cyn inni ddod i fodolaeth.

Mr Williams: Most of the licences have been inherited. Most of them existed before the inception of Ofcom. Therefore, what's included within the licence is something that was agreed before our creation.

[96] **Bethan Jenkins:** Felly, nid oes siawns i chi newid hynny o gwbl.

Bethan Jenkins: So, you've no opportunity to amend or change that at all.

[97] Mr Williams: Wel, os yw'n newid, mae'n newid drwy fod yna gystadleuaeth yn dod, hynny yw bod rhywun yn ildio un o'u trwyddedau. Mae hynny wedi digwydd yng Ngheredigion. Roedd gan yr orsaf yng Ngheredigion yr hawl i gael ymestyniad awtomatig i'w trwydded nhw, ond fe benderfynon nhw ildio'r drwydded a chael cystadleuaeth gyhoeddus, a thrwy wneud hynny, roedd hynny'n rhoi cyfle iddyn nhw ddisgrifio i ni yr hyn y bydden nhw'n ei ddarparu yn y dyfodol. Felly, beth mae'r newidiadau deddfwriaethol ers 1996 wedi sicrhau yw nad oes gennym ni fel rheoleiddiwr y cyfle i ddweud wrth un o'r gorsafoedd yma, 'Rŷm ni'n credu y dylech chi ddarparu mwy o ddarpariaeth yn yr iaith Gymraeg, neu y dylech chi chwarae cerddoriaeth o fath arbennig, neu y dylai fod mwy o newyddion.' Mae e i fyny i'r gorsafoedd benderfynu beth maen nhw am ei wneud. Os ydyn nhw'n methu gwneud yr hyn sydd yn y fformat, yna mae gennym ni le i ymyrryd. Ond, ar hyn o bryd, ddywedwn i, nid oes gennym ni dystiolaeth bod methiannau cyffredinol ar draws y sector. Rwy'n credu bod y gwasanaethau'n gwneud yr hyn sydd yn eu fformat nhw. Nawr, efallai bod hynny'n llawer llai nag y byddech chi'n dymuno ei weld, ond rŷm ni'n cael ein cyfyngu gan yr hyn sydd yn y fformat.

[98] Bethan Jenkins: A oes yna ddadl, felly, i fynd nôl at ddeddfu

Mr Williams: Well, if it does change, it changes through competition, namely that someone would give up one of their licences, and that's happened in Ceredigion. The radio station in Ceredigion had the right to an automatic extension to their licence, but they decided to cede that licence and have a public competition, and that then gave them an opportunity to describe to us what they would seek to provide in the future. Therefore, what the legislative changes over the period since 1996 have ensured is that we as a regulator don't have that opportunity to tell one of these stations, 'We believe that you should provide more Welsh-medium provision, or that you should play a particular kind of music, or that there should be more news.' It is up to the stations themselves to decide what they want to do, and if they fail to meet what's contained within the format, then we do have a role in intervening. But, at the moment, I would say that we have no evidence that there are general failings across the sector. I do think that these services meet what's within their format. Now, that may be falling short of what you would want to see, but we are restricted by what's contained within the format.

Bethan Jenkins: Is there an argument, therefore, to return to legislation?

eto? Rydych chi'n dweud ei bod yn eich cyfyngu chi. A fyddech chi'n dweud bod angen mynd nôl at yr hen drefn, lle y gallech chi siapio'r trwyddedau'n fwy cynnil?

You say that you're being restricted. Would you say that there's a need to revisit or return to the old system, where you could shape the licences more?

[99] **Mr Williams:** Mae hynny'n fater i gynrychiolwyr etholedig, yn sicr yn San Steffan, lle mae'r ddeddfwriaeth gynradd yma wedi cael ei llunio. Ein dyletswydd ni yw gweithredu'r ddeddfwriaeth, nid ei llunio hi. Felly, os yw pobl yn penderfynu bod angen newid y ddeddfwriaeth, wrth gwrs gwnaiff Ofcom weithredu yn unol â hynny. Ond fe allaf i ddweud bod y duedd dros gyfnod o amser ym myd radio wedi bod yn un sydd yn rhoi mwy o ryddid, mwy o gyfrifoldeb i'r cwmnïau sydd yn cynnal y gwasanaethau ac yn lleihau ar rôl y rheoleiddiwr. Rŷm ni'n symud tuag at farchnad fwy rhydd ym maes radio nag oeddem ni yn y gorffennol.

Mr Williams: That is a matter for elected representatives in Westminster, where this primary legislation was drawn up. Our responsibility is to implement the legislation, not to draw up legislation. So, if decisions are taken that we need a change of legislation, then, of course, Ofcom would comply with that. But I can say that the trend over a period of time in radio has been towards providing greater freedom and responsibility to the companies that provide these services and reducing the role of the regulator. We are moving towards a more open market in radio than we've had in the past.

[100] **Bethan Jenkins:** Dai, jest yn fras, achos bydd yn rhaid inni ehangu'r sesiwn.

Bethan Jenkins: Dai, just very briefly, because we have to expand the session.

[101] **Dai Lloyd:** Roeddwn i'n mynd i gytuno â chi, Gadeirydd, achos, yn y bôn, gan fynd nôl i'r ddarpariaeth sy'n sôn am Gymru, neu fod yn ymwybodol bod Cymru'n bod—. Rŷm ni newydd gael trafodaeth ynglŷn â theledu a phum awr a hanner ITV a BBC Cymru ac ati, a'r problemau yn y fanna, diffyg papurau newydd yn sôn am Gymru, a hefyd bod pobl yn gwrando ar Radio 2, yr orsaf radio fwyaf poblogaidd yng Nghymru, ac

Dai Lloyd: I was going to agree with you, Chair, because, fundamentally, returning to the provision about Wales, or being aware of Wales's existence—. We've just had a discussion about television and the five and half hours of ITV and BBC Wales and so on, and the problems there and the lack of print press talking about Wales, and also that people listen to Radio 2, the most popular radio station listened to in

nid oes braidd dim sôn am Gymru yn y fanna chwaith. Nawr rŷm ni'n sôn am orsafoedd radio masnachol sydd hefyd yn gynyddol heb ddim sôn am Gymru. So, rŷch chi'n gallu deall o le rŷm ni'n dod yng nghyd-destun ymwybyddiaeth a phortread o Gymru.

Wales, and there's no mention of Wales there either. We're now talking about the commercial stations that increasingly don't mention Wales either. So, you can see where we're coming from in terms of the context of awareness and portrayal of Wales.

[102] **Bethan Jenkins:** Ac yn benodol, a ydy Global wedi cadw at eu cynnwys ar Real Radio? Ydyn nhw wedi cadw at ofynion y drwydded?

Bethan Jenkins: And specifically, have Global met their content on Real Radio? Have they met their obligations under the licence?

10:30

[103] **Mr Williams:** Ydyn—

Mr Williams: Yes—

[104] **Bethan Jenkins:** Maen nhw wedi.

Bethan Jenkins: They have.

[105] **Mr Williams:** Yn sicr, hyd yma, nid oes gennym ni ddim lle i amau. Un o'r pethau sydd yn werth ei nodi, serch hynny, yw bod yr hen gwmni Real Radio yn darparu gwasanaeth mewn ffordd wahanol iawn, yn rhedeg yr orsaf fel gorsaf genedlaethol fasnachol. Fe benderfynodd Global i beidio â gwneud hynny. Hefyd, roedd Real Radio yn gorgyflawni ar eu hymrwymiaidau, felly roedden nhw'n darparu, fwy neu lai, ddwywaith gymaint o gynnwys lleol ag oedd yn angenrheidiol iddyn nhw wneud. Nid yw Global yn gwneud hynny, ond mae Global yn cynhyrchu yr hyn sydd angen iddyn nhw wneud o ran y drwydded.

Mr Williams: Certainly, to date, we have no scope at all to doubt them. But it is worth noting that the old Real Radio company provide a service in a very different way, running the station as a national commercial station. Global decided not to do that. Also, Real Radio was actually overachieving on their obligations, so they were actually delivering twice the local content that they were required to do. Global doesn't do that, but Global does produce what they need to in regard to their licence.

[106] **Bethan Jenkins:** Diolch yn fawr.

Bethan Jenkins: Thank you very

Rŷm ni'n gorfod symud ymlaen, os ydy hi'n iawn gyda chi inni ehangu rywfaint ar y sesiwn, achos mae yna elfennau o hyn rŷm ni heb fynd atyn nhw ar hyn o bryd, sef ar y rhyngwrwd. David Rees, ydy hynny'n iawn?

much. We have to move on, if it's okay with you for us to extend the session, because there are many elements that we haven't actually discussed, namely on the internet. David Rees, is that okay?

[107] **David Rees:** Diolch, Gadeirydd. The internet, obviously, is a different direction from broadcasting, in a more traditional sense, when we are moving that way much more now in the twenty-first century. Can you just clarify the role of Ofcom in the relation to regulation or monitoring of the internet, you know, because obviously we have the internet service providers, we have the infrastructure providers, so what actually is the role of Ofcom in relation to the internet, so that I can get my next set of questions in the right direction?

[108] **Mr Sweeney:** So—and Rhodri, keep me honest—in terms of our role in terms of content on the internet, we regulate, if you like, tv-like content, so video on demand, effectively. We don't regulate text websites, and we don't have a general role in relation to the internet beyond that. We have a role in, effectively, regulating the way in which it's used, or the content that's beamed over it, whether it's onto devices or onto tv screens. Anything you want to add to that?

[109] **Mr Williams:** No.

[110] **Mr Sweeney:** No, so if that—.

[111] **David Rees:** So, obviously, the speeds of the internet is—*[Inaudible.]*

[112] **Mr Sweeney:** Oh, I see, sorry. So, that's on, if you like, the broadcasting side. On the communication side, it's our role to try to promote, effectively, better outcomes for citizens and consumers—the objective we're given in our founding statute. We do that, effectively, through competition regulation or providers, both of fixed and mobile internet services.

[113] **David Rees:** Okay. 'Try to promote' is an interesting concept. Now, clearly, here in Wales we've got concerns—we've got commercial roll-out by BT, plus also, you know, Virgin is capable of commercial roll-out, but also

Superfast Cymru projects. In that sense, what are you doing to work with, first of all BT, or commercial providers—because there are concerns I have in relation to that aspect—and what are you doing to work with the Welsh Government to ensure the Superfast Cymru project actually delivers what it's supposed to deliver?

[114] **Mr Sweeney:** Do you want to say something about Superfast Cymru, Rhodri?

[115] **Mr Williams:** Yes.

[116] Rwy'n credu beth fydden i'n dweud am hynny yw ein bod ni wedi gweithio'n agos gyda Llywodraeth Cymru cyn i'r project gael ei lunio, yn eu cynghori nhw ar sut i fynd ati, ac ynglŷn â rhai o'r anawsterau y bydden nhw efallai yn eu hwynebu. Rŷm ni'n parhau i weithio gyda nhw ynglŷn â hynny, felly pan mae yna gwestiynau wedi codi ambell waith ynglŷn â'r hyn sydd yn bosibl o dan reolau cystadleuaeth y mae Ofcom yn gyfrifol am eu gweithredu, neu am agweddau technegol ar eu gwaith nhw, rŷm ni'n cynnal cyfarfodydd cyson, i ddweud y gwir, rhwng swyddogion Ofcom—nid yn unig fi a fy nghydweithwyr yma yng Nghymru, ond rhai o'n harbenigwyr yn y maes o Lundain, a bellach o Gaeredin hefyd, sy'n dod i gwrdd â swyddogion i sicrhau eu bod nhw yn ymwybodol o'r tueddiadau diweddaraf yn y maes ac o unrhyw gonsŷrn sydd gyda ni ynglŷn â'r ffordd y maen nhw'n gweithredu. Bydden i'n sicr yn portreadu'r berthynas honno fel un greadigol, lle rŷm ni'n trio sicrhau nad oes yna unrhyw beth yn cael ei wneud gan y Llywodraeth a fydd yn

I believe that what I would say about that is that we have been working closely with Welsh Government before the project was launched, advising them on how to set about doing this and on some of the obstacles that they would perhaps encounter. We continue to work with them on that, so when questions have been raised sometimes about what is possible under competition rules that Ofcom are responsible for implementing, or as regards the technical aspects of their work, we hold regular meetings, to be honest, between Ofcom officials—not just me and my colleagues here in Wales, but with some of our experts in the field from London, and by now from Edinburgh too, who come to meet officials to ensure that they are aware of the most recent developments and trends in the fields and any concerns that we have about the way they operate. I would certainly portray that relationship as a creative one, where we try to ensure that the Government don't do anything that might mean that they meet problems further down that path during the

codi problemau ymhellach i lawr y implementation.
llwybr, wrth iddo fe gael ei
weithredu.

[117] Rwy'n credu i chi sôn am yr hyn sydd yn cael ei ddarparu yn fasnachol. Mae'n bwysig iawn, rwy'n credu, i gofio bod y ddarpariaeth fasnachol yng Nghymru—llai na 50 y cant o'r wlad fyddai wedi derbyn band eang cyflym petai hwn wedi cael ei adael i'r farchnad. Nawr, yng ngweddill y Deyrnas Unedig, roedd y ganran yn debycach 66 y cant o ddarpariaeth fasnachol. Roedd gwleidyddion yn San Steffan yn sôn am draean olaf y wlad. Wel, nid y traean olaf oedd e yng Nghymru, ond yr ail hanner. Felly, mae'r dasg o ddod â gwasanaethau band eang cyflym i'r ardaloedd hynny yng Nghymru yn fwy o ran ei maint nag unrhyw broject cyffelyb yng ngweddill y Deyrnas Unedig. Mae rhai o'r anawsterau technegol, a hefyd o ran y gost—hynny yw, i gyrraedd y nod o ddod â gwasanaethau band eang cyflym i bawb—yn amlwg, os oes rhaid i chi wneud 52 y cant o'r eiddo yn y wlad, mae'r gost yn mynd i fod yn sylweddol. Mae hynny, wrth gwrs, yn her i Lywodraeth Cymru. Mae'r rhaglen yn dod i ben flwyddyn nesaf. Mae hi ar hyn o bryd wedi cyrraedd—rwy'n credu taw 610,000 o eiddo oedd y ffigur diweddaraf a welais i gan y Llywodraeth.

I think you talked about what is being delivered commercially. I think it's very, very important to remember that the commercial provision in Wales—less than 50 per cent of the country would have received superfast broadband had it been left to the rest of the market. Now, in other parts of the UK, the percentage was closer to 66 per cent of commercial provision. Westminster politicians were talking about the final third of the country, but that wasn't the case in Wales—it was the second half. So, the task of bringing superfast broadband to those areas in Wales is a greater task than any similar project in the remainder of United Kingdom. Some of the technical difficulties, and also the cost of attaining the aim of making superfast broadband accessible to all—obviously, if you have to cover 52 per cent of properties in the country, the cost is going to be significant. That, of course, is a challenge for Welsh Government. The programme will be coming to a conclusion next year. I believe they're at 610,000 properties. I think that was the most recent figure that I've seen from the Government.

[118] Felly, mae yna gynnydd mawr wedi cael ei wneud, ond wrth i ni agosáu at y 5 y cant, 4 y cant olaf

So, great strides have been made, but as we near the last 4 to 5 per cent, there are new challenges as to

yna, mae yna her newydd yn codi, sef sut i ddod â'r un budd i'r eiddo hynny—eiddo preifat neu eiddo busnes. Mae yna gwestiynau ynghylch pa dechnoleg i ddefnyddio—ai mater o ddod â ffibr i bawb yw e neu o ddefnyddio rhai o'r technolegau eraill sydd ar gael: gwasanaethau diwifr neu loeren? Ond mae hynny'n rhywbeth y bydd Llywodraeth Cymru, ynghyd â Llywodraeth y Deyrnas Unedig, yn ei ystyried yn ystod y misoedd nesaf. Felly, wrth i'r rhaglen gyntaf ddod i ben yn 2017, rŷm ni'n disgwyl bydd yna raglenni newydd yn cychwyn bryd hynny i ddod â'r budd i bob eiddo yng Nghymru.

how to bring the same benefit to those properties—whether they be private or business properties. There are questions about what technology to use, whether it's a matter of bringing fibre to everybody or using some of the other available technologies: wireless or satellite, for example. But that is something that the Welsh Government, together with the United Kingdom Government, will be considering over the ensuing months. So, as the first phase comes to an end in 2017, we expect that new programmes will start up to bring that benefit to every property in Wales.

[119] **David Rees:** Are you in discussions, therefore, with the Welsh Government, because 2017 is now two months away? Are you in discussions with the Welsh Government to look at the programmes to hit that 4 to 5 per cent, which you're saying is going to be difficult and the technologies are going to be challenging? So, are you having those discussions to say what technologies you can use for those 4 per or 5 per cent?

[120] **Mr Williams:** Ydym, rŷm ni'n cyfathrebu yn barhaol gyda'r Llywodraeth, ac, wrth gwrs, mae San Steffan ar hyn o bryd yn deddfu ar rwymedigaeth gwasanaeth cyffredinol ar gyfer band eang o 10 Mb yr eiliad. Felly, mae yna drafodaethau yn digwydd ynglŷn â sut y bydd hynny yn effeithio. Ond, ar yr un pryd, ochr yn ochr, rŷm ni'n siarad â swyddogion Llywodraeth Cymru ynglŷn â chyrraedd eu nod nhw o gael nid yn unig 10 Mb yr eiliad i bob eiddo, ond 24 Mb neu 30 Mb yr eiliad i bob eiddo. Felly, mae'r cyfathrebu

Mr Williams: Yes, we are in continuous communication with the Government, and, of course, Westminster at present is legislating on a general service obligation for broadband of 10 Mbps. So, discussions are taking place as regards how that will impact. But, at the same time, in parallel, we are talking to Welsh Government officials as regards attaining their aim of not only getting 10 Mbps to each property, but 24 Mb or 30 Mb per second to every property. So, communication is regular and

yn gyson ac yn rheolaidd.

continuous.

[121] **David Rees:** Since you've introduced the Digital Economy Bill, which highlights the universal obligation, which we are assuming is 10 Mb, because that'll be secondary legislation, clearly it's important we futureproof that, because that's the situation we're having now. We could be in a situation where superfast broadband, actually, is intended to get faster speeds than that. How are you ensuring, in your discussions, that we are futureproofing the situation with those difficult areas? So, it might be 10 next year or the year after, whenever it comes in, but it could easily go up to 30.

[122] **Mr Sweeney:** So, we agree that futureproofing is very important. We have been saying that there should be a universal service obligation for a couple of years now. We suggested 10 originally. We are now doing a formal piece of work for the UK Government on the technical options for delivering the USO and on the speed, which, again, will be published. It's due to be complete by December this year, and that will inform the secondary legislation, exactly as you say, that would set the USO if they proceed with it once the primary is through. We're clear that we think there needs to be a process of uprating. I think the Bill contains within it a power for the Government to ask us to periodically review the level of the speed, because one area where I think the devolved administrations, the devolved legislatures, and the select committee in the Westminster Parliament have all been unanimous is on this very point about 10 might work now, but what will it be in five or even four years' time.

[123] **David Rees:** Can I also ask the question as to whether it is to ensure all residents have access? The take-up is not as great as we would like, because it's around the 40 per cent mark that this point in time. I have some concerns, because I have some problems where cabinets are enabled, but the capacity of the cabinet is enabled to a certain level, and the take-up actually is higher, therefore. Let's say we get to 60 per cent, there will be problems around capacity. What are you doing to ensure that the capacity of the cabinets that are being enabled will deliver again, so that people don't have to wait even further as a consequence of the capacity being unable to handle two or three more connections to it?

[124] **Mr Sweeney:** If you're talking about, if you like, state-funded roll-out, whether it's the Broadband Delivery UK programme, Superfast Cymru, or other types of current or planned programme, in the end, it's for the way in which those contracts are specified about availability being genuinely there.

So, for example, I'm not familiar with the Superfast Cymru contracting structure, but my understanding is that what BDUK do is to say that BT must make available broadband at the relevant speed to all the residents in the area who might want to access it. So, I think, on that basis, it wouldn't be sufficient simply to enable a cabinet to deliver to 50 per cent of the homes in a village that was previously unserved. They'd have to make it available to all. Apart from anything else, the target that the UK Government has set itself of 95 per cent superfast, or 24 Mbps in their terms, by the end of next year, in order to say that they have hit that, they will need to be able to say that that 95 per cent of people would be able to access it, which, of course, as you know, is separate from whether people choose to take it up. But I don't think that the Government would regard that target as having been met if 95 per cent of people wanted to take it up and only 82 per cent of them could, for the sake of argument. One of the things that we do every year, coming back to one other thing you asked about our role—we have a statutory obligation to produce regular reports, which we do annually, about connectivity. We report both at the level of the UK and nationally within the UK on levels of availability and on levels of take-up, which we do by getting data from the providers themselves and then basically going through a process of quality-assuring it.

[125] **David Rees:** I've seen the report, and I just wonder, if they don't do it, where do you go? What's your next role? What's your next step?

[126] **Mr Sweeney:** Well, for a Government target, if the Government have contracted for something to be delivered and it hasn't been delivered, then I think there will be penalties in the contract, effectively.

[127] **Bethan Jenkins:** Okay, thanks. We have to move on because we need to cover mobile and post briefly. So, if we could have another 10 minutes of your time, that would be great. I'll pass on to Hannah.

[128] **Hannah Blythyn:** Thank you. Linking on to what David Rees was talking about in terms of mobile coverage and the Digital Economy Bill, I think the universal service obligation is set for 2020. I think, if you look at how much technology has shifted in the last four years, and we anticipate that it will shift again, it's a little bit of an analogue answer in a digital age—that ambition. But what are your views on the digital infrastructure Bill, and what role have you had in shaping that?

[129] **Mr Sweeney:** We welcome the Bill, broadly. We've had some role in

shaping elements of it relating to us. So, in drafting the legislation, the UK Government talked to us about it. There are, as you know, things in there that relate to our powers to gather information and that seek to clarify our powers to put in place a switching process for mobile customers and for pay tv. There is also, obviously, the USO that we have previously discussed. The Bill also expands the primary legislation, which gives us power at the moment to regulate the BBC. On all of those measures, we've had discussions with the Government in advance of the Bill being introduced, and we're broadly supportive. We gave evidence to the committee scrutinising the Bill last week in Westminster.

[130] **Hannah Blythyn:** In terms of practically what that means in Wales, I know that the mobile infrastructure project was closed quite early, and only about nine sites in Wales were completed. I'd welcome your views on why that is the case, and actually what plans Ofcom has in the future for making sure that, actually, we have access to mobile coverage in Wales, because that's crucial to growing our economy now and in the future.

[131] **Mr Sweeney:** If I deal with the sort of general question, I don't know whether you want to say anything about the mobile infrastructure project. Two things: the Bill contains within it reforms to the electronic communications code, which, as you all know, is the set of rules, effectively, for allowing for agreements between landowners and mobile companies who want to put infrastructure in. We're required to, effectively, police disputes under the code. That will require us to do that when the Bill is passed; we do that now, but it makes some reforms to it.

10:45

[132] In relation to coverage more generally, there is, as you will know, a coverage obligation, which the four mobile network operators have signed up to—the 90 per cent geographic coverage. That was an agreement reached between the UK Government and the mobile operators at the end of 2014. It was subsequently translated into a binding licence obligation by us. So, one of the things that we will be doing over the next 14 months is tracking their progress towards that, and then, at the end of that point, seeing if they have met it.

[133] Another thing, forgive me, the Digital Economy Bill would do would be to give us bigger enforcement powers—so, effectively, power for the first time to fine a mobile company that failed to meet a coverage target.

[134] Do you want to say something about the MIP in Wales?

[135] **Mr Williams:** Rwy'n credu ei fod e'n siom i bawb a oedd yn ymwybodol o'r hyn a oedd yn cael ei gynnig gan MIP fod yna, rwy'n credu, 162 o safleoedd wedi cael eu hadnabod yng Nghymru lle oedd angen trosglwyddydd newydd. Ac allan o'r rheini, rhyw 66 ohonyn nhw yn unig oedd yn bosibl, yn ôl Arqiva, i'w cysylltu nhw am gost resymol, oherwydd, yn naturiol, maen nhw mewn llefydd lle mae'n anodd i'w cyrraedd—dyna pam nad oes yna ddim signal yna yn y lle cyntaf.

Mr Williams: I think it was a disappointment to everyone who was aware in terms of what was provided by MIP that there were, I believe, 162 sites that had been identified in Wales where a new transmitter was required. And of those, some 66 were possible, according to Arqiva, in terms of being able to connect them at a reasonable cost, because, naturally, they're in remote places. That's why there is no signal there in the first place.

[136] Hefyd, o bersbectif y cwmnïoedd, maen nhw'n ardaloedd lle, am amrywiol resymau, mae'n ddrud i ddarparu'r gwasanaeth yma. Mae'n rhaid cael trydan yna, ac mae'n rhaid gallu cael y signal o'r mast nôl mewn i rwydwaith y darparwr. Felly, roedd yna nifer o anawsterau technegol a chost yn ymwneud â'r prosiect. Ond ar y diwedd, fel yr oeddech chi'n dweud, dim ond naw safle a gafodd eu gweithredu yng Nghymru. Nid yw hynny yn wahanol i'r stori ar draws—nid yw'n fater bod Cymru wedi bod yn waeth na llefydd eraill yn y Deyrnas Unedig. Roedd y cynllun yn gyffredinol yn un nad oedd wedi llwyddo i gyflawni'r amcanion uchelgeisiol, efallai, a oedd yna yn y lle cyntaf.

Also, from the companies' perspective, they are areas where, for various reasons, it is expensive to provide this service. You need a electricity connection, and you need a signal from the mast back into the provider network. So, there were a number of technical barriers and costs related to the project, but ultimately, as you said, only nine sites were actually put in place in Wales. That isn't particularly different to the story across Britain. It's not that Wales has performed more poorly than the rest of the UK. The project was one that, generally speaking, didn't achieve in reaching the ambitious objectives that were put in place initially.

[137] Efallai bod hynny'n adlewyrchu'r ffaith—yn wahanol, er

That perhaps reflects the fact that, unlike the broadband market, where

enghraifft, i'r farchnad band eang, lle mae yna nifer o gwmnïoedd yn barod i addasu eu cynlluniau nhw os oes yna gymorth o arian cyhoeddus ar y ford—ar hyn o bryd, nid yw'r cwmnïau ffonau symudol yn arbennig o awyddus i dderbyn arian o unman. Mae'n well ganddyn nhw gynnal eu rhwydweithiau eu hunain ac i dalu amdany'n nhw drwy gael pobl yn eu defnyddio nhw. Rwy'n credu mai dyna'r un o'r anawsterau gyda'r cynllun oedd mai cwmni o'r enw Arqiva, sydd yn berchen ar fastiau o bob math ar hyd a lled y Deyrnas Unedig, oedd yn gyfrifol am y contract, ond nid oedd y cwmnïoedd unigol, efallai, ddim yn arbennig o awyddus i fod yn rhan ohono fe. Roedd yn well ganddyn nhw—. Ac efallai—mae'n rhy gynnar i ddweud—bod y trefniant yr oedd Mark yn cyfeirio ato fe nawr, lle bod holl ddarparwyr gwasanaethau symudol wedi cytuno â Llywodraeth y Deyrnas Unedig, ac fe fyddai wedi cael ei gynnwys yn eu trwyddedau nhw, i gyrraedd 90 y cant o dir y Deyrnas Unedig, yn sicrhau canlyniad gwell. Ac, wrth gwrs, ar ben hynny, rhywbeth efallai a fydd yn helpu ymhellach yw bod un ohonyn nhw, EE, wedi sicrhau'r cytundeb i ddarparu gwasanaethau cyfathrebiadau i'r gwasanaethau brys. Felly, byddech chi'n disgwyl y byddai hynny yn ymestyn hyd yn oed ymhellach, ac fe fyddwn i'n disgwyl wedyn, os ydy EE yn ymestyn y tu hwnt i 90 y cant o'r tir, y byddai'r cwmnïoedd eraill yn awyddus i fod o

there are a number of companies who are willing to adapt their plans if public funding is on the table, at the moment, the mobile phone providers aren't particularly eager to take funds from anywhere. They prefer to maintain their own networks and to pay for those networks by having people using their services. I think that's one of the difficulties with the programme—Arqiva, who own masts of all kinds across the UK, were responsible for the contract, but the individual companies, perhaps, weren't particularly eager to buy in to the programme. They preferred—. And it may be too early to say, but perhaps the arrangement that Mark referred to, whereby all of the mobile service providers had agreed with the UK Government, and it would have been included in their licence, to reach 90 per cent of the UK, geographically speaking, would secure a better outcome. And, in addition to that, something else that may be of assistance is that one of the providers, namely EE, had secured the contract to provide a communications service for the emergency services. Therefore, you would expect that to extend even further than the 90 per cent, and we would expect then that, if EE were to go beyond 90 per cent of the geographical area, the other companies would at least want to match that.

leiaf cystal â nhw.

[138] **Bethan Jenkins:** Rŷm ni'n **Bethan Jenkins:** We will move on to symud ymlaen i wasanaethau'r post. post services. Neil Hamilton.
Neil Hamilton.

[139] **Neil Hamilton:** The post tends, perhaps, to be forgotten about in this digital age, but it's still very important in my region, Mid and West Wales, because I represent all the empty bits. We've been talking about the problems of completing the networks and mobile telephony and the internet and so on, and this applies just as much to postal deliveries as anywhere else. There is a universal obligation on the post to deliver things that, generally speaking these days, we don't want, like junk mail, bills and notices of intended prosecution.

[140] **Dai Lloyd:** Speak for yourself. [*Laughter.*]

[141] **Bethan Jenkins:** Have you got something to declare? [*Laughter.*]

[142] **Neil Hamilton:** I'm speaking generally, of course, not personally. [*Laughter.*] But one thing that the internet has done is to increase the demand for parcel services, and there is a problem in mid Wales and north-west Wales that we do have people who live in remote places and there are surcharges on parcel deliveries. I was wondering what work you've done, or intend to do, to measure the extent of surcharges and how far you think that impinges upon what, in other contexts, we would regard as a need for a universal provision on an equal basis.

[143] **Mr Williams:** Wel, mae'r **Mr Williams:** Well, the universal rhwymedigaeth gwasanaeth service obligation that you mention, cyffredinol rŷch chi yn sôn amdano of course, is something that covers fe, wrth gwrs, yn rhywbeth sydd yn letters and small parcels only. It sôn am lythyron ac am barseli bach doesn't include the kinds of things yn unig; nid yw'n cynnwys y math o that I'm sure we all purchase from bethau rŷm ni i gyd, rydw i'n siŵr, yn online providers. Now, it is prynu gan ddarparwyr ar y we. Nawr, something that—. Perhaps, before I mae e'n rhywbeth sydd—. Efallai cyn make this point, I should say that dweud hynny, dylwn i ddweud bod there's a tradition in Wales of buying yna hen draddodiad yng Nghymru o things through the post—catalogues brynu pethau trwy'r post—mae have been widely used in Wales over *catalogues* yn rhywbeth sydd wedi many years, and therefore we do

cael defnydd eang yng Nghymru ers blynnyddoedd, ac felly mae gyda ni boblogaeth sydd wedi arfer â phrynu pethau—efallai eu bod yn eu harchebu mewn ffyrdd gwahanol, ond maen nhw'n eu derbyn nhw yn yr un ffordd. Os ydych chi'n byw ymhell oddi wrth ganolfannau lle mae yna siopau mawrion, mae hynny'n beth naturiol. Rŷm ni, yn sicr, yn ymwybodol fod yna gostau amrywiol iawn yn digwydd oddi mewn i'r farchnad.

have a population that is used to buying things and receiving them through the post, although they may be ordering them in a different manner. If you do live a long way from large shopping centres, then that's natural, of course. But we are certainly aware that there are varying costs within the market.

[144] Nawr, lle mae'r problemau mwyaf hynny'n codi, yn ein tyb ni, yw yn ynysoedd yr Alban a rhai rhannau eraill o'r Alban, lle mae yna eiddo ymhell iawn o unrhyw le, ac mae hynny'n rhywbeth rŷm ni wedi ymrwymo i edrych arno fe yn y dyfodol, ac rydw i'n siŵr, os yw'n ymchwil ni'n dangos fod yna broblem yn codi yng Nghymru, byddwn ni'n rhoi ystyriaeth iawn i hynny hefyd. Mae'n rhaid i fi ddweud, ar hyn o bryd, nid yw'n rhywbeth sydd wedi ei godi gyda ni ac, os oes enghreifftiau gyda chi o'ch etholaeth y byddech chi eisiau trafod gyda ni, byddem ni'n falch iawn o gwrdd yn breifat i drafod y rheini, oherwydd, yn gyffredinol, mae'n bag post ni yn cael ei ddominyddu gan faterion yn ymwneud â—

Now, where the major problems arise in our view is in the Scottish isles and in certain other parts of Scotland, where there is very remote property, and that is something that we have committed to look at in the future. I'm sure that, if our research were to demonstrate that there was a problem here in Wales, then we would give full consideration to that, too. I have to say that, at present, it isn't something that's been raised with us. If there are any examples from your own constituency that you'd like to discuss with us, then we would be more than happy to meet you privately to discuss those issues, because, generally speaking, our post bag is dominated by issues by matters relating to—

[145] **Bethan Jenkins:** O leiaf maen nhw'n eich cyrraedd chi. [*Chwerthin.*]

Bethan Jenkins: At least they get to you. [*Laughter.*]

[146] **Mr Williams:** Wel, mae lot ohono fe'n cyrraedd yn electronig

Mr Williams: Well, much of it arrives electronically, of course, or over the

neu drwy'r ffôn. Ond band eang a gwasanaethau symudol, a hefyd perfformiad Openreach, sydd ar flaen y rhestr, ond byddwn i'n hapus iawn i wrando ar unrhyw dystiolaeth o broblemau mewn ardaloedd gwledig.

[147] **Bethan Jenkins:** Mae'n rhaid i fi ofyn un cwestiwn arall, achos gwnaethom ni anghofio ei ofyn, ynglŷn â theledu lleol, ac mae'n bwysig ein bod ni'n gofyn cwestiwn ynglŷn â'ch rôl chi yn hynny o beth. Yn amlwg, rydw i wedi clywed consyrn gan Bay TV yn fy ardal i—fi a nifer o bobl fan hyn sy'n Aelodau—ynglŷn â'r ffaith nad ydyn nhw'n gallu cyfathrebu â nifer fawr o'r boblogaeth yn ardal Abertawe oherwydd y system mastiau, a chael mynediad at y system hynny. So, jest cwestiwn clou ynglŷn â sut maen nhw'n gweithredu yn gyffredinol—nid dim ond Bay TV, ond yma yn y ddinas yma, hefyd, a hefyd, wedyn, y materion lleol hynny.

[148] **Mr Williams:** Wel, mae'r drefn, wrth gwrs, yn seiliedig ar ble mae'r trosglwyddyddion. Oherwydd y penderfyniad a wnaed gan y Llywodraeth flaenorol ynglŷn â'r cynllun teledu lleol, mae'n seiliedig ar y mastiau. Felly, mae wedi bod yn anodd hyd yn hyn i ganolbwyntio—. Nid yw'n fater o ddweud, 'Wel, lle mae yna lot o bobl yn byw, dynnwn ni gylch ar y map, ac fe wnawn ni ddarlledu fanna.' Mae'n dibynnu ble mae'r mast. Ac mae hynny'n codi rhai anawsterau—wel, nid dim ond yn

phone. But broadband and mobile services, as well as the performance of Openreach, are at the top of the list, but I'd be very happy to listen to any evidence of problems in rural areas.

Bethan Jenkins: I must ask one other question because we forgot to ask about local television, and it's important that we should ask about your role in that regard. I've heard concerns from Bay TV in my area—me and a number of other people here who are Members—regarding the fact that they're unable to broadcast to a great number of the population in the Swansea area because of the mast system, and gaining access to that system. So, just a quick question about how they operate generally—not just Bay TV, but the channel here in Cardiff, and also those local issues.

Mr Williams: Well, the system, of course, is based on where the transmitters are. Because of the decision taken by the previous Government on the local TV scheme, it is based on the masts themselves. Therefore, it has been difficult to date to focus—. It's not a matter of saying, 'Well, where you have a number of people, we'll draw a circle on the map, and we'll broadcast there.' It depends on where the mast is located. And that does cause some problems, and not only in Swansea.

Abertawe.

[149] Rŷm ni wedi bod mewn trafodaethau gyda'r cwmni yn Abertawe, ac rŷm ni ar hyn o bryd yn ystyried a oes yna newidiadau—. Mae yna rhai newidiadau o ran y sbectrwm maen nhw'n ei ddefnyddio sydd yn angenrheidiol i'w cyflawni yn ystod y flwyddyn neu ddwy nesaf, ac rŷm ni'n edrych gyda nhw ar gyfleoedd i ymestyn eu dalgylch nhw drwy ddefnyddio tonfeddi ychydig yn wahanol i'r rhai maen nhw'n eu defnyddio ar hyn o bryd. Ond, mewn rhai mannau, mae'r newidiadau hynny yn cyfyngu rhywfaint ar y boblogaeth. Felly, nid yw'n rhywbeth sydd o angenrheidrwydd o gymorth i bob gwasanaeth, ond ein dealltwriaeth ni yw y bydd e o rywfaint o fudd i'r orsaf yn Abertawe. Y peth arall, a digwydd bod, ynghynt yr wythnos hon, roeddwn i mewn trafodaethau gyda pherchennog Made, sef y cwmni sydd piau'r drwydded yma yng Nghaerdydd, ac, wrth gwrs, maen nhw nid yn unig yn ddibynnol ar y sbectrwm daearol i ddosbarthu'u gwasanaeth, ond maen nhw ar Virgin Media, maen nhw ar Sky hefyd. Felly, trwy'r cyfuniad o ddulliau hynny, maen nhw'n llwyddo i gyrraedd cynulleidfa ehangach. Nawr, y cwestiwn mawr, rwy'n credu, yw: pa mor bosibl yw e i'r gwasanaethau yma gynnal eu hunain yn fasnachol yn y tymor hir, ar ôl i'r cymorth maen nhw'n ei gael o ffi drwydded y BBC ddod i ben? Ond yr argraff gawsom ni gan Made oedd bod perfformiad yr

We have been in negotiation with the company in Swansea, and, at the moment, we are considering whether some changes are required. There are some changes in terms of the spectrum that they use that are necessary and will have to be delivered over the next year or two, and we are working with them to seek opportunities to extend their reach by using wavelengths that are slightly different to the ones that they are currently using. But, in some areas, those changes limit them somewhat in terms of the population numbers, so it's not necessarily going to be of assistance to all services, but our understanding is that it will be of some benefit to Bay TV in Swansea. The other thing, as it happens, is that, earlier this week, I was in discussion with the owner of Made, which holds the licence here in Cardiff, and, of course, not only are they reliant on the terrestrial spectrum for distributing their service, but they are also on Virgin Media and Sky, too. So, through that combination of platforms, they can successfully access a wider audience. Now, I think the major question is: how possible will it be for these services to maintain themselves in a commercial sense in the long term once the support they receive through the BBC licence fee comes to an end? But the impression that we got from Made was that the station's performance was perhaps better than

orsaf efallai'n well nag y mae rhai pobl wedi rhagweld a'u bod nhw'n eithaf hyderus ynglŷn â'r dyfodol. some people had anticipated and that they are quite confident about the future.

[150] **Bethan Jenkins:** A ydych chi'n adrodd ar y sector yma wedyn, fel yr ydych chi'n adrodd ar sectorau gwahanol—creu adroddiad, hynny yw? **Bethan Jenkins:** Do you report on this sector at all, as you report on the other sectors? Do you create a report on it?

[151] **Mr Williams:** Nid ydym ni wedi adrodd yn fanwl hyd yn hyn, ond mae hynny oherwydd bod y gorsafoedd ond newydd ddechrau darlledu— **Mr Williams:** We haven't reported in detail to date, but that's because these stations have only just started broadcasting—

[152] **Bethan Jenkins:** Ond byddwch chi. **Bethan Jenkins:** But you will.

[153] **Mr Williams:**—ond, yn sicr, yn y dyfodol, yn ein hadroddiadau ar y farchnad gyfathrebiadau yng Nghymru, byddwn ni yn cynnwys adroddiad ar y sector a'r hyn sy'n digwydd, ac ar unrhyw newidiadau arwyddocaol. **Mr Williams:**—but, certainly, in the future, in our reports on the communications market in Wales, we will be including a report on the sector and what is happening, and on any significant changes in the sector.

[154] **Bethan Jenkins:** Ocê. Grêt, diolch yn fawr iawn i chi am ddod i mewn heddiw, a diolch am ehangu ar y sesiwn. Rydym ni'n gwerthfawrogi'r amser ychwanegol yr ydych chi wedi ei roi i ni. Diolch yn fawr. **Bethan Jenkins:** Okay. Great, thank you very much for coming in today, and thank you for allowing us to extend the session. We do appreciate the additional time that you've given us. Thank you very much.

[155] **Mr Williams:** Croeso. **Mr Williams:** You're welcome.

10:56

Papurau i'w Nodi Papers to Note

[156] **Bethan Jenkins:** Felly, rydym **Bethan Jenkins:** So, we move on to

ni'n symud ymlaen at eitem 3 ar yr agenda, sef papurau i'w nodi. Mae yna bapurau yna gan ITV, a llythyr ataf i gan Mrs—o, nid wyf yn gwybod a ydw i'n ei ddweud yn iawn—Iwobi ynglŷn ag adolygiad y Llywodraeth o wasanaethau treftadaeth. Wedyn, mae un arall gan Phylip Pritchard ynglŷn â Chymru Hanesyddol, ac un arall gan Glyn Owen ynglŷn â Chymru Hanesyddol hefyd. Eitem 4, felly—. O, a oes unrhyw sylwadau ar y llythyrau? Na.

item 3 on the agenda, namely the papers to note. There are papers there from ITV, a letter to me from Mrs—I don't know whether I'm pronouncing this properly—Iwobi about the Government's review of heritage services. Then, there is a letter from Phylip Pritchard on Historic Wales, and another letter from Glyn Owen, also on Historic Wales. Item 4, then—. Oh, are there any comments on the letters, please? No.

10:57

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod

Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cynnig:

Motion:

bod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi).

that the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[157] **Bethan Jenkins:** Eitem 4: cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer eitemau 5 i 7. Diolch yn fawr.

Bethan Jenkins: So, on to item 4: a motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting for items 5 to 7. Thank you very much indeed.

Derbyniwyd y cynnig.

20/10/2016

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10:57.

The public part of the meeting ended at 10:57.