

# Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryrn Ogwen Williams'

## Short inquiry into 'Building an S4C for the future: An independent review by Euryrn Ogwen Williams'

Gorffennaf 2018 / July 2018







Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and  
Communications Committee  
Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryrn  
Ogwen Williams'  
Short inquiry into 'Building an S4C for the future: An independent review by Euryrn  
Ogwen Williams'  
CWLC(5) BS4C01  
Ymateb gan RhAG / Evidence from RhAG

Ysgrifennwn atoch er mwyn cefnogi'r alwad i'r pwyllgor gynnal ymchwiliad llawn i'r achos dros ddatganoli pwerau darlledu i Gymru.

Mae'r peryglon amlwg i ddyfodol S4C yn fater a ddylai fod yn destun pryder mawr i'r pwyllgor.

Mae'n hysbys bod S4C wedi dioddef cyfres o doriadau, tra bod incwm Sky, ITV, y BBC, Sianel 4 ac eraill wedi cynyddu. Wedi blynyddoedd o frwydro am friwsion oddi ar fwrdd Llywodraeth Prydain - corff nad yw'n deall y Gymraeg na S4C yn ôl TAC - mae'n gwbl amlwg bellach mai dim ond drwy wneud penderfyniadau am ddarlledu yng Nghymru y cawn ni ddemocratiaeth ac iaith hyfyw.

Yn ôl arolwg barn gan YouGov a gyhoeddwyd y llynedd, mae 65% o bobl Cymru yn ffafrio datganoli darlledu i'r Senedd yng Nghymru. Mae'n ddiarheul bellach bod cefnogaeth gyhoeddus o blaid symud i'r cyfeiriad hwn.

Rydym yn ymwybodol bod mudiadau, gan gynnwys Cymdeithas yr Iaith Gymraeg, wedi cyflwyno'r achos sy'n dadlau y byddai modd gwednewid sefyllfa darlledu Cymreig trwy ddatganoli'r pwerau hynny i Gymru. Gallai hyn gynnwys y posibilrwydd y byddai mwy o arian ar gael ar gyfer darlledu cyhoeddus, ynghyd â chyfleoedd i sefydlu gorsafoedd radio, teledu a mentrau digidol newydd.

O safbwynt y Gymraeg, mae sicrhau dyfodol llewyrchus a ffyniannus i ddarlledu yng Nghymru yn allweddol os ydym am gyrraedd targed Llywodraeth Cymru o filiwn o siaradwyr Cymraeg erbyn 2050.

Gobeithiwn yn fawr y bydd y pwyllgor yn cymryd y cyfle euraid hwn i gynnal astudiaeth fanwl o'r achos dros ddatganoli darlledu i Gymru.

Yn gywir

Ceri

**Ceri McEvoy**

**Cyfarwyddwr Datblygu**

*Director of Development*

**Rhieni Dros Addysg Gymraeg**

*Parents for Welsh Medium Education*

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CWLC(5) BS4C02

Ymateb gan Huw Marshall / Evidence from Huw Marshall

Background information - Huw Marshall is a media consultant and digital strategist, he has almost 30 years of experience in the Welsh and UK media space. Between November 2012 and September 2016 he was responsible for leading S4C's digital activities, creating and implementing the channels first digital strategy. You can read more about his current work and articles that are relevant to this consultation by visiting [www.marshall.wales](http://www.marshall.wales)

1 Post the publication of the report in april I wrote an article published on my website

<http://marshall.cymru/2018/04/07/future-welsh-language-content/?lang=en>

I attach a written form of the article at the end of this response.

2 In preparing this response I have focussed on the 7 recommendations put forward by the reports author Eurn Ogwen Williams.

3 Recommendation 1 - The government should update S4C's public service remit to include digital and online services and remove the current geographical broadcasting restrictions. This will allow S4C to broaden its reach and offer its content on a range of new platforms in the UK and beyond.

4 It is a given in this day and age that S4C's PSB remit has to expand in order to secure its relevance for todays audiences. On a recent visit to a Welsh medium secondary school I had the pleasure of spending the day working with around 100 year 7, 8 and 9 boys and girls. What is clear today is the relationship between young people and content has changed, the vast majority watched content on traditional televisions, however the source of that content was primarily YouTube or Netflix. Over 90% stated that these were their prime sources of content, with many now watching "gaming" in preference for traditional TV content. On a positive note the majority were viewers of S4C, but this viewing was almost exclusively for Rownd a Rownd and Pobol y Cwm. There was

a real desire to watch Welsh language content on YouTube, but they noted the lack of Welsh content, they also, interestingly, understood the commercial pressures that made the production of this content in Welsh challenging.

5 It is vital that S4C not only offer its current content on a range of new platforms but that they also develop a new content strategy working with a new generation of younger producers and talent to create relevant content, content that would not sit within a linear schedule.

6 Whilst in charge of S4C's digital activity the current remit meant that we had to "break rules" in order to produce the non linear short form content under the guise of PUMP, now rebranded as Hansh. It is clear that there is a demand for this content, but not within a linear schedule.

7 Recommendation 2 - S4C should establish an in-house digital hub to develop and improve S4C's digital footprint and form the basis of a Welsh language digital cluster.

8 As I wrote in my article "The Future of Welsh Language Content", this was, for me, the most contentious recommendation and one that needs to be expanded upon and understood fully as part of this consultation. The report notes that S4C should be "*building in-house digital capability*". By labelling digital capability as separate from linear capability perpetuates the idea that digital is "other", an add on or a separate entity. Digital is everything today, the sooner we educate the industry in understanding this the better. Whilst there is no reason that S4C couldn't develop in house production capability, as it once did from a continuity, children's and weather perspective, I feel the current model of publisher broadcaster works well, although there are issues around the scale of some of S4C's majority suppliers and how this impacts on smaller companies, I believe there is potential for a middle ground in developing and supporting facilities within a number of digital spokes around Wales, with S4C's new HQ at the Egin in Carmarthen acting as the digital hub. The Basque model at EITB is an example of how this can work, production companies can use studio facilities for free, freeing the production sector to focus on content creation.

9 Building real and meaningful partnerships will be a key element of building a successful digital hub. This has been one of S4C's biggest failings, but they are not unique, the fact that so many of Wales large cultural institutions rely so heavily on one source of funding has rendered the development of real partnerships nigh on impossible. They see each other as competitors not collaborators. Each Welsh institution has something to bring to the table, be it content, networks or audiences. A hub managed by S4C but owned by the whole Welsh language community would be a catalyst for reaching more than 1,000,000 Welsh speakers by 2050.

10 Commercial partnerships will also be key in enabling S4C to develop a hub and network of sufficient scale and capacity. S4C lacks the internal human resource to develop this alone, by working with commercial partners to develop new technologies in the field of content distribution, developing a specialism around multi lingual capabilities would enable for a new industry to grow in Wales, one that could re-invest its profits in Welsh language content creation. This where the definition of a digital hub needs defining, a true digital hub is more than just a distribution platform, a Welsh language digital cluster and network that a platform is a constituent part of could make S4C a gamechanger in relation to the progression of the Welsh language.

11 Recommendation 3 - S4C should establish a language partnership with the Welsh Government and others to help deliver the Welsh Government's commitment to reach 1 million Welsh language speakers by 2050.

12 I have already touched on this, in order to help deliver the 1,000,000 speaker target establishing a language partnership would be hugely beneficial, but as noted previously developing a language partnership as more than a talking shop would require an independent chair and board with specific targets and a requirement to report annually on its impact. Having a coherent digital strategy for a Welsh language would be a good starting point.

13 Recommendation 4 - S4C's public funding should be provided entirely through the licence fee from 2022/23 onwards, with all future funding decisions made as part of the BBC licence fee funding settlement.

14 I agree with this recommendation and I would also add that a discussion needs to take place with the BBC regarding working together better around Welsh language content, development and promotion.

15 Recommendation 5 - The government should consider amending current approval requirements to give S4C greater freedom to invest and generate commercial revenue

16 With all future funding coming from the licence fee it is vital that S4C generates additional commercial revenues and being able to support and invest in companies who could become catalysts for a new Welsh language digital cluster could pay dividends long term.

17 Recommendation 6 - The S4C Authority should be replaced with a new unitary board comprising executive and non-executive directors.

18 Replacing the current Authority with a new unitary board would bring S4C in to line with other PSB's. The new board should be appointed following an open and transparent process. Existing or newly appointed authority members should not transfer automatically to the new unitary board.

19 Recommendation 7 - The government should consider whether S4C's current financial audit arrangements are suitable, including whether it would be appropriate to appoint the Comptroller and Auditor General as S4C's external auditor.

20 I do not have a view on this.

21 In summary. I welcome the recommendations of the report and the fact the DCMS have accepted the recommendations. The key aspect and output of the report is the development of the digital hub which will form the basis of a digital cluster. The success of developing this successfully will be a challenge and will only be achieved by a truly collaborative approach.

The Future of Welsh Language Content

**POSTED ON [APRIL 7, 2018](#) BY [HUW MARSHALL](#)**

Last week the independent review on the future of S4C, authored by Euryng Ogwen Williams, was published by the DCMS. The full report and its recommendations can be read [here](#). The secretary of state for digital, culture, media and sport responded by accepting the recommendations, again this response can be read in full [here](#).

A number of people, including myself, were disappointed by the original remit of the review, this was a golden opportunity to redefine how Welsh language content is created and distributed, not only by S4C but by every institution and sector in Wales.

The author had a narrow remit as well as a tight time frame within which to conduct the review. The 3 key areas he was asked to focus on were S4C's current remit, how it's funded and its governance.

I'm glad that Euryng looked at this creatively and prepared a report based on 3 chapters, these being:

***Chapter 1: Delivering high quality content and serving Welsh speaking audiences***

***Chapter 2: Guaranteeing an S4C for the future***

***Chapter 3: Securing an independent and effective S4C***

A small number of comments online have questioned Euryng's hypothesis in relation to S4C's funding. Having read the report several times I believe that Euryng makes a fair point, securing a stable and constant level of funding is key, not necessarily the level of funding, which wasn't within the scope of the review.

The notion that the DCMS's contribution come to an end makes perfect sense. As someone who was within S4C when the government in London announced their annual spending plans in the Autumn statement I witnessed

first-hand the energies that were implemented in order to secure continued support from the DCMS. This placed considerable strain on internal resource as well as creating tensions within S4C and the wider production sector. Having one long term, stable and secure funding source, from the licence fee, combined with a wider and more effective commercial remit, will allow S4C to plan for the long term.

The argument over the level of funding is one that will continue ad infinitum, the same is true for any area of expenditure from health to culture, from education to the environment, everyone could do with more money, but what is most important is what is being done with the finance available.

I sincerely believe that more can be done with the money available. The changes to the modes of production especially in relation to facilities costs have changed greatly during the last decade. The age of individuals having one specific skill are rapidly growing to a close, the most creative individuals, and the ones leading the way within the content creation landscape are masters of many disciplines, researching, scripting, shooting and editing their own work, and all of this with equipment that is in the possession of a substantial number of the population. Where a mortgage was required to purchase camera equipment and editing hardware and software a decade ago, the smartphone, laptop and cloud technologies have opened a door to whole new creative universe.

S4C's big mistake in the past, in my opinion, was the decision create and support a small number of large companies, companies that have by today transferred in to the ownership of larger companies over the border, and soon to be the other side of the Atlantic. This poses a threat to S4C's future supply chain. The business models of these companies don't sit comfortably within the margins that are on offer from S4C budgets. A culture of smaller and more collaborative companies can drive a new age of creativity for Welsh language content, ironically the very same foundations that S4C was originally built upon.

S4C needs to be brave in its decision making and develop real, energetic and purposeful partnerships, two things the channel have failed to do in the past. S4C needs to be allowed to simplify the way it operates, developing a new agile model. S4C is treated and regulated as if it were a huge corporation when in fact it's more akin to an SME.

The most contentious piece of the report, and one that has received surprisingly little scrutiny or attention, is the idea that S4C could develop its internal resource and have an in house "digital" production unit. The argument is made that S4C couldn't become a producer of linear content (although there is nothing to stop them doing this) but it could become a digital producer. This is where I disagree strongly. Digital is no longer something separate, something "other" from the norm, digital IS the norm, the norm is digital, it's an intrinsic part of our everyday lives. There is no difference between linear and digital only the way they are perceived.

The way to develop capacity in this space is to develop partnerships, an investment in facilities and ensuring these are available to content producers, small and large, could achieve something special. Similar models exist across Europe, I received first-hand experience of this when I visited EITB in the Basque Country, trust me, it works.

We need to create a cluster, a cluster of individuals and companies that create content in its numerous forms, a cluster that has partnering in its DNS. The cluster can be both physical and virtual, but it requires a hub for it to work efficiently and this is where S4C can lead the way. The Egin in Carmarthen should be the first of these hubs, one of several developed across Wales, creative and cultural hubs.

The will and the talent is there, what's needed now is a practical framework, business development and marketing support, adequate education and training plans, routes to finance and investment that can insure that Welsh language content is created for the multitude of audiences here in Wales and beyond, and that content and platforms developed here are able to reach international markets.

It's a crucial time for the Welsh language, both culturally and technological wise, it is also an incredibly exciting time. Shaping an S4C that's fit for purpose for the decades to come can help secure Welsh governments target of reaching 1,000,000 Welsh speakers by 2050.

## Cynulliad Cenedlaethol Cymru / National Assembly for Wales

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#### Short inquiry into 'Building an S4C for the future: An independent review by Eurun Ogwen Williams'

#### CWLC(5) BS4C03

#### Ymateb gan S4C / Evidence from S4C

Mae S4C wedi croesawu cyhoeddiad yr Adolygiad ac ymateb Llywodraeth y DU iddo. Mae hyn wedi'n galluogi ni i fwrw iddi ar sail gwybodaeth glir bod yr argymhellion yn cael eu derbyn. Felly rydym yn y broses o weithredu'r argymhellion – a cheir manylion pellach am bob un isod. Yn unol â'n trafodaethau gyda swyddogion Llywodraeth y DU, mi fydd rhai o'r argymhellion yn gofyn am newid deddfwriaethol. Mae prosesau cynllunio S4C i weithredu argymhellion yn cymryd hyn i ystyriaeth, ac rydym hefyd yn gweithredu'n hyblyg o fewn cyfyngiadau'r fframwaith statudol presennol er mwyn cyflawni newidiadau.

#### Newid cylch gorchwyl

Mae S4C yn croesawu argymhelliad yr Adolygiad Annibynnol i ddiweddarau cylch gwaith gwasanaeth cyhoeddus S4C i gynnwys gwasanaethau digidol ac ar-lein, a chael gwared ar y cyfyngiadau darlledu daearyddol presennol (Argymhelliad 1).

Ymhellach i hyn, rydym yn croesawu'n fawr benderfyniad Llywodraeth y DU i ddileu toriadau cyllidebol a gyhoeddwyd fel rhan o adolygiad gwariant 2015 (a ohiriwyd wrth ddisgwyl argymhellion yr adolygiad annibynnol). Mae hyn yn creu sefyllfa ariannol sefydlog i S4C sy'n caniatáu i ni gynllunio ein gwasanaethau o sail cadarn.

Mae ystyriaethau o ran newidiadau deddfwriaethol ynghlwm â chyflawni'r newidiadau hyn i gylch gorchwyl S4C yn cael eu trafod gyda swyddogion DCMS ar hyn o bryd. Beth bynnag, yn sgil natur cadarnhaol ymateb Llywodraeth y DU i argymhelliad yr Adolygiad, nid ydym yn teimlo bod angen aros hyd nes y bydd proses deddfwriaethol wedi'i chwblhau cyn dechrau gweithredu newidiadau.

Mae S4C yn y broses o lunio cynlluniau i ehangu ei gwasanaethau digidol mor fuan a sy'n bosib. Yn ddiweddar, fe gyhoeddod ni ymrwymiad i ail-gyfeirio miliwn o bunnau'r flwyddyn am dair blynedd i ddatblygiadau digidol. Byddwn yn cyhoeddi cynlluniau penodol maes o law.

Noder bod y gwaith cynllunio sydd ar y gweill yn gydnaws gydag Argymhelliad 2, sef y dylai S4C sefydlu hyb digidol mewnol i ddatblygu a gwella ei ddylanwad digidol, yn ogystal â chreu sylfaen i glwstwr digidol yn y Gymraeg.

Rydym yn croesawu'n fawr y gydnabyddiaeth bwysig bod angen i S4C ddarparu gwasanaethau ar gyfer cynulleidfaoedd yn ddigidol. Mae ystod eang o lefelau o ddefnydd ar draws y gynulleidfa – o'r rheini sydd yn ddefnyddwyr cynnwys digidol yn bennaf i'r rheini nad ydynt eto yn defnyddio cynnwys digidol o gwbl. Mi fydd darparu ar gyfer yr ystod hyn, gan sicrhau cynigion digidol a theledu cryf yn creu heriau amlwg. Ond rydym yn glir bod cynnig y ddarpariaeth hon yn allweddol ar gyfer dyfodol ein gwasanaethau a defnydd y Gymraeg yn y cyfryngau.

Tra byddwn yn parhau i sicrhau bod gwasanaeth teledu S4C ar gael i wylwyr dros y ffin i'r graddau mae hynny'n bosib o fewn ein cyllideb, fe fydd manteision gwasanaethau digidol

hefyd yn cynnig buddion i'r gwylwyr lle bynnag y maent yn byw, o fewn y DU a thu hwnt, lle mae hawliau'n caniatáu.

### Partneriaethau

Rydym yn derbyn argymhelliad yr adolygiad y dylai S4C sefydlu partneriaeth iaith gyda Llywodraeth Cymru ac eraill i helpu cyflawni ymrwymiad Llywodraeth Cymru i gyrraedd miliwn o siaradwyr Cymraeg erbyn 2050 (Argymhelliad 3).

Mae'r argymhelliad yn gydnaws gyda gweithgaredd sydd eisoes ar y gweill gan S4C a nifer o bartneriaid eraill sy'n weithredol ym maes yr iaith i weithio'n agosach ar gynlluniau strategol ac rydym yn croesawu cefnogaeth Llywodraeth y DU i'r math yma o gydweithio.

Mae trafodaethau yn parhau gyda phartneriaid posib, gydag S4C yn ffocysu ein hymdrechion ni mewn tri maes dros y blynyddoedd nesaf – sef Addysg, Dysgwyr, a Phlant a phobl ifanc.

Mi fyddwn yn cyhoeddi cynlluniau ar y cyd â phartneriaid wrth iddyn nhw gael eu cytuno, gyda phob un yn arwain yn glir at fuddiannau i'r Gymraeg.

### Ariannu

Fel y nodir uchod, rydym wedi croesawu penderfyniad Llywodraeth y DU i greu sefydlogrwydd ariannol i S4C dros y blynyddoedd nesaf wrth gynnal ein cyllid ar ei lefel bresennol tan ddiwedd cyfnod gwariant presennol y Llywodraeth. Ar hyn o bryd mae S4C yn derbyn £74.5m o incwm ffi'r drwydded deledu, ac mae'r DCMS yn cyfrannu £6.7m yn uniongyrchol i'n cyllideb. Mae hyn yn creu cyfanswm o ran cyllid cyhoeddus i S4C o £81.2m.

Yn ychwanegol i hyn mae Llywodraeth y DU wedi derbyn argymhelliad yr Adolygiad i ariannu S4C yn gyfangwbl o incwm ffi'r drwydded o 2022/23 ymlaen (Argymhelliad 4), gyda'r holl benderfyniadau am ariannu yn y dyfodol yn cael eu gwneud fel rhan o'r trafodaethau am setliad ariannu ffi'r drwydded. Wrth dderbyn yr argymhelliad, mae'r Llywodraeth yn pwysleisio annibyniaeth S4C yn gryf ac yn glir. Mae'n cydnabod yn glir hefyd mai'r Ysgrifennydd Gwladol fydd o hyd yn gyfrifol am benderfynu faint o arian fydd yn ddigonol i S4C. Rydym yn croesawu'r gydnabyddiaeth hyn gan ei gymryd fel sail cryf o le y gallwn adeiladu sefydlogrwydd ariannol hir-dymor i S4C. Rydym yn derbyn argymhelliad yr adolygydd bod cyllido S4C o incwm ffi'r drwydded yn ffordd o gyflawni'r sefydlogrwydd hwnnw.

Ochr yn ochr â'r materion uchod, mae cynnwys y Cytundeb Partneriaeth (Tachwedd 2017) rhwng S4C a'r BBC hefyd yn berthnasol. Yn y cytundeb mae'r BBC ac S4C yn cydnabod eu bod yn rhannu'r nod o gydweithio er mwyn cadw a diogelu annibyniaeth ei gilydd.

Yn sgil y sicrwydd mae ymateb y Llywodraeth yn ei greu dros weddill y cyfnod gwariant presennol, roedd cwestiwn yn parhau ynglŷn â dyfodol y swm y bydd DCMS yn ei gyfrannu'n uniongyrchol (£6.7m y flwyddyn) rhwng diwedd y cyfnod gwariant presennol a dechrau'r trefniant newydd i gyllido S4C yn gyfan gwbl o incwm ffi'r drwydded (2020 -2022). Bellach mae'r Gweinidog dros faterion digidol Llywodraeth y DU wedi dweud y bydd y swm hwnnw'n cael ei ddiogelu tan 2022. Rydym yn croesawu ei datganiad, sy'n atgyfnerthu sylwadau blaenorol Llywodraeth y DU am bwysigrwydd darparu sefydlogrwydd ariannol i S4C.

O ran gallu S4C i ddenu ei hincwm ei hun wrth fuddsoddi mewn mentrau masnachol, roeddem wedi rhoi'r achos gerbron i symleiddio'r broses seneddol ffurfiol y mae'n ofynnol i S4C ei ddilyn os ydym yn dymuno buddsoddi mewn rhai mathau o gynlluniau. Rydym yn croesawu argymhelliad yr adolygiad y dylai'r Llywodraeth ddiwygio'r gofynion hyn (Argymhelliad 5), a pharodrwydd y Llywodraeth i wneud hynny.

Rydym yn trafod gyda swyddogion DCMS broses ac amserlen ar gyfer newidiadau deddfwriaethau fydd yn ofynnol er mwyn cyflawni'r argymhelliad.

#### Llywodraethiant, Rheoleiddio ac Archwilio allanol

Rydym yn gweithio tuag at weithredu argymhelliad yr adolygiad i fabwysiadu model Bwrdd Unedol (Argymhelliad 6) mor fuan â sy'n ymarferol bosib, heb ddisgwyl y ddeddfwriaeth y bydd ei hangen i wneud hynny'n ffurfiol.

Yn y lle cyntaf, rydym yn y broses o drafod manylion y trefniant newydd gyda'r bwriad o gyflwyno Bwrdd Unedol cysgodol yn yr Hydref eleni.

O ran mabwysiadu'r model ar sail deddfwriaethol, rydym yn y broses o drafod gyda swyddogion DCMS pa elfennau fydd angen eu hymgorffori mewn deddfwriaeth a pha elfennau fydd yn fwy addas i'w cynnwys fel rhan o'n Memorandwm o Ddealltwriaeth gyda DCMS.

O ran ein perthynas gydag Ofcom, rydym yn y broses o weithio gydag Ofcom gyda'r bwriad o gytuno ar sut y gallwn sicrhau lefelau uwch o ymwybyddiaeth o'r berthynas rhyngom ar y cyd ar ffurf dogfen syml a chryno.

O ran yr argymhelliad i'r Llywodraeth ystyried penodi'r Swyddfa Archwilio fel Archwilwyr allanol S4C (Argymhelliad 7), mae S4C yn parhau'n agored iawn i hyn os bydd DCMS yn penderfynu bwrw ymlaen. Os bydd DCMS yn cadarnhau penderfyniad i benodi'r NAO yn achos S4C, fe fydd angen i ni drafod cwmpawd eu gwaith a strwythur taliadau addas, yn ogystal â chynllun mudo o'r cytundeb presennol.

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Short inquiry into 'Building an S4C for the future: An independent review by Euryng Ogwen Williams'

CWLC(5) BS4C04

Ymateb gan Cymdeithas yr Iaith Gymraeg / Evidence from Cymdeithas yr Iaith Gymraeg

## Adroddiad Euryng Ogwen ar S4C

### Sylwadau Cymdeithas yr Iaith

#### 1. Cyflwyniad

1.1. Byddai cynigion adroddiad Euryng Ogwen a phenderfyniadau Llywodraeth Prydain sy'n seiliedig arnynt yn golygu dod â S4C fel darlledwr annibynnol i ben.

1.2. Mae'r peryglon amlwg i S4C yn rhan o ddarlun ehangach a ddylai fod yn destun pryder mawr i'r pwyllgor.

1.3. Mae'r pwyllgor yn llwyr ymwybodol o ddirywiad y cyfryngau Cymreig a Chymraeg dros y blynyddoedd diwethaf. Yn ogystal â hyn, rydych yn ymwybodol o'r diffyg democrataidd difrifol yma yng Nghymru sy'n bygwth cynaliadwyedd ein democratiaeth Gymreig. Ac eto, er gwaethaf sawl adroddiad gan eich pwyllgor, mae'n rhaid gofyn i ba raddau mae gwleidyddion wedi cynnig datrysiadau go iawn i'r problemau hyn.

1.4. Mae S4C wedi dioddef toriadau ar ben toriadau, tra bod incwm Sky, ITV, y BBC, Sianel 4 ac eraill wedi bod yn cynyddu. Wedi blynyddoedd o geisio brwydro am friwsion oddi ar fwrdd Llywodraeth Prydain - corff nad yw'n deall y Gymraeg na S4C yn ôl TAC - mae'n hen bryd bod y pwyllgor hwn yn sylweddoli mai dim ond drwy wneud penderfyniadau am ddarlledu yng Nghymru y cawn ni ddemocratiaeth ac iaith hyfyw.

1.5. Gobeithiwn yn fawr na fydd y pwyllgor yn ceisio osgoi unwaith eto ystyriaeth fanwl o'r achos dros ddatganoli darlledu i Gymru.

#### 2. Cynigion yr adroddiad

2.1. Yn gryno, mae adroddiad Euryng Ogwen yn:

- caniatáu i Lywodraeth Prydain wneud toriadau pellach i'r gyllideb mewn termau real am y 2 flynedd nesa gyda setliad fflat mewn termau arian parod;
- rhwng 2020 a 2022, bydd toriadau pellach o tua 10% i'r gyllideb, wrth i Lywodraeth Prydain ddiddymu ei grant £7 miliwn i'r sianel;
- wedi 2022, does dim sicrwydd o unrhyw arian i S4C o gwbl – dim fformiwla, dim sicrwydd mewn statud. Bydd y Llywodraeth yn Llundain yn llaesu eu dwylo a gadael S4C yn ddibynnol bob deg mlynedd ar setliad y ffi drwydded;
- Yn wallus, pan ddaw hi at ddatganoli darlledu, drwy beidio á chydabod deiseb a gyflwynwyd iddo fe yn ystod yr adolygiad yn cefnogi'r trosglwyddiad pwerau.

### 3. Effaith yr Adroddiad

3.1. Ni fydd S4C yn bodoli fel darlledwr annibynnol wedi 2022 os yw cynlluniau presennol Euryng Ogwen a Llywodraeth Prydain yn cael eu gweithredu.

3.2. O leoli hanner swyddi S4C yn mhencadlys y BBC yng Nghaerdydd i ddefnyddio arian S4C ar gyfer mwy a mwy o'u rhaglenni Saesneg eu hunain, mae penaethiaid y BBC wedi bod yn falch o gael eu dwylo ar arian a neilltuwyd ac a frwydrwyd drosti ar gyfer darlledu Cymraeg. Nhw fydd yr unig ddarlledwr Gymraeg – nid oes neb yn gallu dadlau bod hynny'n beth iach i'r Gymraeg nac i'n democratiaeth.

3.3. Bellach, mae'r Llywodraeth yn Llundain am laesu eu dwylo a gadael S4C yn ddibynnol bob deg mlynedd ar setliad y ffi drwydded. Yr unig beth sy'n sicr mewn sefyllfa o'r fath yw mai blaenoriaethau Prydeinig y BBC fydd yn dod yn gyntaf, yn hytrach nag annibyniaeth S4C neu blwraliaeth cyfryngau Cymru.

3.4. Mae cynllun y Llywodraeth yn syml - i fychanu'r unig sianel Gymraeg yn y byd a aberthodd cymaint o bobl eu rhyddid drosti i fod dim mwy nag adran o'r Gorfforaeth Ddarlledu Brydeinig. Ac, wedi deddfu i ganiatáu'r cynllun, gan ddechrau gyda toriadau anferthol i S4C ers 2010, maen nhw am weld rhagor o doriadau dros y pedair blynedd nesaf, fel na fydd Llywodraeth Prydain yn cyfrannu ceiniog o 2022 ymlaen.

### 4. Datganoli Darlledu i Gymru yw'r ateb

4.1. Mae gyda ni ddemocratiaeth yng Nghymru nad yw'n gallu gweithredu'n iawn oherwydd y diffyg sylw a geir gan ddarlledwyr Prydeinig. Dyw cyfran fawr o'r cyhoedd ddim hyd yn oed yn gwybod bod y gwasanaeth iechyd yn gyfrifoldeb ein Llywodraeth a Senedd, heb sôn am ba blaid sy'n ei reoli. Clywir cwynion cyson gan ein gwleidyddion yn y Bae am y diffyg craffu ar, a sylw i, ein Llywodraeth ddatganoledig, heb gynnig datrysiad.

4.2. Yn ôl arolwg barn gan YouGov a gyhoeddwyd y llynedd, mae 65% o bobl Cymru yn ffafrio datganoli darlledu i'r Senedd yng Nghymru.

4.3. Mae'r Gymdeithas wedi dangos, yn ein papur polisi, bod modd gweddnewid y sefyllfa drwy ddatganoli pwerau darlledu i Gymru: byddai mwy o arian ar gael ar gyfer darlledu cyhoeddus, cyfanswm o oddeutu £250 miliwn y flwyddyn. Byddai hynny'n golygu y gallai Cymru sefydlu tair gorsaf radio a thair sianel deledu Gymraeg dan system ddatganoledig, ynghyd â mentrau digidol newydd.

4.4. O dan y model yn ein papur, byddai tua £190 miliwn y flwyddyn yn dod yn sgil datganoli'r ffi drwydded i Gymru. Amlinellir yn y papur hefyd gynigion i godi ardoll newydd ar gwmnïau megis Google, Sky a Facebook a allai godi hyd at £30 miliwn y flwyddyn, gyda ffigwr tebyg o arian ychwanegol drwy drosglwyddo pwerau i Gymru. Rydym yn deall bod yr Undeb Ewropeaidd a Llywodraethau gan gynnwys Awstralia a San Steffan erbyn hyn yn ystyried codi ardollau ar elw cwmnïau o'r fath, gan ddilyn trywydd gwledydd fel India.

4.5. Yn sgil yr adroddiad drychinebus hwn i S4C, galwn am ymchwiliad llawn gan eich pwyllgor er mwyn ystyried yr achos dros ddatganoli pwerau darlledu i Gymru.

Grŵp Digidol, Cymdeithas yr Iaith

Gorffennaf 2018

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language  
and Communications Committee  
Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan  
Euryn Ogwen Williams'  
Short inquiry into 'Building an S4C for the future: An independent review by  
Euryn Ogwen Williams'  
CWLC(5) BS4C05  
Ymateb gan Undeb Cenedlaethol Athrawon Cymru (UCAC) / Evidence from  
Undeb Cenedlaethol Athrawon Cymru (UCAC)

Creu S4C ar gyfer y Dyfodol

Croesawa UCAC y cyfle hwn i ymateb i ymgynghoriad Y Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu ar greu S4C ar gyfer y dyfodol.

Mae UCAC yn undeb sy'n cynrychioli athrawon, arweinwyr ysgol, tiwtoriaid a darlithwyr ym mhob sector addysg ledled Cymru.

## **1. Gwerth a Phwysigrwydd S4C**

1.1. Fel noda ymateb Llywodraeth San Steffan i adolygiad annibynnol 'Creu S4C ar gyfer y dyfodol', S4C

yw'r unig ddarlledwr Cymraeg yng Nghymru, ac yn wir yn y byd.

1.2. Mae UCAC yn gweld gwerth y sianel o safbwynt ieithyddol, diwylliannol, cymdeithasol ac economaidd yn eu hystyron ehangaf.

1.3. Mae arlwy S4C yn creu cefnlen a chefnogaeth i waith y system addysg ar bob lefel – gan ddarparu deunydd am ystod eang iawn o bynciau, wedi'i anelu at amryw o gynulleidfaoedd, ac mewn cyweiriau gwrthgyferbyniol sy'n apelio'n eang. Mae hyn yn werthfawr o safbwynt nid yn unig normaleiddio'r iaith Gymraeg yn y cyd-destunau hyn, ond o safbwynt creu cynnwys gwreiddiol o safon uchel a all gefnogi dysgu ac addysgu – yn uniongyrchol neu'n anuniongyrchol – ar bob lefel o'r system addysg o'r Cyfnod Sylfaen, i Addysg Uwch, a phrentisiaethau, gan gynnwys wrth gwrs dysgu'r Gymraeg fel pwnc/iaith.

1.4. Yn ogystal, mae'n rhoi gofod i drafod materion sy'n berthnasol i Gymru mewn cyd-destun gyfan gwbl Gymreig. Er enghraifft, mae'n un o'r ffynonellau cyfyngol prin sy'n gallu cynnal trafodaeth am wleidyddiaeth Gymreig, gan gynnwys unrhyw un o'r meysydd polisi datganoledig (megis addysg), heb fod hynny fel atodiad i drafodaeth 'ehangach', yn cynnig gwybodaeth anghyflawn neu ddrislyd, neu'n cael ei anwybyddu'n llwyr. Mae'n werthfawr fel llais Gymreig a Chymraeg mewn tirwedd gynyddol unffurf a monolithig o safbwynt newyddiadurol a ieithyddol.

1.5. Mae'r swyddi sy'n cael eu creu gan fodolaeth S4C yn swyddi sy'n creu cymhellion i bobl ddysgu'r Gymraeg, ac i ddefnyddio a datblygu eu Cymraeg. Mae darlledu yn un o'r meysydd ble mae'n rhwydd dangos bod posibiliadau gyrfaal o bob math ble mae'r gallu i siarad y Gymraeg yn fanteisiol.

## **2. Argymhellion ac Ymateb Llywodraeth San Steffan**

2.1 Argymhelliad 1: Byddem yn croesawu ehangu cylch gwaith gwasanaeth cyhoeddus S4C i gynnwys gwasanaethau digidol ac ar-lein, er mwyn hwyluso'r gwaith o ddatblygu'r meysydd hyn ac adeiladu ar y gwaith da a wnaed eisoes.

2.2 Argymhelliad 4: Mynega UCAC bryder ynghylch y dulliau ariannu a argymhellwyd gan yr Adolygiad ac a gefnogwyd yn ymateb Llywodraeth San Steffan. Nid oes modd i ni gytuno bod y model hwn yn gallu cynnig 'sylfaen sefydlog a thryloyw i gyllid S4C' at y dyfodol.

2.3 Mae setliad fflat mewn arian parod am ddwy flynedd yn doriad mewn termau real, ac mae'n amlwg y bydd sgil effeithiau ar y sianel i doriad pellach o'r fath. Bydd cael gwared ar y cymorth grant a ddaw o'r Adran dros Faterion Digidol, Diwylliant, y Cyfryngau a Chwaraeon yn ergyd pellach.

2.4 Pryderwn am yr argymhelliad i ddarparu arian 'cyhoeddus' S4C drwy'r ffi drwydded yn llwyr o 2022/23 ymlaen, a hynny am nifer o resymau:

- annibyniaeth olygyddol S4C, a'r canfyddiad (a'r realiti) ohono fel darlledwr annibynnol
- lleihad o ganlyniad o ran y blwraliaeth lleisiau newyddiadurool yng Nghymru ac yn y Gymraeg sydd eisoes yn beryglus o gyfyngedig
- diffyg atebolrwydd i gynulleidfaoedd yng Nghymru y lefelau cyllido y bydd modd i S4C eu sicrhau o fewn cyd-destun o flaenoriaethau sy'n cystadlu, ac yn gadarn iawn o fewn cyd-destun Prydeinig yn hytrach na Chymreig – os na fydd fformiwla o unrhyw fath na sicrwydd mewn statud.

## **3. Galwadau**

3.1. Sicrhau fformiwla ariannu i S4C sy'n rhoi rhywfaint o sicrhau dros gyfnodau penodol o amser, ac sydd – o leiaf – yn cynyddu yn unol â chwyddiant

3.2. Ymchwiliad llawn i ystyried yr achos dros ddatganoli pwerau darlledu i Gymru

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee

Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryng Ogwen Williams'

Short inquiry into 'Building an S4C for the future: An independent review by Euryng Ogwen Williams'

CWLC(5) BS4C06

Ymateb gan Equity / Evidence from Equity

Equity welcomes the opportunity to contribute to this short inquiry launched by the committee into this matter and the UK Government response.

Equity represents actors, singers, dancers, variety artists, stunt performers and a range of other creative professionals. Our 43,000 members work across all areas of the live arts and in film, television, the music and video games industries and radio. Almost 1,600 Equity members live in Wales, of whom around a third we believe to be Welsh Speakers.

Equity has been significantly involved in the development of the independent production sector in the Welsh language since the inception of S4C in 1982 and we have been very clear about our role to make sure the rewards to those who make the programmes are commensurate with actors across the UK doing similar work. We have never believed that the workforce at S4C should be the poor relations of the broadcasting industry.

Having said that, Equity has also been realistic about the resources available to the channel and to their strategic objectives. This has in practice resulted in a regular readjustment of the contractual relationship between the independent sector and performers. Equity has at all times behaved responsibly and showed a continuing commitment to the success of the channel.

## **RECOMMENDATION 1**

**The government should update S4C's public service remit to include digital and online services and remove the current geographical broadcasting restrictions. This will allow S4C to broaden its reach and offer its content on a range of new platforms in the UK and beyond.**

1. Equity agrees with both the recommendation and the government response that the current remit was not fit for purpose in the current media market and needed to be changed to allow S4C to become a modern public service broadcaster with the ability to work across a number of platforms. The remit of the service known as Sianel Pedwar Cymru (S4C) was enshrined in the Communications Act 2003 and has not been fundamentally reviewed or updated since 2004.

2. Equity agreed with the Welsh Government's Culture, Welsh Language and Communications Committee recommendation in 'Outside the Box – The Future of S4C' (<http://www.assembly.wales/laid%20documents/cr-ld11157/cr-ld11157-e.pdf>) that the revised remit should not be limited geographically and are pleased to see that this has been taken into consideration. Equity believes that the primary function of the service should be to produce content of HIGH QUALITY onto a core free-to-air service with the non-linear platforms enhancing availability rather than detracting from it.

3. We believe S4C should be:

- A National Broadcaster committed to continued investment & programming throughout Wales working with and continuing to develop a varied and inclusive range of independent production companies from which to commission work;
- an Innovative Broadcaster committed to the promotion of the Welsh Language and Culture both in and outside of Wales;
- a Modern Broadcaster committed to on-screen equality and diversity that reflects modern Wales;
- a Universal Broadcaster committed to maintaining a universal service funded by the licence fee;
- a Trusted Broadcaster independent from government;
- a Quality Broadcaster committed to producing quality original TV drama, comedy, entertainment and children's programming;
- a Responsible Broadcaster committed to fair pay and conditions for the people working for it.
- 

4. Equity supports the continuance of S4C as a broadcaster that provides a wide range of different types of content and programmes, for a wide range of different audience groups. Our members work across a range of S4C content including drama, comedy, entertainment and children's programming.

5. Equity believes that S4C could do more to address the portrayal of under-represented groups and suggest that the public purposes are modified in order to address on screen diversity as a priority.

6. Equity believes that S4C needs to be able to operate successfully and innovatively in this 'new' market place and needs to be given both the remit and the funding to do so. It was therefore disappointing that the review did not believe that updating the remit should increase the funding to S4C. In Roger Laughton independent review of S4C in 2004 ([https://www.s4c.cymru/abouts4c/authority/pdf/e\\_adolygiad\\_laughton.pdf](https://www.s4c.cymru/abouts4c/authority/pdf/e_adolygiad_laughton.pdf)) he talked about a 'high quality service in the Welsh language' needing 'to be provided primarily through the medium of a single public service channel, with access to sufficient digital capacity to enable the service to be split on occasions when a major

broadcasting event demands special consideration'. It also spoke about the provision of a 'multi-channel Welsh language service' having the potential to fragment the viewing audience. A lot has happened in the last 13 years within the industry, and Equity makes no claim to draw a direct equivalence to Mr Laughton's intentions, but perhaps there is something to consider when looking at a primary linear channel and the additional non-linear 'digital capacity', including a red button service, providing extra capacity for the channel rather than replacing or replicating the linear output.

7. It is encouraging to note the acknowledgement of the use S4C has made of both CLIC and its recent inclusion on the BBC iPlayer. Equity has been party to the launch of such services through the negotiation of agreements with both the BBC and S4C for rights clearances. The experience of reaching such agreements has challenged established methods of working and negotiating but we would continue to support S4C in developing platforms for delivery of their programmes. It should be noted, however, that whilst content is generally available outside of Wales on these catch-up services it is general geo-blocked to the UK only.

8. S4C have made a commitment in their Pushing the Boundaries report to '*make their existing content work harder*' (<http://www.s4c.cymru/gwthiorffiniau/pdf/S4C-Review.pdf>). Equity makes a commitment to continue its discussions with S4C on ways that can be fairly monetized for our members and reaching a mutually beneficial resolution. This is by no means a simple task due to the complex nature of the rights issues, especially outside of the UK.

## **RECOMMENDATION 2**

**S4C should establish an in-house digital hub to develop and improve S4C's digital footprint and form the basis of a Welsh language digital cluster.**

1. Equity believes that S4C should continue to make content that is available free at the point of use. In the changing context of the modern audio-visual industry, where audiences are fragmenting and younger viewers demonstrate a strong desire to consume content online, it is imperative that S4C is able to innovate and adapt its delivery mechanisms. However, as stated earlier, Equity firmly believes that these additional delivery platforms must complement S4C's core service and not distract from it.

## **RECOMMENDATION 3**

**S4C should establish a language partnership with the Welsh Government and others to help deliver the Welsh Government's commitment to reach 1 million Welsh language speakers by 2050.**

1. In simple terms Equity believes that this is logical but have reservations about the exact language of the recommendation and would have preferred clarity on the fact that this would more than likely be Welsh Government agencies, rather than the Welsh Government themselves.

#### **RECOMMENDATION 4**

**S4C's public funding should be provided entirely through the license fee from 2022/23 onwards, with all future funding decisions made as part of the BBC license fee funding settlement.**

1. In the absence of any developed alternative Equity continues to support the License Fee as the most appropriate funding method for the BBC, and therefore S4C. The License Fee:

- provides a direct link between the license fee payers and S4C,
- provides sustainable and predictable funding,

However, every alternative should continue to be explored to make sure that the future of S4C is secured and, more importantly, the financial security of S4C is guaranteed going forward. Equity's priority would be, as always, to support the most appropriate option for its members.

2. It is disappointing to note that providing clarity on sufficient funding levels for S4C was deemed to be an unnecessary distraction from the 'real challenges that S4C faces' and it is also disappointing to note that whilst the DCMS grant-in-aid funding to S4C will be £6.762 million per annum for 2018/19 and 2019/20, there continues to be uncertainty and a reliance on the next Spending Review before the new arrangements for funding come into play. Equity believes that a full commitment should have been made until 2022/23.

3. The Public Bodies Act of 2011 states that the Secretary of State has a duty to secure 'sufficient funding' to enable the S4C service to be provided. There is still no guidance as to exactly what constitutes 'sufficient funding' and Equity agrees with the Culture, Welsh Language and Communications Committee in their 2017 report *Outside the Box* that the 36% cuts in real terms since 2010 '*have been both severe and disproportionate*'. (<http://www.assembly.wales/laid%20documents/cr-ld11157/cr-ld11157-e.pdf>)

4. The Committee goes on to say that '*S4C has suffered significant cuts in recent years. In 2011-12, S4C received £101 million from the UK Government. That funding allocation would now need to be around £111 million if it had kept pace with inflation. Instead, S4C's funding has been cut to just £81.3 million in 2016-17.*'

5. Despite the 'security' of funding levels until 2022-23 through the license fee and the BBC Charter the current funding projections for S4C still mean a 10% cut in funding in real terms. S4C has made the point that it needs an additional £6.5 million per year to implement its current plans outlined in the Pushing the Boundaries document. TAC, the organisation representing Independent Producers in Wales, argues for an extra £8.5 million on top of the £6.5 million that S4C states it needs. (<https://www.tac-cymru.co.uk/latest/welsh-tv-producers-statement-on-welsh-assembly-committee-s4c-report/>)

Whatever the final figure might be Equity believes that there continues to be a critical disparity between the inflationary increases built into the BBC Charter for the license fee and the fixed funding of S4C for the initial 5 years and we are disappointed that the review did not address this point at all.

6. It is hard to imagine what further efficiencies S4C is expected to deliver considering the evidence presented to both the review and subsequently considered by the UK Government. S4C have implemented saving efficiencies resulting in a net saving of £21 million in running cost which has been reinvested into production. This has resulted in the service only spending 4.5% of its funding on operating and administration costs with 79.6% of the total funding of the service spent on programmes commissioned. Despite these efficiency savings the result of the continued cuts in investment have been expressed on screen – the total number of hours broadcast in 2016 fell to 6,306 hours, down by 416 hours from the previous year. It was therefore inevitable that an unsustainable 63% of the channel's output in 2016-17 was made up of repeats.

7. Furthermore it is also hard to imagine what other evidence can be provided to demonstrate greater value for money than has already been presented. It is as important to look at the

value of S4C to the economy. In the last available S4C Annual Report (<https://www.gov.uk/government/publications/s4c-annual-report-and-accounts-for-the-12-month-period-to-31-march-2017>) it states that the investment in S4C from the license fee and direct DCMS funding results in £170 million coming back in to the economy. This breaks down to every £1 invested results in a return of £2.09 in to the economy. On that basis there is absolutely no economic argument for continuing to cut investment in the service because this will only continue to cut returns to the economy.

## RECOMMENDATION 5

**The government should consider amending current approval requirements to give S4C greater freedom to invest and generate commercial revenue.**

1. Equity agreed with the Culture, Welsh Language and Communication Committee when they said in their Outside the Box report that more *'needs to be done to improve commercial exploitation of S4C programmes'* (<http://www.assembly.wales/laid%20documents/cr-ld11157/cr-ld11157-e.pdf>). We therefore welcome the recommendation and acceptance by Government. Equity believes that there is much that S4C's Commercial arm can do to provide sustainable dividends to S4C's public service. Equity notes that there is a firm commitment from S4C Commercial to *'create more big, bold drama co-productions and formats for exploitation internationally – building on existing projects'* (<http://www.s4c.cymru/gwthiorffiniau/pdf/S4C-Review.pdf>). Equity has long advocated this and is encouraged to see that following the success of Hinterland/Y Gwyll it is now being seen as a strategy to deliver even more value for the public service.

Exploitation rights are currently held by producers, rather than S4C, and Equity would continue to advocate a greater partnership between S4C and the independent production sector rather than a complete overhaul of the current statutory framework. There is the need for a discussion with regards to rights issues for digital content and this will be the perfect opportunity to revisit existing arrangements to guarantee the exploitation, based on the export value of content, is being fully realised by both parties in partnership.

## RECOMMENDATION 6

**The S4C Authority should be replaced with a new unitary board comprising executive and non-executive directors.**

1. There have been long-standing questions concerning the structural model for S4C going forward which needed to be addressed. Because S4C retained its own Authority, acting as both a regulator and governing body for the service, it meant that currently S4C is the only PSB not fully regulated by Ofcom. Equity believed that the recommendation should have been that the S4C Board should be institutionally independent and operate under a license from Ofcom based on its statutory remit.

2. It was interesting to note, however, in the Government response that Ofcom already has regulatory responsibilities for S4C, alongside those held by the S4C Authority. We, like the government, look forward to receiving an update from S4C and Ofcom as to the exact nature of their respective regulatory responsibilities and to greater transparency going forward.

## RECOMMENDATION 7

**The government should consider whether S4C's current financial audit arrangements are suitable, including whether it would be appropriate to appoint the Comptroller and Auditor General as S4C's external auditor.**

1. This was not an area of the review that Equity responded to initially, although we welcome any and all scrutiny from whoever the government consider the relevant and most qualified organisation.

## AREAS BEYOND THE SCOPE OF THE INDEPENDENT REVIEW

### Devolution

1. Equity policy is that it does not believe in devolution of broadcasting, and acknowledges that there are no proposals contained within the current Wales Bill covering this. Equity does not currently see any sense in just devolving responsibility for S4C in isolation, although they would welcome the opportunity for a much wider discussion between stakeholders about this matter should the opportunity present itself.

2. As the committee is aware the discussion surrounding devolution has been ongoing for some time. In 2012 the Task and Finish Group on the future outlook for the media in Wales (<http://senedd.assembly.wales/mglIssueHistoryHome.aspx?Ild=1787>) recommended that '*The Welsh Government should establish an independent forum to advise on policy in relation to the media in Wales. The forum should draw on expertise from across the media sectors. Its purpose should be to look to the future and to advise on matters across all sections of the media.*' Of the remaining recommendations there are two which are critical to the current discussions taking place 6 years later:-

- **Recommendation 5.** As part of its role, the independent forum should keep under review the issue of the devolution of broadcasting in Wales and advise the Welsh Government as appropriate.
- **Recommendation 6.** The Welsh Government should develop a protocol with the UK Government for dealing with broadcasting issues which are not devolved.

When the Welsh Government responded it rejected the recommendation regarding the formation of an independent forum to advise on policy:-

*Although we do not accept this recommendation the Welsh Government agrees that these issues should be kept under review. We feel that this is a reasonable request and not altogether unexpected, as the coming period will see extensive changes in our media landscape, changes caused by market forces, technological change, user*

*behaviour and UK Government intervention. In response the First Minister has already asked the Chair of the Creative Industries Sector Panel to chair a Task and Finish Group – the Broadcasting Advisory Panel (BAP) – to review matters in relation to broadcasting. We feel that this will be a crucial first step in addressing the Committee's concerns.*

(<http://senedd.assembly.wales/documents/s9208/%20%20Response%20from%20the%20Welsh%20Government%20to%20the%20Future%20Outlook%20of%20Media%20in%20Wales%20report%20-%20July%202012.pdf>)

Equity has expressed its disappointment on many occasions, in responses to Welsh Government, the Committee, National Assembly of Wales inquiries and directly to the First Minister, that the Broadcasting Advisory Panel has never yet reported; that there is no record of how many meetings have taken place and, crucially, that the makeup of the panel did not incorporate representatives from stakeholders within the Creative Industries – excluding, specifically, the voice of the workforce in the form of the trade unions. The role of this panel was also to implement the 22 recommendations of the report. Whilst outside of this particular inquiry Equity questions again why these recommendations been not been carried out. (<http://www.senedd.assembly.wales/documents/s60658/FS4C04%20Equity.pdf>)

3. Whilst Equity does not believe there is an appetite from the Welsh Government for devolution of broadcasting this does not remove the need to have the most informed discussion and consideration of alternatives. Whilst devolution was outside of the remit of the review, however, every alternative should be explored to make sure the future of S4C is secured and, more importantly, the financial security of S4C is guaranteed going forward. Equity's priority would be to support the most appropriate option with all the avenues explored.

4. Equity would again recommend that the Inquiry ensure the setting up of an Independent Forum to advise the Welsh Government on policy in relation to the media in Wales. This forum should consider the inclusion of representatives from recognised trade unions to promote partnerships and greater accountability within the industry.

# Cyfieithiadau Mewnol

## Internal translations

Month Year



Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and  
Communications Committee  
Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryrn  
Ogwen Williams'  
Short inquiry into 'Building an S4C for the future: An independent review by Euryrn  
Ogwen Williams'  
CWLC(5) BS4C01  
Response from RhAG / Evidence from RhAG

We write to you in order to support the call for the committee to hold a full investigation into the case for devolving broadcasting powers to Wales.

The obvious dangers to the future of S4C are an issue that should be a major concern for the committee.

It is known that S4C has suffered a series of cuts, while the income of Sky, ITV, BBC, Channel 4 and others has increased. After years fighting for crumbs from the UK Government - a body that does not understand the Welsh language or S4C according to TAC - it is now quite clear that we will only achieve democracy and a viable language by making decisions about broadcasting in Wales.

According to a YouGov opinion poll published last year, 65% of the people of Wales favour the devolution of broadcasting to the Senedd in Wales. Public support is now, undoubtedly, in favour of moving in this direction.

We are aware that organisations, including the Welsh Language Society (Cymdeithas yr iaith Gymraeg), have argued the case that Welsh broadcasting could be transformed by devolving those powers to Wales. This could include the possibility that more money would be available for public broadcasting, as well as opportunities for the establishment of new radio and television stations, and new digital enterprises.

In terms of the Welsh language, ensuring a vibrant and prosperous future for broadcasting in Wales is crucial if we are to reach the Welsh Government's target of a million Welsh speakers by 2050.

We hope the committee will take advantage of this golden opportunity to carry out a detailed study of the case for the devolution of broadcasting to Wales.

Yours sincerely

Ceri

**Ceri McEvoy**  
**Cyfarwyddwr Datblygu**  
*Director of Development*  
**Rhieni Dros Addysg Gymraeg**  
*Parents for Welsh Medium Education*

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee

Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryrn Ogwen Williams'

Short inquiry into 'Building an S4C for the future: An independent review by Euryrn Ogwen Williams'

CWLC(5) BS4C03

Ymateb gan S4C / Evidence from S4C

S4C has welcomed the publication of the review and the UK Government's response to it. This has enabled us to proceed on the basis of clear information that the recommendations were being accepted. We are, therefore, in the process of implementing the recommendations – and further information about each recommendation is provided below. According to our discussions with UK Government officials, some of the recommendations will require legislative change. S4C's planning processes to implement recommendations take this into account, and we are also operating flexibly within the restrictions of the current statutory framework in order to make changes.

#### Change of remit

S4C welcomes the independent review's recommendation that S4C's public service remit should be updated to include digital and online services, and that the current geographical limitations on broadcasting should be eliminated (Recommendation 1).

Furthermore, we very much welcome the UK Government's decision to cancel funding cuts announced as part of the 2015 spending review (postponed pending the recommendations of the independent review). This creates a stable financial situation for S4C, which will allow us to plan our services on a firm footing.

Issues regarding legislative changes related to these changes to S4C's remit are currently being discussed with officials at DCMS. Whatever the outcome, as a result of the positive nature of the UK Government's response to the review's recommendation we do not feel that there is a need to wait before the legislative process has completed before implementing changes.

S4C is in the process of formulating plans to expand its digital services as soon as possible. Recently, we published a commitment to redirect a million pounds per annum over three years towards digital developments. We will be announcing specific plans in due course.

It should be noted that the plans underway are compatible with Recommendation 2, namely that S4C should establish an internal digital hub to develop and enhance its digital influence, as well as laying the foundations for a Welsh-medium digital cluster.

We very much welcome the important recognition that S4C needs to provide digital services for audiences. There are various levels of usage across the audience – from those who mainly use digital services to those who do not yet use any digital content. Providing for these different levels by providing a strong digital and television offer gives rise to clear challenges. However, we are clear that offering this provision is vital to the future of our services and to the use of the Welsh language in the media.

While we will continue to ensure that the S4C television service is available to viewers over the border to the extent that this is possible within our budget, the advantages of a digital

service will also bring benefits to viewers wherever they live, within the UK and beyond, where rights permit.

### Partnerships

We accept the review's recommendation that S4C should establish a language partnership with the Welsh Government and others to help to achieve the Welsh Government's aim of a million Welsh speakers by 2050 (Recommendation 3).

This recommendation is compatible with activity that is already underway by S4C and a number of other partners who are active on the Welsh language to work more closely together on strategic plans, and we welcome the UK Government's support for this kind of collaboration.

Discussions continue with potential partners, with S4C focusing our efforts in three areas over the coming years – Education, Learners and Children and young people.

We will be announcing joint plans with partners as they are agreed, with each one leading clearly to benefits for the Welsh language.

### Funding

As stated above, we have welcomed the UK Government's decision to provide financial stability for S4C over the coming years by maintaining our funding at the current level until the end of the Government's current spending round. At present, S4C receives £74.5m from television licence fee income, and DCMS contributes £6.7m directly to our budget. This means that S4C receives a total of £81.2m in public funding.

In addition, the UK Government has accepted the recommendation that S4C should be wholly funded from the television licence fee from 2022/23 (Recommendation 4), with all decisions about future funding made as part of discussions on the licence fee funding settlement. In accepting this recommendation, the government robustly and clearly emphasises S4C's independence. It also clearly recognises that the Secretary of State will continue to be responsible for deciding how much funding will be sufficient for S4C. We welcome this recognition, taking it as a firm basis from which we can build long-term financial stability for S4C. We accept the reviewer's recommendation that funding S4C from licence fee income is a way of achieving this stability.

Alongside the issues mentioned above, the contents of the Partnership Agreement (November 2017) between S4C and the BBC are also relevant. In this agreement, the BBC and S4C recognise their shared aim of collaborating to maintain and safeguard their mutual independence.

While the government's response provides certainty for the remainder of the current spending round, a question remained as to the future amount that DCMS would be directly contributing (currently £6.7m per annum) between the end of the current spending round and the beginning of the new arrangement to fund S4C entirely from licence fee income (2020-2022). The UK Government's Minister for digital issues has stated that this amount will be maintained until 2022. We welcome this statement, which reinforces previous comments by the UK Government regarding the importance of giving S4C financial stability.

In terms of S4C's ability to generate its own income by investing in commercial ventures, we made a case for simplifying the formal parliamentary process that S4C must adhere to if we wish to invest in some types of schemes. We welcome the recommendation that the government should amend these requirements (Recommendation 5), and we also welcome the government's willingness to do so.

We are currently discussing with officials from DCMS the procedure and timetable for the legislative changes that will be needed to implement this recommendation.

#### Governance, Regulation and External audit

We are working towards implementing the review's recommendation that a Unitary Board model should be adopted (Recommendation 6) as soon as is practicable, without having to wait for the legislation required to do so formally.

In the first instance, we are in the process of discussing the details of the new arrangement, with the intention of introducing a shadow Unitary Board in the autumn of this year.

In terms of adopting the model on a legislative basis, we are in the process of discussing with officials at DCMS what elements would need to be incorporated in law and what elements could be more appropriately included in the Memorandum of Understanding with DCMS.

With regard to our relationship with Ofcom, we are in the process of working with Ofcom with the intention of agreeing how we can ensure higher levels of awareness of the relationship between us in the form of a simple and concise document.

In terms of the recommendation that the Government should consider appointing the Audit Office as S4C's external auditor (Recommendation 7), S4C continues to be very open to this should DCMS decide to proceed. If DCMS confirms the decision to appoint the NAO with regard to S4C, we will need to discuss the scope of the NAO's work and an appropriate payment structure, as well as a migration process from the current contract.

# Euryn Ogwen Williams' report on S4C

Comments by Cymdeithas yr Iaith (the Welsh Language Society)

## 1. Introduction

1.1. The proposals in Euryn Ogwen Williams' report, and the decisions of the UK Government based on these proposals, would lead to the end of S4C as an independent broadcaster.

1.2. The obvious risks to S4C are part of a wider picture that should be of major concern to the committee.

1.3. The committee is fully aware of the decline of Welsh media and Welsh language media over recent years. In addition, you are aware of the serious democratic deficit here in Wales that threatens the sustainability of our Welsh democracy. Also, despite the publication of several reports by your committee, we must ask, to what extent have politicians proposed any real solutions to these problems.

1.4. S4C has suffered numerous cuts to its income, while the income of Sky, ITV, BBC, Channel 4 and others has increased. Following years of battling for crumbs from the UK Government's table (the UK Government, according to TAC, is an organisation that does not understand S4C or the Welsh language), it is time for this committee to realise that only by making decisions about broadcasting here in Wales can we achieve a viable democracy and a viable language.

1.5. We very much hope that the committee will not, once again, try to avoid detailed consideration of the case for the devolution of broadcasting to Wales.

## 2. The proposals in the report

2.1. In brief, Euryn Ogwen's report:

- allows the UK Government to make further budget cuts, in real terms for the next 2 years with a flat settlement in cash terms;
- between 2020 and 2022, there will be further cuts of around 10% to the budget, as the British Government scraps its £7 million grant to the channel;
- after 2022, there is no guarantee of any funding for S4C, and without a formula, there would be no certainty in statute. The Government in London will rest on its laurels, and leave S4C to be dependent upon the license fee settlement every ten years;
- is erroneous, in terms of the devolution of broadcasting, by failing to acknowledge a petition that was presented to him during the review, supporting the transfer of powers.

## 3. Impact of the report

3.1. S4C will not exist as an independent broadcaster after 2022 if Euryn Ogwen's and the UK Government's current plans are implemented.

3.2. From relocating half of S4C's staff posts to the BBC headquarters in Cardiff to using S4C's funding to support more and more of their own English language programmes, BBC chiefs are pleased to get their hands on money that was earmarked and fought for on behalf of Welsh language broadcasting. It will be the only Welsh language broadcaster – it is impossible to argue that this would be a healthy situation for the language or for our democracy.

3.3. The Government in London now wants to rest on its laurels and let S4C be dependent upon the license fee settlement every ten years. The only certain element within a situation such as that is

that the BBC's British priorities will come first, rather than the independence of S4C or the proliferation of the media in Wales.

3.4. The Government's plan is simple - to diminish the only Welsh language channel, a channel that many people sacrificed their freedom for, for it to be no more than a department of the British Broadcasting Corporation. And, after legislating to implement the plan, commencing with huge budget cuts to S4C since 2010, they wish to see further cuts to its budget over the next four years, so that the UK Government will not contribute a penny to S4C from 2022.

#### 4. The answer is to Devolve Broadcasting to Wales

4.1. We have a democracy in Wales that cannot operate fully due to a lack of coverage by British broadcasters. A large proportion of the public is not even aware that the health service is the responsibility of our Welsh Government and Parliament, let alone knowing which party is in Government. We hear regular complaints from our politicians in Cardiff Bay about the lack of scrutiny, and lack of coverage, of our devolved Government, but they do not propose a solution.

4.2. According to a YouGov opinion poll last year, 65% of the people of Wales are in favour of the devolution of broadcasting to the Senedd in Wales.

4.3. Cymdeithas yr Iaith has shown, in our policy paper, that the situation can be transformed by devolving broadcasting powers to Wales: more funding would be available for public broadcasting, totaling around £250 million per annum. This would mean that Wales could set up three radio stations and three Welsh-language television channels under a devolved system, as well as setting up new digital enterprises.

4.4. Under the model proposed in our paper, the devolution of the license fee to Wales would generate approximately £190 million per annum. The paper also sets out proposals to charge a new levy on companies such as Google, Sky and Facebook that could generate up to £30 million per annum, along with a similar figure in terms of additional funding gained by the transfer of powers to Wales. We understand that the European Union and governments, such as the Australian Government and Westminster, are now considering charging levies on the profits of such companies, and emulating countries such as India.

4.5. With regard to this disastrous report for S4C, we call for a full inquiry to be held by your committee to consider the case for the devolution of broadcasting powers to Wales.

Digital Group, Cymdeithas yr Iaith (The Welsh Language Society)

July 2018

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Ymchwiliad byr i ' Creu S4C ar gyfer y dyfodol: Adolygiad annibynnol gan Euryr Ogwen Williams'  
Short inquiry into 'Building an S4C for the future: An independent review by Euryr Ogwen Williams'  
CWLC(5) BS4C05  
Ymateb gan Undeb Cenedlaethol Athrawon Cymru (UCAC) / Evidence from Undeb Cenedlaethol Athrawon Cymru (UCAC)

UCAC welcomes this opportunity to respond to the Culture, Welsh Language and Communications Committee's consultation on building an S4C for the future.

UCAC is a trade union that represents teachers, school leaders, tutors and lecturers across all education sectors in Wales.

## **1. Value and Importance of S4C**

1.1. As noted in the Westminster Government's response to the independent review, 'Building an S4C for the future', S4C is the only Welsh language broadcaster in Wales, and indeed, the only Welsh language broadcaster in the world.

1.2. UCAC appreciates the channel in terms of its linguistic, cultural, social and economic value in their broadest terms.

1.3. S4C programmes create the backbone, and support for the work of the education system at all levels - providing material on a very wide range of topics, aimed at a wide range of audiences, and in contrasting genres that appeal to all sectors of society. This is valuable in terms of, not only normalising the Welsh language in these contexts, but in terms of creating high quality original content that can support learning and teaching, directly or indirectly, at all levels of the education system from the Foundation Phase, to Higher Education, and apprenticeships, including of course teaching Welsh as a subject or as a language.

1.4. S4C also provides a platform to discuss issues that are relevant to Wales in a fully Welsh language sphere. For example, it is one of the rare limited platforms that are available to discuss Welsh politics, including any of the devolved policy areas (such as education). This discussion can take place without it being an appendix to a 'wider' discussion, without offering incomplete or confusing information, and without completely ignoring issues. S4C is valuable as a Welsh and a Welsh language voice in an increasingly journalistically and linguistically uniform and monolithic landscape.

1.5. The employment created by S4C is an incentive for people to learn Welsh, and for people to use and develop their Welsh language skills. Broadcasting is one of the areas where it is easy to demonstrate that there are career opportunities of all kinds available where the ability to speak Welsh is desirable.

## **2. Recommendations and Response of the Westminster Government**

2.1. Recommendation 1: We would welcome the expansion of S4C's public service remit to include digital and online services, in order to facilitate the development of these areas and build on the good work already done.

2.2. Recommendation 4: UCAC wishes to express its concern regarding the funding methods recommended by the Review and supported by the Westminster Government in its response. We cannot agree that this model can provide a 'stable and transparent foundation for S4C funding' for the future.

2.3. A flat cash settlement over two years is a decrease in real terms, and it's clear that such further cuts will have repercussions for the channel. The abandoning of the grant aid from the Department for Digital Affairs, Culture, Media and Sport will be a further blow.

2.4. We are concerned about the recommendation to provide S4C's total 'public' funding by means of the license fee from 2022/23, for a number of reasons:

- S4C's editorial independence, and the perception (and the reality) of the channel as an independent broadcaster;
- a resulting decrease in the proliferation of journalist voices, and Welsh language voices in Wales that is already worryingly limited;
- a lack of accountability to audiences in Wales;
- the funding levels that S4C will be able to secure within the context of competing priorities, and broadcasting very firmly within a British rather than a Welsh context - without a formula, there will be no certainty in statute.

## **3. What we are calling for**

3.1. The establishment of a funding formula for S4C that will provide some security over certain periods of time, and that would, at the very least, increase in line with inflation.

3.2. A full inquiry, to consider the case for the devolution of broadcasting powers to Wales.

