

Rt Hon Oliver Dowden CBE MP

Secretary of State for Digital, Culture, Media and Sport

Dyddiad | Date: 11 March 2021

Pwnc | Subject: Licence fee determination

Dear Oliver,

The Culture, Welsh Language and Communications Committee carried out annual scrutiny of BBC Cymru Wales at our meeting on 4 March 2021. After the meeting, Members raised concerns about the process for deciding the licence fee, which I wanted to share with you. I would be grateful if you could consider the following issues during your discussions on the licence fee from 2022:

The value of the next licence fee to the BBC should, at the very least, keep up with inflation. It is not acceptable that the BBC has faced an effective cut of 30% to UK public services over the last decade.

The BBC, and public service broadcasting, has an enhanced role in Wales given the lack of commercial media. As such the committee encourages the UK Government to make a generous agreement with the BBC to enable them to fulfil key roles for the BBC in Wales, including:

- National and local news coverage. The pandemic has highlighted the need for a well-funded media that can accurately report divergent policies across UK nations;
- Reflecting Welsh life to Wales and beyond;
- Stimulating the creative industries in Wales. By supporting the BBC's ability to make this valuable contribution to Wales' economy it would endorse the UK Government's stated desire to "level up" the economy of the UK.

Looking beyond the current licence fee settlement period, it is worth pointing out that the UK, including Wales, has not been served well by the current system, where the UK Government can make decisions about the licence fee with little democratic oversight. The BBC and S4C, who together provide the bulk of broadcast content specifically for Welsh audiences, have seen their funding substantially reduced over the last decade. The Committee is recommending future licence fee decisions should be made by an independent licence fee commission, with distinct Welsh representation.

I note the recent [petition on television licensing](#) in which the petitioner argued that 'the BBC licence fee is outdated and is not fit for today's society, preferring to see a subscription service.' I note that one of the responses given by the Minister for Media and Data, John Wittingdale MP, during the discussion was:



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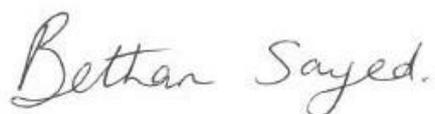
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'Before we can consider moving to subscription as an element of the BBC's funding, everybody will need to be capable of receiving video on demand. That, I believe, will come. The roll-out of broadband is very fast, we will reach universal coverage, and there will come a time when it will be possible for us to move towards a full subscription service for everybody, but that time has not yet arrived.'

This is certainly true for Wales which lags behind the rest of the UK when it comes to access to superfast broadband provision. However, I feel there are more fundamental reasons why moving funding to a subscription model for public service broadcasting will disadvantage the people of Wales. A subscription model fails to address the purpose of public service model operated by the BBC and S4C, which is to provide content which we, as a society, deem necessary, but the free market does not provide. Replicating the business models of Netflix and Amazon Prime is no way to fill the gaps in provision that their services leave behind.

I would be grateful if you could consider the issues raised in this letter and reply to me by 2 April in order for Members to consider your response before the end of the Senedd term.

Yours sincerely,



Bethan Sayed MS

Chair of the Culture, Welsh Language and Communications Committee

