

# Agenda – Culture, Welsh Language and Communications Committee

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Meeting Venue:

**Committee Room 2 – Senedd**

Meeting date: Wednesday, 5 April  
2017

Meeting time: 09.30

For further information contact:

**Steve George**

Committee Clerk

0300 200 6565

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## Informal pre-meeting

(09:15–09:30)

### 1 Introductions, apologies, substitutions and declarations of interest

### 2 The Future of S4C – Evidence session 8

(09:30–10:30)

(Pages 1 – 11)

Rhodri Talfan Davies, Head of BBC Cymru Wales

Siân Gwynedd, Head of Content Production, BBC Cymru Wales

### 3 Funding for and access to music education – Evidence Session 11

(10:30–11:15)

(Pages 12 – 19)

Heather Powell, Managing Director, Denbighshire Music Co-op

Ffion Wyn Roberts, Office Manager, Denbighshire Music Co-op

### 4 Paper(s) to note

**Letter to the History of Wales Campaign from the Children, Young People and  
Education Committee**

(Pages 20 – 25)



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Cenedlaethol  
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National  
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Wales

## **The Future of S4C: Further Evidence from TAC**

(Pages 26 – 30)

**5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for items 6, 7, 8 and 9**

**6 Private debrief**

(11.30–11.45)

**7 Local Media and News Journalism: Scoping Paper**

(11.45–12.00)

(Pages 31 – 42)

**8 Inquiry into the Welsh Government's New Welsh Language Strategy: Agreement of Draft Report**

(12.00–12.30)

**9 Consideration of Committee Forward Work Programme**

(12.30–12.45)

(Pages 43 – 48)

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## 1. Introduction and background

The BBC welcomes the opportunity to comment on its relationship with S4C – a strong partnership which has proved indispensable for audiences in Wales dating all the way back to 1982.

This paper describes BBC Wales' creative partnership with S4C, and clarifies the direct funding relationship between the BBC Trust and S4C Authority.

We look forward to the forthcoming Independent Review of S4C as it provides an opportunity to discuss the role of Welsh language media within a fast-changing context.

## 2. The BBC's programming supply to S4C

At the heart of the BBC's relationship with S4C is what's known as the 'contributed programming'. The 1990 Broadcasting Act requires that the BBC provides no less than 520 hours of content per annum to S4C. This creative partnership has been at the heart of Welsh language broadcasting since 1982, and supports the public purposes of both organisations.

The programming comprises news and current affairs, live sport, *Pobol y Cwm* and extensive coverage of the National Eisteddfod.

The value of this programming in 2017/18 is £19.4m pa.

### 2.1 News and current affairs

The 9pm *Newyddion* programme remains at the core of our provision for S4C. The award winning *Newyddion 9* sets a high standard and the audience appreciation and viewing figures have gradually risen over the past year.

Anchored by Bethan Rhys Roberts and Rhodri Llywelyn, the programme features analysis of the day's main new stories. It also breaks new ground with reports into original Welsh stories.

Other news and current affairs programmes also include the topical panel show *Pawb a'i Farn*, hosted by Dewi Llwyd. We also provide live programmes from the political party conferences. The political programme *Y Sgwrs* came

to an end in July 2016 and a new political midweek programme, *O'r Senedd* will broadcast from late February, focussing on some of the week's hot political topics.

Each weekday, we also provide a news bulletin tailored for younger audiences, *Ffeil*, at approximately 6pm.

In May 2016, we also produced a live overnight results service for S4C for the National Assembly election.

## 2.2 Drama

*Pobol y Cwm* follows the highs and lows of the community of Cwmderi and is no stranger to controversial storylines and difficult themes. These include alcoholism and domestic violence. *Pobol y Cwm* has received national awards from the charity Mind for the way it has portrayed some of these challenging issues.

The series is S4C's most popular year-round weekday series and is the cornerstone of the nightly schedule.

## 2.3 Sport

Live sport is a major part of our programming supply to S4C. Each year, it includes Pro 12 rugby games, live coverage of all Wales' home Six Nations matches, as well as all Autumn International matches.

The live Pro12 rugby coverage in *Clwb Rygbi* had an average audience of 54,000 in 2016, with a return to Saturday evening (from Sunday afternoon) in Sept 2016 attracting higher audiences.

Last year was a particularly exciting sporting year as Wales's national football team reached the quarter finals of the Euro 2016 tournament. BBC Wales provided live programmes from four of the Welsh matches, as well as digital content for other platforms.

## 2.4 National Eisteddfod

Coverage of the National Eisteddfod of Wales continues to be a cornerstone of our programming for S4C and last year saw the programmes delivered on the HD platform for the first time. Hosted by expert and emerging, new presenters the comprehensive coverage totals around 100 hours and the

programmes are a mix of competitions and analysis and a lighter look at the Maes and the fringe activities.

## 2.5 Factual programmes

We also provide a small number factual programmes for S4C, including so-called ‘back-to-back’ English and Welsh language programmes such as Huw Edwards’ Patagonia documentary. Coverage of BBC Cardiff Singer of the World is also a back-to-back production, and will return to our screens in June 2017.

## 2.6 Further editorial collaboration

Beyond the statutory 520 hours, BBC Wales also works closely with S4C on programming projects that can benefit both Welsh and English speaking audiences. For example, the drama series *Hinterland/Y Gwyll* is co-commissioned by the BBC and S4C, and is now distributed worldwide. Similar drama and factual projects are in development currently.

### *Originated BBC Wales hours on S4C by genre 2015/16*

<b>Genre</b>	<b>Hours</b>
Drama, Comedy, Entertainment, Music, Arts	168
News and Current Affairs	264
Sport	81
Education, Factual and Religion	3
Childrens	0
Repeats	100
<b>Total Hours</b>	<b>616</b>

The BBC’s content for S4C is produced by in-house production teams, and complements the independently produced programming slate which makes up the remainder of the S4C service.

### 3. Audience performance

BBC programming is at the heart of S4C's schedule. As outlined above, our contribution includes the *Newyddion 9* news programme, the weeknight drama *Pobol y Cwm*, live domestic and international rugby, and extensive coverage of the annual National Eisteddfod. Overall, BBC productions on S4C contribute 37% of S4C's broadcast hours of viewing.

- Live Pro12 rugby coverage in *Clwb Rygbi* had an average audience of 54,000 in 2016.
- The main evening news programme *Newyddion 9* has an average audience of 21,000, higher than previous years due to the programme having developed a distinctive Welsh agenda.
- *Pobol Y Cwm*, the daily soap, has an aggregate audience of 43,000 across both its main showing and the following day's repeat.
- S4C content on BBC iPlayer is requested over 100,000 times each week, contributing up to 3% of S4C's total viewing hours.

### 4. Providing additional value to S4C

Beyond the direct costs of producing 520 hours of output for S4C, the BBC provides additional value to the channel in a number of significant ways.

These additional sources include:

- Access to the BBC Newsgathering operation – The *Newyddion 9* news programme, produced by the BBC for S4C, is able to access the BBC's global newsgathering operation at no extra cost to report on major international events e.g. 2016 USA elections and the European migrants' crisis.
- Sports programming – The BBC provides S4C with live international sports programming without passing on any of the rights costs incurred by the BBC. This includes rights for live programming from the Six Nations, Autumn Internationals and Euro 2016.
- iPlayer access – S4C is now a full iPlayer channel giving it access to c.1,200 iPlayer connected devices. The cost of iPlayer is charged to

S4C on a 'not for profit' basis in recognition of the unique partnership which exists between the BBC and S4C.

- Access to BBC Archive – S4C commissioned programmes are allowed to use a very significant part of the BBC Cymru Wales programming archive on terms unavailable to other broadcasters.

## 5. Central Square and Yr Egin

BBC Wales will relocate its main production centre to Central Square, in the heart of Cardiff city centre in 2019. The development will see BBC Wales's staff working at the current site in Llandaff relocate to the new centre, located opposite Cardiff Central railway station.

Triggered by the ageing condition of the technology infrastructure at Llandaff and the constraints of working in a poorly configured building, the new building will be half the size of the existing facilities and new technology will make it cheaper to run our television, radio and online services. As part of the new development, it is estimated that approximately 20 S4C staff are expected to co-locate within the new complex and there are plans in development to share the transmission services with S4C in order to reduce the operational costs of both broadcasters. Negotiations between the broadcasters are due to be completed shortly.

S4C will also relocate its headquarters to Yr Egin in Carmarthen over the next few years. We are in discussions with the University of Wales Trinity St David about the feasibility of relocating our staff based at the Carmarthen studio to Yr Egin and those financial and operational discussions are ongoing with the university.

## 6. Licence Fee funding of S4C

In addition to the statutory supply of programming from the BBC, S4C also receives direct licence fee funding from the BBC Trust worth £74.5m per annum to S4C in 2017/18. This sum is fixed until the end of the current licence fee period in 2021/22.

The new BBC Royal Charter (2017) confirms that the Licence Fee should continue to support and underpin the delivery of S4C. The Charter also notes that the 'BBC and S4C must have the shared aim of working together to observe and safeguard the independence of both, and to make the best use

of such funding in the interests of audiences (and in particular those who speak Welsh), so far as is consistent with their respective obligations'.<sup>1</sup>

## 7. Future accountability arrangements

The current partnership between the two broadcasters is managed through two documents.

The first is the Operating Agreement between the BBC Trust and the S4C Authority. This focuses on the direct funding relationship between the Trust and the Authority. The second agreement is the 'Strategic Partnership' document. This sets out how the contributed programming will be supplied by BBC Wales.

Both expire shortly and will need to be updated to reflect the BBC's new governance model. The BBC and S4C are currently discussing new accountability arrangements to take account of the new BBC Charter and, in particular, the creation of a new BBC Unitary Board. It is anticipated that the outcome of this process will be one, simpler public accountability mechanism that encompasses both the programming and funding dimensions of the partnership.

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<sup>1</sup> BBC Charter Framework Agreement (2017), p39.

[http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/2016/agreement.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/2016/agreement.pdf)

# Agenda Item 3

By virtue of paragraph(s) vii of Standing Order 17.42

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The Musicians' Union (MU) has around 20,000 members who teach music, and is therefore well placed to offer insight into music education across Wales, including how the current situation and any possible changes compare to the rest of the UK. This submission sets out a few crucial aspects of music education that must be considered by the Committee as part of their inquiry.

Firstly, the ultimate goal of music education in Wales should be that all children have access to affordable, high-quality musical tuition and opportunities, across all genres of music and all areas of the country. However, this is not the current situation, as there are differences in provision across the country, while music services and teachers face significant pressures. Music education must be based on equal support for all genres of music as well as children's needs, with a focus on diversity and inclusion, so that young people with special educational needs and in deprived areas have the same opportunities as those in wealthier areas. The Committee should consider the extent to which provision varies across Wales and how to ensure that the situation improves.

Secondly, funding and business models are fundamental issues for the successful delivery of music education, as they affect every other part of the system. Music education in Wales is still largely delivered by local authority music services, but this model is under pressure due to lack of funding as well as additional challenges, such as the rural and deprived nature of much of Wales. There are alternative business models for music education, as highlighted by the MU's series of Hub Reports – examples include the Denbighshire Music Co-operative and, in England, the Cornwall Music Service Trust. However, the lack of ring-fenced, long-term funding for music education in Wales is a major issue, and greater resources are needed to deliver the vision set out above. The Committee should consider how to ensure the right resources and structures are in place for the successful delivery of music education.

Finally, it is crucial that the Committee considers the current state of the workforce, and how to provide better support for music teachers, without whom no music education would take place. The MU's members who teach tell us that they get an immense amount of satisfaction from what they do to inspire the next generation of musicians. However, good pay and conditions, as well as professional recognition, is just as important for music teachers as for other workers, and over time there has been a gradual erosion of rates of pay and conditions, as well as a move towards self-employment. Music education is only possible with a committed, skilled, and creative workforce, and unless teachers are supported and appreciated then unfortunately it is the quality, affordability, and accessibility of children's music education that will suffer. The Committee should consider how best to support music teachers in delivering high-quality, affordable, and accessible tuition across Wales.

Wales is rightly proud of its musical heritage, and there is still a variety of quality music-making taking place. However, this is not consistently affordable and accessible for children across the country, which will only be possible with the right strategy, along with appropriate funding and well-supported teachers. Issues of accessibility, funding, and the workforce must be considered in the Committee's inquiry to ensure the viability and success of music education in the future.

Eryl Owain  
History of Wales Campaign  
Tan-y-dderwen  
Penmachno  
Betws-y-coed  
LL24 0PS

23 March 2017

Dear Eryl Owain

### History of Wales and the new curriculum

Thank you for your letter of 4 February regarding the inclusion of the history of Wales within the new curriculum. May I first apologise for the delay in responding to you on this matter.

The Children, Young People and Education Committee is currently scrutinising the implementation of Successful Futures, and will continue to monitor implementation regularly. Part of our current scrutiny has been to consider the wider development of the new curriculum, and the Committee has sought to focus strategically on the way implementation is being carried out rather than concentrating on specific areas / subjects to be included in the new curriculum.

However, a consultation undertaken by the Committee during summer 2016 highlighted a call for greater teaching of Welsh history, and indeed regional and local history. The Committee recognised this, and has already written to the Cabinet Secretary for Education regarding this matter. A copy of the Committee's letter to the Cabinet Secretary, and her response is attached.

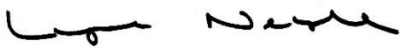
Alongside this, I would like to highlight that a *'Review of the teaching of history in Wales to focus on Welsh culture and heritage'* was recently included in a list of topics for potential areas of work by the Assembly's Culture, Welsh Language and Communications Committee. While the CWLC Committee is not undertaking work on this matter at present, it may be a topic it considers within its forward work programme. I have



therefore copied this letter to the Chair of the Culture, Welsh Language and Communications Committee for information.

As outlined above, the Children, Young People and Education Committee will monitor progress on implementation of the new curriculum regularly, and we will look again at the content of the AoLE as the Welsh Government moves forward with their detailed development. Any work we undertake on this will be accessible on the Committee's website.

Yours sincerely



**Lynne Neagle AC / AM**  
Cadeirydd / Chair

C.C. Bethan Jenkins – Chair of Culture, Welsh Language and Communications Committee



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14 FEB 2017

## ***HISTORY OF WALES CAMPAIGN***

*supported by*

***CANOLFAN HANES UWCHGWYRFAI and CYLCH YR IAITH***

Please reply to: Tan-y-dderwen, Penmachno, Betws-y-coed LL24 0PS  
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### **F.A.O. Members of the Children, Young People and Education Committee**

### **History of Wales and the new curriculum**

04 February 2017

Dear *Lynne Neagle*

We welcomed the statement by the then Education Minister, Huw Lewis, in March 2014 that he supported “the development of an unique curriculum for Wales” and the proposal of Professor Donaldson’s report, *Successful Futures*, in February 2015 to create a structure that would make this possible. But we are not confident that sufficient attention has been given to the importance of the Welsh dimension and of the history of Wales in particular within the new curriculum that is being developed.

Although *Successful Futures* refers to the Welsh dimension, that appears to be largely in terms of “language and culture” only. References that the six Areas of Learning and Experience should include the Welsh dimension are vague and generalised.

We understand from the action plan, *A curriculum for Wales – a curriculum for life* (October 2015) that there will be gradual change from the existing curriculum to the new curriculum and that Pioneer Schools will play a vital part in producing the framework that will be available for schools. In general, we welcome the opportunity given to teachers to design a new curriculum. However, we have grave doubts as to how much attention will be given to the history of Wales if these Pioneer Schools are not given clear guidance and advice.

These doubts are based on the findings of the taskforce chaired by Dr Elin Jones (*The Cwricwlwm Cymreig, history and story of Wales*, September 2013) that insufficient attention is given to the history of Wales and that the history of Wales is ignored largely or wholly in many schools. We hope that you would agree that this is unacceptable and that Welsh pupils should have the opportunity to learn about the history of their country.

There is no basis to believe that this unacceptable situation has changed since 2013. Indeed, there are grounds for concern that less attention is given to the history of Wales as schools, in attempt to act in accordance with the general principles of *Successful Futures*, are using resources from England to teach history, resources which naturally are based on the history of England.

We call upon the Children, Young People and Education Committee to give careful consideration to the need to ensure that the Welsh dimension forms an integral and central part of each Area of Learning and Experience. In relation to the history elements within the Humanities Area of Learning and Experience, we call for:

- a clear statement by the Cabinet Secretary for Education that the Welsh experience in its various forms over the centuries is an integral and central part of the curriculum of all schools in Wales as the basis for understanding what happens outside Wales.
- confirmation that the Pioneer Schools, in developing the new curriculum, will do so on the basis of this fundamental principle in accordance with the commitment of *Successful Futures* to the importance of the Welsh dimension
- the setting up of working parties of practitioners and other experts to review the need for sufficient resources to enable the revised history curriculum to be implemented successfully
- sufficient finance to prepare these resources so that they are available to schools in Welsh and English to a standard comparable to resources available for schools in England

We ask you to give careful thought to these most important issues, to raise them within meetings and the remit of Children, Young People and Education Committee and to ensure that the Secretary for Education takes the necessary steps to establish the Welsh dimension and the history of Wales as an integral part of the curriculum of the future.

We look forward to receiving your response and would welcome the opportunity to explain our position more fully.

Yours faithfully



Eryl Owain  
Coordinator History of Wales Campaign

# YMGYRCH HANES CYMRU

AR Y CYD Â

CHANOLFAN HANES UWCHGWYRFAI A CHYLCH YR IAITH

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## I sylw aelodau Pwyllgor Plant, Pob Ifainc ac Addysg

### Hanes Cymru a'r Cwricwlwm Newydd

04 Chwefror 2017

Annwyl *Lynne Neagle*

Croesawyd gennym ddatganiad y Gweinidog Addysg ar y pryd, Huw Lewis, ym Mawrth 2014 ei fod am “weld cwricwlwm unigryw yn cael ei ddatblygu i Gymru” ac argymhelliad adroddiad yr Athro Donaldson, *Dyfodol Llwyddiannus*, yn Chwefror 2015 y dylid creu strwythur a fyddai'n gwneud hynny'n bosibl. Ond nid ydym yn hyderus bod sylw digonol yn cael ei roi i bwysigrwydd y dimensiwn Cymreig a hanes Cymru yn benodol oddi mewn i'r cwricwlwm newydd sydd yn y broses o gael ei ddatblygu.

Er bod *Dyfodol Llwyddiannus* yn cyfeirio at y dimensiwn Cymreig, gwneir hynny yng ngydddestun “iaith a diwylliant” yn unig. Arwynebol iawn yw'r cyfeiriad y dylai pob un o'r Chwe Maes Dysgu a Phrofiad gynnwys dimensiwn Cymreig.

Deallwn o'r Cynllun Gweithredu, *Cwricwlwm i Gymru, Cwricwlwm am Oes*, (Hydref 2015) y bydd symud graddol o'r cwricwlwm presennol i'r cwricwlwm newydd ac y bydd gan yr Ysgolion Arloesi ran allweddol yn ffurfio'r fframwaith a fydd ar gael i ysgolion. Ar un ystyr, mae rhoi rôl flaenllaw i athrawon lunio cwricwlwm newydd i'w groesawu. Ond mae gennym bryderon mawr am faint o sylw a roddir i hanes Cymru os nad yw'r ysgolion arloesi wedi derbyn arweiniad a chyfarwyddyd clir.

Sail ein pryder yw canfyddiadau tasglu dan gadeiryddiaeth Dr Elin Jones (*Y Cwricwlwm Cymreig, stori a hanes Cymru*, Medi 2013) mai annigonol iawn yw'r sylw a roddir i hanes Cymru ac, yn wir, bod hanes Cymru'n cael ei anwybyddu i raddau helaeth, os nad yn llwyr, mewn llawer o ysgolion. Hyderwn y cytunwch na ddylai hyn barhau ac y dylai disgyblion ysgolion Cymru ddysgu am hanes eu gwlad.

Nid oes unrhyw dystiolaeth i awgrymu bod y sefyllfa anfoddhaol hon wedi newid o gwbl er 2013. Yn wir, mae lle i bryderu bod llai o sylw i hanes Cymru wrth i ysgolion, mewn ymgais i weithredu'n unol â meddylfryd *Dyfodol Llwyddiannus*, ddefnyddio adnoddau o Loegr ar gyfer dysgu hanes, adnoddau sydd â phwyslais naturiol ar hanes Lloegr.

Galwn ar y Pwyllgor Plant, Pobl Ifainc ac Addysg i roi ystyriaeth fanwl i'r angen i sicrhau bod y dimensiwn Cymreig yn rhan ganolog a chreiddiol o bob Maes Dysgu a Phrofiad. O ran elfennau hanes oddi mewn i Faes Profiad a Dysgu Dyniaethau, galwn am

- ddatganiad clir gan Ysgrifennydd Addysg y Cabinet y bydd meysydd llafur hanes holl ysgolion Cymru'n rhoi lle sylfaenol a chanolog i'r profiad Cymreig yn ei holl amrywiaeth dros y canrifoedd fel sail i ddealltwriaeth o'r hyn sy'n digwydd y tu allan i Gymru
- sicrhad y bydd yr Ysgolion Arloesi, wrth ddatblygu'r cwricwlwm newydd, yn gwneud hynny ar sail yr egwyddor sylfaenol hon ac yn unol ag ymrwymiad *Dyfodol Llwyddiannus* i bwysigrwydd y dimensiwn Cymreig
- sefydlu gweithgorau o ymarferwyr ac arbenigwyr i adolygu'r angen am adnoddau digonol i gyflwyno'r cwricwlwm hanes diwygiedig yn llwyddiannus
- gyllid digonol i ddarparu'r adnoddau hynny fel bod deunyddiau addysgu ar gael i ysgolion Cymru, yn y Gymraeg a'r Saesneg, a fydd yn cymharu'n ffafriol â'r hyn sydd ar gael ar gyfer ysgolion Lloegr gyda'u pwyslais naturiol ar hanes Lloegr

Gofynnwn i chi roi sylw i'r materion pwysig hyn, i'w codi mewn cyfarfod o'r Pwyllgor Plant, Pobl Ifainc ac Addysg ac i bwysu ar y Gweinidog i sicrhau bod y dimensiwn Cymreig a hanes Cymru yn rhan greiddiol o gwricwlwm y dyfodol.

Edrychwn ymlaen at dderbyn eich ymateb a byddem yn croesawu unrhyw gyfle i egluro ein safbwynt yn llawnach.

Yn gywir



Eryl Owain  
Cyd-lynnydd Ymgyrch Hanes Cymru

# Agenda Item 4.2



**Uned 2, Cibyn, Caernarfon, Gwynedd LL55 3AW**

Bethan Jenkins AM  
Chair  
Culture, Welsh Language and Communications Committee  
The National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

24th March 2016

Dear Chair

On behalf of TAC, I would once again like to thank you for inviting us to appear before your committee on 16 March. During the session, we committed to providing further information. We would also like to provide further replies to some of the other points raised.

## **The role of S4C**

S4C's future is linked to the diversity, creativity and entrepreneurship of the Welsh independent production sector. Companies in Wales are established and run by people with a deep commitment to producing meaningful content communicated through the medium of Welsh, and in doing so, to reflect and promote Welsh life and culture.

We would ask the committee to consider what actually constitutes 'S4C' to a member of the public. In our experience they identify S4C by its programmes, whether that is *Rownd a Rownd*, *Fferm Factor*, *Ochr 1*, *Y Gwyll* or programmes on the childrens' service *Cyw* – all produced by TAC members. Whilst any media service needs an administrative organisation to schedule and commission the content, it is the content itself that lies at the heart of the service's identity, and its ability to serve audiences.

So the production sector is an intrinsic part of how S4C works and the impact of its brand. As an extension of their creative ambition, and through a desire to portray Wales positively to the rest of the UK and beyond, our members also seek in many cases to gain commissions from a wider range of broadcasters. For a sector that in the past has been accused of being over-reliant on S4C, we feel this is a positive development for anyone who values home-grown Welsh content production.

Nevertheless, with research showing an economic return of £2.09 on every £1 invested, S4C's investment in the sector is crucial. This is why S4C's overall remit should clearly commit it to commissioning the vast majority of its output from the independent sector.

The Committee will note that the current BBC / S4C Operating Agreement<sup>3</sup> states: *'The BBC Trust and the S4C Authority have agreed that S4C should commission the vast majority of its content from independent production companies'*.

It goes on to say that commissioning content from the BBC; *'should only ever constitute a small proportion of the overall content commissioned by S4C'*.

This commitment should be part of S4C's overall remit, emphasising that whilst S4C should be free to commission from any producer, the vast majority should be from the independent sector, rather than other broadcasters' in-house studios.

### **S4C Production**

We were asked whether S4C should produce its own content in-house. S4C is already an award-winning publisher broadcaster, so there is no quality issue at present with its output. To make its own programmes would involve considerable investment. Apart from the BBC and ITV, who historically have always made some of their own content, other media companies are choosing to use the vibrant indie sector to source the best ideas and expertise, meeting their need for channel defining content which can distinguish them in the market place, whilst not investing in unwieldy in-house studios.

In-house production would saddle S4C with the financial burden of fixed overheads, meaning its in-house facility would need regular commissions, regardless of whether it had the best ideas and talent. This would dilute the principle of only commissioning the best content regardless of source, on which S4C and Channel 4 were founded.

S4C needs the flexibility to focus resources on its continuously adapting vision, and commissioning production companies based all around Wales encourages creative competition and value for money.

A clear remit for S4C to work with the indie sector, as recommended in our origin paper, would mean that those companies can secure additional investment to diversify activities, produce for the wider market, and grow their businesses, whilst investing in technology and new programme ideas.

### **Devolution of S4C**

On the devolution question, TAC supports the Welsh Government and assembly's current role in Wales' affairs. In the case of responsibility for S4C, we would reiterate the point made in our paper that S4C gains from being part of the wider UK public service broadcasting (PSB) system. As a committee member pointed out, S4C and the independent production sector are looking to appeal to wider audiences, but distancing it from other PSB networks would risk marginalisation, and creating the perception of S4C as a minority interest broadcaster for a Wales-only audience.

Concerns raised by the Committee, concerning the possibility of future UK Government cuts, can be met by putting a proper funding structure in place, which cannot be tampered with ad hoc. A transfer of responsibility for S4C would still mean that central government would still be funding S4C, through its overall grant to the Welsh Assembly Government (WAG). If the WAG's real-terms grant declined, it would present the type of dilemma outlined at the

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<sup>3</sup> BBC Trust – S4C Authority Operating Agreement, p5 para 2.6

committee session, in terms of conflicting needs to prioritise spend in other areas. Furthermore it could well be the case that if the S4C funding was bundled into Wales' overall grant, no allowance would be made for it to be in line with inflation.

### **Exploitation of Rights**

There was also a question on exploitation of rights. Some Welsh companies, such as Rondo and Cwmni Da, have distribution deals in place that bring in residual income. There is always room to encourage the whole sector to be proactive on this front, and TAC's new General Manager, has a role to create a programme of resources and events to assist members in maximising their IP's potential.

Overall the UK production sector is a world-leading industry, exporting £1,326bn in 2015-16 around the world in programmes and formats<sup>4</sup>. That this is possible is due to protections for producers' IP rights in the 2003 Communications Act. A broadcaster can only buy a licence from an independent producer to screen a show a certain number of times over a certain period of time. They can also have separate discussions of those rights, but these must be separate from the initial 'primary rights' discussion, and the presumption is that rights always lie with the producer. Less than eighteen months ago an Ofcom review concluded that there was no need to adjust this legislation.

### **Audience Research**

Lastly, we talked about audience trends and mentioned research. The research we referred to was shown to members of TAC by S4C and we have reproduced it as an appendix.

### **In Conclusion**

We hope this further information is useful. Even though the independent sector was not part of your initial work on broadcasting, we would like to take this opportunity to extend to the whole committee a cordial invitation to visit one or more of the companies to learn more about their work if it would be useful to you in the context of this, or any future inquiry.

The UK Government's industrial strategy highlights the creative industries as a key area, and Wales should note this and convince the UK government to further invest in the Welsh economy, by increasing its grant to S4C and specifying it is invested mainly in the indie production sector.

In the last few days we have already seen the Government make a new loan to S4C and part-freeze its funding for the coming financial years, and with everyone continuing to make the case for S4C's sustainable future we hope we can achieve a positive outcome in the review which will benefit audiences in Wales and beyond.

Yours sincerely



Iestyn Garlick, Chair

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<sup>4</sup> TRP TV Exports Survey 2015-16

## TAC follow-up to Welsh Assembly Culture, Welsh Language & Communications Committee, March 2017

### Appendix - S4C research

There was a discussion around changing viewing habits among younger audiences and TAC mentioned research which it had seen from S4C. A copy of the Enders Analysis graphs, based on information from BARB/Infosys+, is included below.

The first of the following graphs shows audience trends among 16-34-year-olds.

We entirely accept that it shows that the 'Other' Screens section is growing year on year. Nevertheless, it is still less than a third of total viewing, and it is important to note that people still view live TV or on catch-up via devices other than TV sets. If you consider alongside this the steep rise in views of S4C on iPlayer, then it is reasonable to assume that at least some of this change in viewing device is still used to view 'traditional' TV, but with different technology.

The committee will also note that the trend towards use of other devices is forecast to slow down and virtually plateau to around a third by 2020.

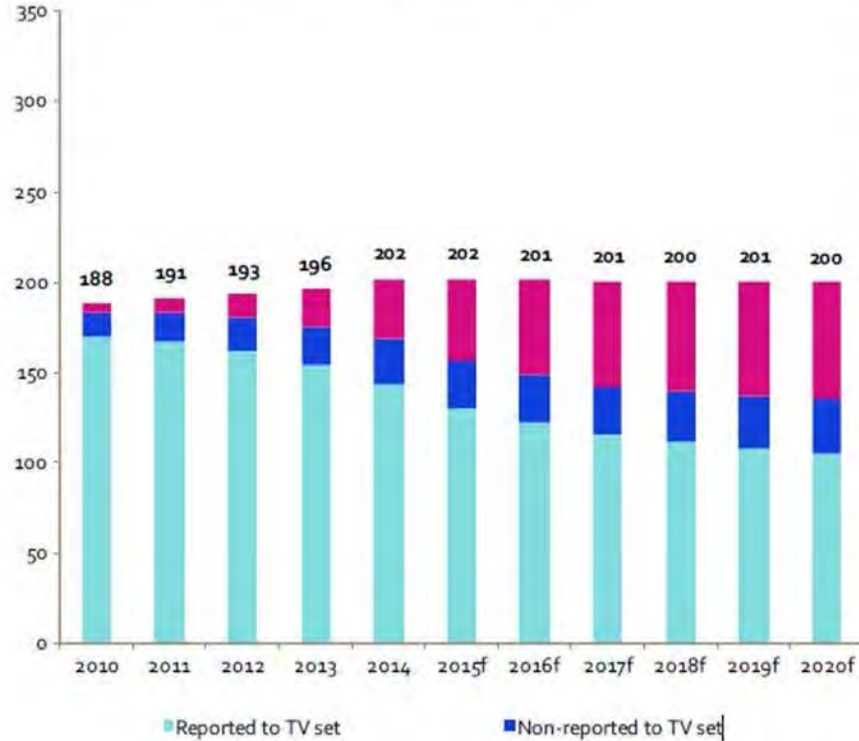
We would also point to the second graph, which shows an overwhelming proportion of 65+ viewers to the traditional viewing. It should also be noted that there continues to be a debate as to the extent that, as people grow older, their viewing habits change and they are more likely to view linear TV in a more traditional manner in front of the TV set. So an assumption that such behaviour will see a significant long-term change ought to be treated with caution. This audience has a right to be catered for in the manner to which it has become accustomed, i.e. high-quality TV content delivered on a linear terrestrial channel.

None of these are arguments to deny that it is important to diversify S4C's presence across platforms, and develop and increase the amount of content which suits the habits of a more mobile, younger demographic. As we explained, producers are investing in equipment and techniques to produce this content. However, it should be noted that there is not necessarily a cost saving to be made in the way that is sometimes assumed. Producing a well-designed 5-minute video to go online can take the same amount of set preparation, makeup, and camera setup as a 30-minute programme.

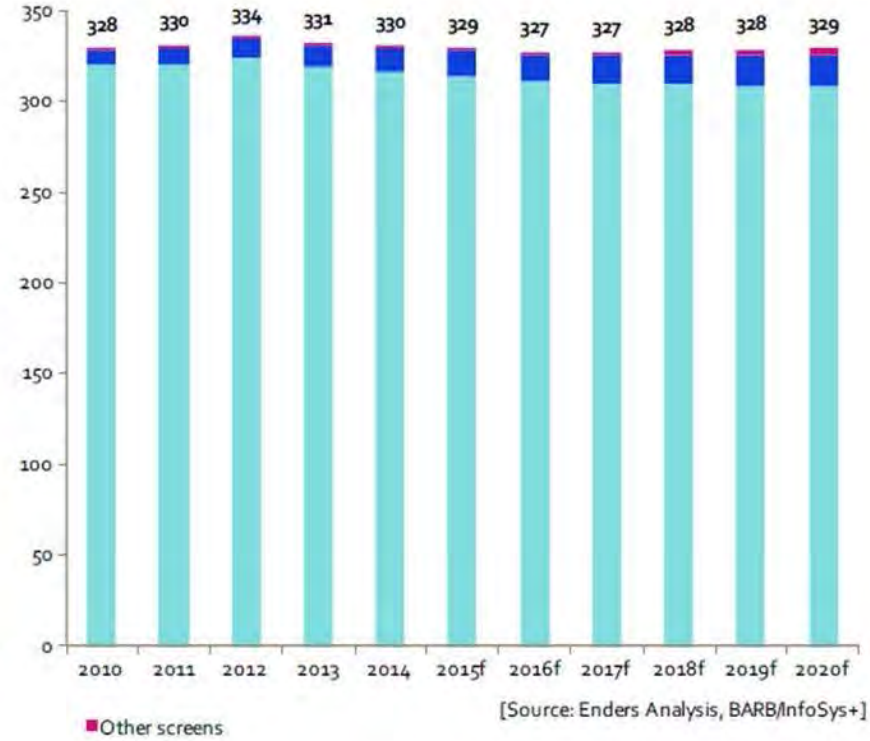
And any content associated with S4C's brand needs to have the quality that its audience will expect. If its short-form content takes on an 'unprofessional' look, this will only serve to diminish it and, as we explained, run the risk of it appearing to be a second-class service. If a young person's first encounter with S4C is a poor-quality video clip, that could have a very damaging effect on the likelihood of their becoming part of S4C's audience in the future.

Information provided to TAC by S4C, March 2017 / Gwybodaeth a ddarparwyd i TAC gan S4C, Mawrth 2017

Average viewing minutes per day: adults 16-34



Average viewing minutes per day: adults 65+



[Source: Enders Analysis, BARB/InfoSys+]

**Key Guide**

Reported to TV set (Light blue) = BARB reported viewing: live and up to 7-day consolidated timeshift/catch-up

Non-reported to TV set (dark blue) = All other viewing of video content on the TV set, but excluding video games

Other screens (pink) = All viewing of video content on other screens, whether long form or short form

**Allwedd**

Anfonwyd at y set deledu (glas golau) = gwyllo o adroddiad BARB: byw a hyd at 7 diwrnod o wyllo wedyn/dal i fyny

Heb ei anfon at y set deledu (glas tywyll) = pob math arall o wyllo cynnwys fideo ar y set deledu, ac eithrio gemau fideo

Sgriniau eraill (pinc) = holl wyllo cynnwys fideo ar sgriniau eraill, boed hynny'n ffurf hir neu ffurf fer

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