

Agenda Supplement – Communities, Equality and Local Government Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 12 November 2015

Meeting time: 09.00

For further information contact:

Sarah Beasley

Committee Clerk

0300 200 6565

SeneddCELG@Assembly.Wales

Please note the documents below are in addition to those published in the main Agenda and Reports pack for this Meeting

– Consultation Responses: Inquiry into the BBC

Charter Review

Consultation Responses: Inquiry into the BBC Charter Review

(Pages 1 – 205)

Attached Documents:

Consultation Responses: Inquiry into the BBC Charter Review

BCR 01 – Tom O'Malley

BCR 02 – Ffilm Cymru Wales

BCR 03 – Teledwyr Annibynnol Cymru

BCR 04 – Equity

BCR 05 – Dame Rosemary Butler AM

BCR 06 – Welsh Language Commissioner

BCR 07 – Councillor Philip Rapier

BCR 08 – BBC Trust

BCR 09 – Creative Skillset Cymru

BCR 10 – Arts Council of Wales

BCR 11 – S4C

BCR 12 – National Union of Journalists

BCR 13 – BECTU

BCR 14 – Cymdeithas (Welsh Only)

BCR 15 – Welsh Government



BCR 16 – Pact

BCR 17 – BBC

Agenda Item 2.1

**Y Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol**

Ymchwiliad i'r Adolygiad o Siarter y BBC

**Ymatebion i'r Ymgynghoriad
2015**

.....

**Communities, Equality and Local Government
Committee**

Inquiry into the BBC Charter Review

**Consultation Responses
2015**

Ref	Ymatebion i'r Ymgynghoriad	Consultation Responses
BCR 01	Tom O'Malley	Tom O'Malley
BCR 02	Ffilm Cymru Wales	Ffilm Cymru Wales
BCR 03	Teledwyr Annibynnol Cymru	Teledwyr Annibynnol Cymru
BCR 04	Equity	Equity
BCR 05	Y Fonesig Rosemary Butler AC	Dame Rosemary Butler AM
BCR 06	Comisiynydd y Cymraeg	Welsh Language Commissioner
BCR 07	Cynghorydd Philip Rapier	Councillor Philip Rapier
BCR 08	Ymddiriedolaeth y BBC	BBC Trust
BCR 09	Creative Skillset Cymru	Creative Skillset Cymru
BCR 10	Cyngor Celfyddydau Cymru	Arts Council of Wales
BCR 11	S4C	S4C
BCR 12	National Union of Journalists	Undeb Cenedlaethol y Newyddiadurwyr
BCR 13	BECTU	BECTU
BCR 14	Cymdeithas	Cymdeithas
BCR 15	Welsh Government	Llywodraeth Cymru
BCR 16	PACT	PACT
BCR 17	BBC	BBC

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Tom O'Malley

Response from: Tom O'Malley

1. This submission firstly examines the broader context within which Charter Review 2016 is taking place. It then offers some comments on the issues raised by the terms of reference issued by the Communities, Equality and Local Government Committee.

Context

2. The BBC's Charter is being renewed in the context of a communications policy framework which prioritises the expansion of market driven forms over public service. The *Report of the Committee on the Financing of the BBC*, published in 1986¹ advocated a future in which communications services would be provided by the market place, much like newspapers are, and public service broadcasting would be limited to providing those services which the market did not find economical. Once technology allowed consumers to purchase programmes directly on a one to one basis or as

¹ Home Office (1986) Report of the Committee on the Financing of the BBC, London: HMSO, Cmnd 9824

packages, then the BBC, or what remained of it, should become a subscription service.²

3. The Report provided the broad outline for the development of an increasingly market driven system of mass communications and led to an increase in under-regulated commercial competition, the removal of most of ITV's obligations as a regionally-based public service broadcaster³, and the growth of what was, in effect, the contracting out of sections of production by the BBC and ITV, through the support given by successive governments to the independent sector. This has been overseen by Ofcom which is, in essence, an organisation designed to promote commercial mass communications. Running parallel with this has been the development of a policy making process which has given priority to the views of well financed commercial organisations with the power and resources necessary to lobby governments for the outcomes they want. This was illustrated most sharply in the revelations about the links between News Corporation Executives and lobbyists the ministers in the Department of Media

² Tom O'Malley, *Closedown. The BBC and Government Broadcasting Policy, 1979-92*, London: Pluto, 1994:112-114.

³ Tom O'Malley, 'Wales, ITV and regulation', *Cyfrwng*, Volume 8 (2011): 7-22.

Culture and Sport during the Leveson inquiry.⁴ In the context of Wales, the lack of accountability and transparency in policy making was illustrated by the decision made by the Coalition government in 2010 to transfer S4C to the BBC without even the pretence of considered public consultation.⁵

4. One major consequence of the increase in competition and the squeeze on public service communications has been a reduction in spend on first run public service content in the UK, by 17.3% between 2008 and 2013.⁶ In Wales, as the work done by the IWA Media Policy Group for its 2015 Wales Media Audit has shown, the situation has become very serious indeed. After 2008, there was a significant reduction in spend, range and diversity of television programmes available both in English and Welsh for viewers in Wales. In real terms at 2014 prices, spending in Wales declined by 30%, from 2008 to 2014. Investment in news declined by 10% in Wales, and total spend

⁴Des Freedman, *The Politics of Media Policy*, Cambridge: Polity, 2008;

Leveson, Lord Justice Leveson, *An Inquiry into the Culture Practices and Ethics of the Press, Volume III*, London: The Stationery Office, 2012, HC780-III

⁵ T.P.O'Malley, *The Government, the BBC and S4C: A submission to the Welsh Affairs Select Committee Inquiry into the Welsh Language Broadcaster S4C* (Aberystwyth University, 15th November 2010) Published in: House of Commons Welsh Affairs Committee, *S4C*, (London: HC 614 Published on 11 May 2011, Fifth Report of Session 2010-2011, 27 April 2011) 2 Volumes, evidence in Volume 2 at www.parliament.uk/welshcom

⁶ Department of culture, media and sport (2015) *The Balance of Payments between Television Platforms and Public Service Broadcasters: Options for Deregulation*. Consultation Paper, London: DCMS: para 7, note 4).

by public service broadcasters on first-run originated output in news and current affairs in the UK and nations fell by 14% from 2008–2014.

In radio, commercial radio stations have closed and syndication of programming has increased at the expense of local content.⁷

5. The BBC Charter Renewal is being conducted, therefore, in a context where government policy is pressing for an overall reduction in the role of public service broadcasting in the UK, and Wales, relative to the size of commercial provision. This explains the secular decline of public service content in Wales. The situation has been exacerbated by the feeble structures of accountability in policy making in relation to Wales and by the pressures on broadcasting to fulfil obligations to properly represent Welsh interests in a context of declining resources and successive attacks on the BBC from political and commercial interests.

6. What follows are some comments and proposals in response to the terms of reference set out by the Committee.

The future provision of the BBC's services in Wales both in English and Welsh language Services.

⁷ Media Policy Group: *2015 Wales Media Audit Draft 2*, (Cardiff, IWA, 2015) at <http://www.clickonwales.org/wp-content/uploads/mediaauditsection1.pdf> accessed 26 October 2015

7. The future provision of BBC services in Wales is dependent on two factors. The first is finance. Significant aspects of the BBC's future finances were agreed in advance of the debate on Charter Renewal, for example the decision to force the BBC to pay for the licence fees of people over 75. This was clearly a case of putting the cart before the horse. It has been pointed out that this will result in the BBC being worse off in cash terms at the end of the next Charter period and indeed a former Director General of the BBC, Lord Birt, 'says the government had set "a very dangerous precedent" by doing a deal on BBC financing behind closed doors with no public consultation for the second time in five years – suggesting the BBC's independence from government has been compromised.'⁸ Director General Tony Hall announced in September 2015 that the BBC will see its annual funding cut by 20% over the next five years as a result of the settlement.⁹ So, the future of BBC services in Wales in both languages will have to take its share of these cuts, on top of the cuts they have experienced in recent years.

⁸ Anon, 'BBC to Fund over-75s' TV licences' and Nick Higham, 'Analysis', BBC, 6th July 2015, at <http://www.bbc.co.uk/news/uk-politics-33414693> accessed 26 October 2015.

⁹ Jane Martinson and Mark Sweney, 'Tony Hall: 'inevitable' that BBC services will have to be closed or cut', *The Guardian*, 7 September 2015, at <http://www.theguardian.com/media/2015/sep/07/tony-hall-bbc-cuts-bbc4> accessed on 26 October 2015.

8. The Communities, Equality and Local Government Committee and the Welsh Assembly Government should press both the DCMS and the BBC to review this settlement with a view to detailing its implications for Welsh broadcasting, and come forward with proposals that will see a real terms increase in funding over the next Charter period, one which does not come at the expense of funding in other areas of the BBC.
9. Proposals by the Director General to make up to 80% of BBC content open to contracting out,¹⁰ and the idea that parts of the BBC licence fee should be used to subsidise news gathering for print media organisations,¹¹ are measures which will weaken the BBC's capacity to produce sustained, critical and creative programming, and where the subsidy of news is concerned, open the door to further pressure for more top slicing of licence fee revenue. The BBC should be pressed to reverse these decisions.
10. The second factor influencing funding is governance. That the licence fee and or significant aspects of the BBC's finances should be largely determined twice in five years without proper consultations

¹⁰ Tara Conlan 'Biggest shakeup ever to BBC could see hit shows moved to private sector' *The Guardian*, 16 September 2015, at: <http://www.theguardian.com/media/2015/sep/16/biggest-shakeup-to-bbc-consultation-hit-shows-moved-to-private-sector> accessed 27 October 2015

¹¹ Tony Hall, 'Tony Hall speech at the Science Museum on the future vision of the BBC' 7th September 2015, at: <http://www.bbc.co.uk/mediacentre/speeches/2015/tony-hall-distinctive-bbc> accessed 27 October 2015

with the nations and regions in the UK is indicative of a deep failure in governance. This is addressed in the next section.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales.

11. The BBC's governance should be determined by statute not charter. The Charter leaves power in the hands of the Westminster government, not Parliament. It allows for opaque policy formulation and decision by, in effect, decree. A statute which safeguards the creative and editorial independence of the BBC, but which was renewed periodically under close Parliamentary scrutiny is arguably the best way of ensuring a more democratic approach to policy making, one which would give more opportunities for the voice of Wales to be heard.

12. BBC governance has remained too centralised. Successive members of the BBC Board of Governors and the Trust have been appointed, not elected. There is no independent body in Wales with powers to oversee the policy, content and allocation of resources of the BBC.

13. The BBC should be a federal structure, publicly funded by the licence fee, or possibly a household levy. This Scottish Government is currently pressing for a federalised BBC structure.¹²
14. There should be a Welsh Broadcasting Council (WBC). It should be composed of a majority of members appointed by the National Assembly for Wales and members appointed by the communications trade unions. It should also consist of members from civil society organisations in Wales, determined by the National Assembly, after consultation. These organisations would appoint their representatives by elections. The organisations would hold their positions on the Council for a fixed period and then be replaced by other organisations in a process of rolling consultation and review.
15. The WBC should have powers over the BBC devolved to it under the new Charter. These should include powers over the allocation of resources, policy and content. It would be charged with producing regular reports on the situation of the BBC in Wales for the National Assembly and Welsh Assembly Government.

¹² Libby Brooks, 'Scottish government pushes for a federalised BBC', *The Guardian*, 24 September 2015, at: <http://www.theguardian.com/media/2015/sep/24/scottish-government-targets-federalised-bbc> accessed 26 October 2015.

16. As long as the WBC has a clearly defined relationship with the centre this arrangement should be able to work very successfully, and is in the spirit of devolution of powers to the nations and regions of the UK.

17. For this to work the *Communications Act 2003* has to be amended to remove the BBC from oversight by Ofcom. The reason for this is because Ofcom is a market orientated regulator which, like the BBC itself, does not have an elected board, and is, arguably, totally undemocratic in its structures. Were Ofcom to be reformed, root and branch, and made a mechanism for promoting public service communications first and foremost, then the question of the relationship with the BBC might be revisited.

S4C's future: including its funding, operating and governance arrangements, and the services it provides.

18. Within the current, unreformed context, S4C should be re-established as a separate body, answerable to the Welsh Assembly Government, and funded, as prior to 2010, by direct grant from the

Westminster Government. Its funding over the next period should be restored, in real terms, to a level which allows it to develop its services on air and online. Its Board should be appointed in a manner similar to the proposals outlined for the Welsh Broadcasting Council.

How Wales's interests are being represented in during the renewal process.

19. Broadcasting is not a devolved matter. As a result neither the Welsh Assembly Government nor the National Assembly has had a specific and permanent department and committee structure devoted to the issue of communications policy in Wales. Nonetheless both organisations have spent time, in arguably a largely ad hoc fashion, responding to successive initiatives from Westminster, Ofcom and the BBC.

20. In the short term the Welsh Assembly Government should invite the UK government to spell out in detail the length of the period of consultation which will follow the announcement of government White Paper on Charter renewal in the spring of 2016. This cannot be less than 6 months to allow all parties in the nations and regions and civil

society to have time to consider and respond to the proposals. As far as I am aware, there is no such commitment from Westminster in place.

21. The Communities, Equality and Local Government Committee, should call representatives from the DCMS and the BBC before them to account for [a] the nature of the process and outcome of the 2015 funding arrangements [b] the creation of the situation, outlined above, where Wales' interests in broadcasting are suffering as result of cuts and planned cuts [c] to defend the opaque and non democratic forms of governance. It should also call members of the Ofcom Board before it, to seek clarification as to why it should continue to have oversight over key areas of BBC policy making, in particular the development of new services, and to justify its equally opaque and non-democratic forms of governance, especially in relation to Wales.

22. It is not good enough to allow Wales's interests in this process to be the upshot of what will inevitably be policy driven from Westminster, and filtered through the BBC central management. The Communities, Equality and Local Government Committee has the

opportunity to shed some light on current processes, and to test their fitness for purpose where the interests of Wales are concerned.

23. In the medium term the National Assembly for Wales should establish a cross party, Standing Committee on Communications. The fact that communications is not a devolved matter is of no consequence in this context; the Committee would be able to provide the backup and perspective necessary to inform consideration of policy regardless of whether communications is or is not devolved. It should be composed of a majority of National Assembly members, but should also include trade unions. It should include members of Civil Society appointed in the manner proposed above for the Welsh Broadcasting Council.

24. The Standing Committee's remit would be to conduct regular monitoring and research on communications in Wales. It should have a small budget to commission new research and literature reviews relating to communications policy. It should publish regular reviews of the condition of communications in Wales and make policy recommendations. It should invite all parties concerned with

communications in Wales to submit data regularly, and to appear, where necessary, before oral hearings.

BCR 02

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Ffilm Cymru wales

Response from: Ffilm Cymru Wales

Response to the Communities, Equality and Local Government Committees' Inquiry into the BBC Charter Review

Please find below Ffilm Cymru Wales' response to the Welsh Assembly Communities, Equality and Local Government Committees' Inquiry into the BBC Charter Review (October 2015)

If you need to contact us regarding this response, please contact: Pauline Burt, CEO of Ffilm Cymru Wales c/o angharad@ffilmcymruwales.com

Background information

Ffilm Cymru Wales is a lottery delegate of the Arts Council of Wales and the BFI, committed to the strategic development of the film sector in Wales and developing the social, cultural, educational and economic benefits of film for the people of Wales.

Ffilm Cymru Wales' work spans across our banners of Make, See and Learn and includes commitments to:

- Developing a more inclusive film sector and film culture in Wales;
- Continuing to develop an agile, adaptive, and audience-centric approach that improves access to independent film across Wales for all and places evidence-based audience planning at the centre of production decisions;
- Identifying the potential value around a film proposition early in the process. And supporting the development of complementary intellectual property, education assets and audience development strategies in tandem with film production, where appropriate;
- Encouraging excellence and the growth of sustainable Welsh companies

You can find more details about us here: www.ffilmcymruwales.com

Context of our response

Our response is focused on aspects of BBC's Charter Review that relate to its role in developing and sustaining the training, talent, employment opportunities that underpin the creative industries across the UK and in particular relation to those functions in Wales. Together with the vital importance of the BBC in developing and supporting a diverse and inclusive sector that appeals to broad and varied audiences.

Responding to the Welsh Assembly review questions

The future provision of the BBC's services in Wales, in both the English and Welsh languages:

The BBC is a firmly established bedrock of the creative industries across the UK with a reputation for its high quality services.

In Wales there has been a productive and collaboration relationship between BBC Wales and S4C, and we would encourage the further development of co-commissioning of content to ensure that a breadth of quality Welsh language content across film, television and digital interactive content is sustained and developed.

Of particular note has been the role of BBC Wales in growing the local crew, facilities and services infrastructure, particularly following the BBC's commitment to redistribute its activities across the UK, including significant relocation of network drama content to Cardiff, providing a foundation for its drama village and the ripple effect that has supported the evolution of Swansea's creative industries infrastructure. This is of benefit across the creative industries, with crew, facilities and services often working across sub-sectors, particularly in relation to film and in the development of content in both Welsh and English.

Whilst the BBC has undoubtedly significantly contributed to growing the crew and facilities infrastructure, increasing Wales' capacity to service local and inward investment film and television production, in contrast there has been very limited engagement in developing film content originated from Wales and Welsh talent (writers, directors and production companies). This in turn restricts opportunities to develop the future talent base and sustainability of the local content originators, making Wales more susceptible to fluctuations in the market where portable content will film in the most competitive locations. In 9 years, BBC Wales has only commissioned one feature film – *Third Star*, starring Benedict Cumberbatch, which was the closing film of the 2010 Edinburgh Film Festival. This is insufficient activity to meaningfully contribute to Wales' film sector.

Additionally, there appears to be little or no engagement, co-ordination or collaboration between BBC Wales and BBC Films, with its more significant film budgets and specific remit to develop filmed content. We would speculate that this lack of internal co-ordination directly contributes to the complete lack of BBC Films' engagement in Welsh language content; and the extremely limited engagement of BBC Films in supporting features originated from Welsh talent. Ffilm Cymru Wales has had some success in this area – including co-developing the current feature proposition, *Denmark*, with Cardiff based company Severn Screen (with director Marc Evans and to star Rhys Ifans), but our comparatively modest budgets (circa £1m per annum across development and production) cannot compete with the potential impact of the BBC having more joined up working practice and advocacy across the nations.

In the future, we would stress the importance of the BBC developing a more inclusive workforce, including supporting the development of content originators (writers, directors and

producers) of film, television and interactive content (including educational content) – and including a specific commitment to this inclusive approach across the nations. This implies a more diverse workforce operating both within the BBC and the independent production sector, who could provide new ideas and be encouraged to take measured risks. A more inclusive workforce, generating jobs across socio-economic backgrounds, ethnicity, gender and all protected characteristics, should in turn feed into a breadth of content to appeal to the full breadth of audiences, maintaining the BBC's vital relevance across the UK.

Investment in training remains a vital area for the BBC to sustain and grow if Wales and the UK are going to remain competitive in the global market and able to respond to the opportunities that enhanced tax credits (across film, high-end television, childrens' programming, animation and games) provide. These fiscal circumstances, combined with a long-established reputation for quality have contributed to an unprecedented demand for new entrants to meet the needs of the sector now, as well as for the future. Inevitably, when budgets are cut, there is a danger of moving towards short-termism, and we would strongly advocate the importance of maintaining and indeed growing the training capacity of the BBC to the benefit of the wider creative economy.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales:

Ffilm Cymru Wales understands that in times of austerity all areas outside of protected departments will have cuts to bear, and the sheer scale of the BBC might present particular opportunities to develop further efficiency savings. However, we would stress the fundamental importance of protecting and enhancing the film and television original content budgets, with a particular emphasis on the importance of this content reflecting both the audiences and the creative workforce of all 4 nations of the UK.

As noted above, there are already notable shortcomings in the BBC's commissioning of film from across the UK (with only 1 Welsh language project (as part of Ffilm Cymru Wales' Cinematic programme) and 3 English language features actively progressing from Wales in a decade, which is a significant concern. This points to a need for BBC Films to be more integrated with their colleagues across the UK, including BBC Wales to co-ordinate the development and commissioning of talent and original film content across the nations.

To-date the BBC has supported emerging talent programmes, via BBC Films, from short films to low-budget schemes such as Microwave (with Film London), i-Features (with Creative England) and Cinematic (with Ffilm Cymru Wales), the later of which supported the production of 3 feature films from Welsh writers, directors and producers – 2 in English and 1 in Welsh from Euros Lyn (Happy Valley, Sherlock) in partnership with S4C and the BFI. These have been highly cost efficient ways for BBC Films to support the emergence of talent across the UK – with their contribution to Cinematic's 3 features being just £200k in total, for example. However, it is extremely worrying that we have been advised that BBC Films intends to withdrawal from all such future emerging talent schemes. This support of the next generation of content creators should surely be at the heart of their public service ethos – in contrast to the increased emphasis on commercially established directors.

Whether the BBC continues with a Trust or some other form of governance structure, it is crucially important that the BBC remains accountable in terms of its relevance to all audiences across the UK, and their role in developing the inclusivity of the sector's workforce

and content creators across all 4 nations. We would endorse the inclusion of specific representatives from each of Wales, Scotland, Northern Ireland and England (with an out of London focus) – incorporating a breadth of skillsets and experience – in recognition of the specificity of circumstances across the nations.

S4C’s future, including its funding, operating and governance arrangements, and the services it provides:

As Wales is officially a bi-lingual nation, with the equality of its language enshrined in law, it is crucial that this is reflected fully in the cultural output of the BBC with its UK wide remit *and* through its sustained commitment to supporting S4C’s output.

This commitment should be full encompassing to ensure the longer term sustainability of film, television, interactive and educational content across both broadcasters, including the development and commissioning of local content creators, training of existing and new entrants to the sector and protecting and enhancing the content provided to audiences, ensuring relevance.

Governance, operating and funding structures would benefit from a holistic approach that fully recognises the interconnected impact or the broadcast and wider creative industries ecology.

How Wales’s interests are being represented during the renewal process:

We welcome the UK Government’s stated commitment to the three Devolved Administrations having clear, agreed and equal roles in developing the new BBC Charter, and we would hope that this joined up approach continues beyond the renewal process.

These powers should ensure that the BBC has governance, management and funding structures which reflect the needs of Wales and better support the development, production and delivery of content from the nations and regions. A key aspect of this partnership is to:

“push the BBC to take a more representative approach to commissioning, talent development and production from and for all the nations and region”.

We fully support this proposition and look forward to collaborating with both government, the BBC and S4C to take this forward.

BCR 03
Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
Ymchwiliad i'r Adolygiad o Siarter y BBC
Inquiry into the BBC Charter Review
Ymateb gan: Teledwyr Annibynnol Cymru
Response from: Teledwyr Annibynnol Cymru



www.tac-cymru.co.uk

Submission to Welsh Assembly
Communities, Equality & Local Government Committee
Inquiry on BBC Charter Renewal 2015

Summary

- The BBC remains very important to the public service broadcasting ecology in Wales.
- It can become less bureaucratic and more efficient by making more of its programmes open to competition from the independent sector.
- Creating BBC Studios is not necessarily the best way to ensure that the best ideas are being commissioned regardless of source.
- The BBC needs to improve its record of commissioning productions from the Nations in order to better meet its requirement to reflect the nations and regions of the UK to the rest of the country. This is one of its key Public Purposes.
- Funding needs to be maintained and ring-fenced for services such as BBC Radio Wales and Radio Cymru.
- We support the continuation of the Licence Fee, but would not rule out support for a household levy as long as it was at a rate which did not result in a further loss of funding.
- There needs to be a reform of governance and regulation which also safeguards the independence and future funding of S4C.

Introduction

1. Teledwyr Annibynnol Cymru (TAC) is the trade association representing independent TV production companies in Wales. There are around 55 Welsh companies producing a wide range of television, radio and multiplatform content in genres that include children's, drama, comedy, factual, documentary, animation, entertainment, music and sport.
2. TAC members produce content for the UK network broadcasters. They sell programmes and formats abroad and are involved in international co-productions. TAC members also make content for Wales-based broadcasters such as BBC Wales and S4C - the latter of which, as a publisher-broadcaster, works very closely with our sector.
3. TAC is pleased to have the opportunity to give its views on the BBC for the purposes of this inquiry on Charter Review.

The Committee's areas of interest

The future provision of the BBC's services in Wales, in both the English and Welsh languages;

4. The UK has a successful mixed broadcasting ecology that, through the free-to-air Public Service Broadcasters (PSBs) plus the cable and satellite broadcasters, provides a rich mix of programming and associated content. Together, these broadcasters provide a competitive environment in which indie producers can take their ideas to a number of different commissioners depending on their services and remits.
5. Whilst we would like to see more engagement from some TV broadcasters with the Indie sector in Wales, nevertheless overall it is a system which provides great benefit to viewers in Wales and the Welsh economy. For Wales specifically there is a reasonable degree of plurality provided via BBC Wales, S4C and, to an extent, ITV Wales. Radio Wales and Radio Cymru provide two popular services which commission partly from the independent sector, enabling TAC members to gain additional commissions.
6. TAC agrees with the conclusion of Ofcom's recent third review of public service broadcasting, that 'The BBC remains the cornerstone of the PSB system and is the key driver of investment across the system'¹. The BBC invests heavily in creativity, estimated at some £2.2bn overall in 2013-14, of which £1.2bn went to the wider creative industries in the UK².
7. Any reduction in the capacity of one of the UK's leading commissioners of creative content would undoubtedly weaken this ecology. The BBC should remain well-funded, commissioning content across many genres and platforms to continue its overall function of informing, educating and entertaining the British public.
8. The BBC has of course made significant investment in some parts of Wales, notably Cardiff, where its drama facilities produce many high-quality programmes such as *Sherlock* and *Doctor*

¹ Ofcom. Public Service Broadcasting in the Internet Age: third review of PSB. July 2015, p7

² Frontier Economics. The contribution of the BBC to the UK creative industries. 2015, p3

Who. Whilst this is welcome, in itself it does not satisfy the BBC's public purpose of 'representing the UK, its nations regions and communities'. The BBC must allow the opportunity for the producers who are embedded in communities around the Wales to make more of its programmes and other content and thus bring their own talent, ideas, stories and perspectives to the screen. We note that the BBC itself in its Charter Review Document on BBC Studios says that in deciding on its commissioning strategy in the nations;

'we need to give careful consideration to the different context in each Nation: the market for local-only content is much smaller than network, with more fragile ecologies of independent producers. In addition, this output plays a unique and important role in the BBC's programming portfolio, meeting the distinctive needs of audiences that may not be well served by other broadcasters. The BBC is keen to ensure that it considers the full range of issues in reaching a final decision in this area.'³

9. We would also point the Committee to the findings of the BBC Trust, which in its recent Content Supply Review stated that:

'The Trust will want to ensure that the BBC has developed considered, clear-sighted plans that set out what the right commissioning mix is across the nations and regions. The Trust will also want to see how the BBC's production centres across the UK intend to work more effectively together with the independent sector based in different parts of the UK to develop creative, sustainable, local ecologies'.⁴

10. TAC agrees entirely with this stance and we would like to see this included in the Charter and Agreement as an express objective to be delivered by the BBC and measured by whichever regulator replaces the Trust.
11. Greater engagement from the BBC would enable more programme makers, including those based in the nations and regions, to compete to make programmes for the BBC's UK-wide TV networks. Whilst we welcome under the BBC's Compete or Compare proposals the removal of the 50% in-house guarantee for TV, we are concerned that making most of BBC's in-house operation a commercial arm ('BBC Studios') which could compete against indies for commissions from other broadcasters, constitutes an unwanted intervention in an already highly competitive market. Additionally, this could involve using public money to finance the venture.
12. The BBC needs to become less bureaucratic, smaller in size and more concerned with channelling the Licence Fee funding out into creative communities in Wales and indeed the rest of the UK.
13. TAC also opposes any significant changes to the Terms of Trade which govern the negotiations between indie producers and the PSBs. These have been the foundation upon which the SMEs in our sector have been set up and built their businesses to become as successful as they are today.

³ BBC Studios: Strengthening the BBC's role in the creative industries. BBC, September 2015, p13

⁴ Review of the Supply arrangements for TV, Radio and Online. BBC Trust, June 2015, p17-18

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

Funding

14. TAC supports the type of universal funding model used to support the BBC so far. It serves to create a large number of services, without impacting on the advertising-raising abilities of the commercial sector, or similarly upon the ability of subscription channels to gain customers. The Licence Fee remains largely fit for purpose, provided it is adjusted to allow for the iPlayer catch 'loophole'.
15. The household levy is also an interesting idea and we note that the BBC has suggested it may even be a mechanism for increasing the overall level of funding back to near where it was prior to the removal of inflation linking some years previously.
16. TAC shared the concerns of many that the recent Licence Fee deal between the Government and the BBC, in its haste and behind-closed-doors approach, echoed that of 2010, which saw new demands put upon the Licence Fee including the part-funding of S4C. This has resulted in a reduction of funding and increased instability not only for the BBC itself but also for S4C (see separate section below).
17. One result of the Charter Review process should be a protection of the BBC and S4C's funding, to prevent such sudden and non-consultative deals being done in the future. We would argue there is no sound evidence to justify cutting the public funding of organisations which are investors in the creative economy and thereby generate a proportionally greater amount of economic and cultural wealth than the public investment in them equates to.

Governance

18. TAC has maintained a positive relationship with the BBC Trust, particularly in Wales and regularly meets with the individuals involved. We nevertheless concur with what seems a growing consensus that the BBC Trust has not been sufficiently separate from the Corporation to be fully able to carry out the duties of either an external impartial regulator, or a unitary board.
19. TAC agrees with the idea that the BBC should have its own unitary governing board plus a fully independent impartial regulator to ensure it is providing value for money and fulfilling its remit. We would regard Ofcom as a suitable option, which whilst it may have to recruit some additional staff would otherwise not incur additional cost on the Licence Fee payer.

S4C's future, including its funding, operating and governance arrangements, and the services it provides

20. S4C was, until the Spending Review of 2010, funded by a public grant from DCMS of just over £100m – a grant which was inflation linked. Together with its advertising revenues this enabled S4C to provide high-quality content including the children's service 'Cyw', whilst also investing in making the channel available on new platforms.
21. This development into new platforms has been very important for S4C as many Welsh speakers live outside of Wales, and therefore it is only since the channel has been made available on the

web and via services such as Virgin Media that the content has been available for many viewers who would wish to see it. Indeed i-player requests for S4C programmes have been very healthy, with viewing figures increasing by 175% from March 14 – Mar 15 ⁵.

22. S4C competes with BBC Wales for Welsh-based content, as well as seeking co-productions and other media opportunities outside of those pursued by the BBC. It also commissions companies who make not only Welsh language television programmes but also radio content for BBC Radio Wales and BBC Radio Cymru (which commissioned 26% and 19% from indies in 2014-15 respectively⁶). Without those companies splitting their activity across both S4C and the BBC, we would argue that Radio Cymru and Radio Wales would struggle to have an independent sector to supply it with a diverse range of content from around Wales.
23. But in the spending review of 2010, the decision was taken to remove most of S4C's public grant and no longer tie it to inflation, meaning it stands at around £6.7m at the current time. In addition, around £75m was committed to S4C from the TV Licence Fee, again not linked to inflation and a sum that has been under threat as each new cut to the BBC's own funding has threatened to be passed onto S4C, despite it being an independent broadcaster with its own programme remits, management and commissioning model.
24. As a publisher-broadcaster S4C commissions all its original content from the independent sector, thus helping to make Wales' creative sector a strong area of growth for the country. It is a key enabler for the creative industries in Wales.
25. However this economic growth has been under threat both from the cuts to S4C's funding (which amount to a loss of around 36% of its income in real terms⁷) and its Licence Fee income meaning it falls under the auspices of the BBC Trust.
26. S4C provides jobs, skills, and the chance for Wales to benefit from its unique locations, stories, perspectives and talent. It is also important in terms of providing plurality – over and above being a Welsh language broadcaster it is a broadcaster which gives Welsh viewers more options to see content that reflects their own lives and surroundings. This is of particular importance bearing in mind Ofcom noted in its third PSB review that: “

‘The Nations and their regions are the areas where there is the greatest mismatch between public expectations of PSB and how it is delivering in practice. For example, plurality remains a concern in Wales.’ ⁸
27. As noted above, S4C has made every effort to introduce efficiencies and its overheads are now down to 4.4% of its spend ⁹, a very low figure. Correspondingly, TAC's members have also sought to ensure that they are working as efficiently as possible. However, it is worth emphasising that some efficiencies in the sector are only one-off gains, as pointed out in Ofcom's PSB review, and that this is not an everlasting process:

⁵ S4C Annual Report 2015. July 2015, p15

⁶ Performance against public commitments 2014/15. BBC, 2015, p16

⁷ Future of Welsh language broadcasting. S4C, 2014, p06-07

⁸ Public Service Broadcasting in the Internet Age: third review of PSB. Ofcom, July 2015, p7

⁹ Future of Welsh language broadcasting. S4C, 2014, p42-43

‘analysis suggests that demand for production staff and studio costs is now increasing, and savings – in terms of producing the same programmes with smaller crews and fewer filming days – have largely been realised.’¹⁰

28. Moreover each new innovation in viewing quality, e.g. Ultra-High Definition or ‘4K’, brings extra financial pressure to bear on producers. S4C had to close its HD service in 2012 but now needs to find ways of re-introducing it as public expectations rise in accordance with the proliferation of channels offering HD quality. S4C also needs to ensure it is available on new technology platforms to be available to Welsh speakers in the places where they choose to consume content.
29. To enable it to continue to invest and provide a sufficient amount of high-quality programming, S4C’s funding needs to be given a one-off 10% increase to its mixed public funding from DCMS and the Licence Fee, and for this to be linked to inflation going forward (as the TV Licence Fee itself has now been).
30. An additional issue is that because the BBC Trust is a ‘custodian’ of the Licence Fee, S4C has found itself subject to scrutiny from the Trust as well as its own S4C Authority and also Ofcom. The problems of the Trust are documented above and TAC finds it as a matter of continuing concern that the Trust has, under the BBC-S4C Operating Agreement, the right ‘in extremis’ to withdraw S4C’s funding. TAC has long argued that if anyone should have that power, it should be the Secretary of State for Culture Media & Sport. S4C is part of the UK-wide PSB ecology over which that governmental department presides.
31. It appears that the BBC’s own governance and regulation will be fully overhauled and we would argue that if the same is done with S4C, savings could be made in terms of bureaucracy and cost by the existing regulator Ofcom to regulate the BBC and S4C. This should be done in conjunction with a proper review of S4C’s remit, purpose and structure.

How Wales’s interests are being represented during the renewal process.

32. In the case of TAC specifically, the Wales Office recently hosted a constructive meeting¹¹ between TAC and the Secretary of State for Culture Media & Sport, which enabled a large delegation to engage directly on the issues concerning the BBC and S4C. This was the latest in a series of positive Wales Office ministerial initiatives to engage with and promote our sector in recent years, including in 2014 speaking at the TAC annual general meeting, and hosting an event in Wales with UK TV commissioners and the Welsh indie sector. This year in July a showcase event for the sector was held at the Wales Office’s Gwydyr House building in Whitehall.
33. TAC will continue to liaise with the Wales Office and DCMS, as well as working with all parties in Westminster, on which note we welcome the efforts of many MPs and Peers to raise the profile of issues regarding the Welsh indie sector and S4C, both before and during the Charter Review process.

¹⁰ Public Service Broadcasting in the Internet Age: third review of PSB. Ofcom, July 2015, p9

¹¹ See mention in House of Commons Debate: Media Plurality in Wales. HC Deb, 13 October 2015, c79WH

34. TAC welcomes the recent publication of the Memorandum of Understanding¹² between the BBC, BBC Trust, DCMS and Welsh Government allowing for consultation with the Welsh Government on Charter Review. TAC is engaging with the Welsh Government on issues around the BBC and S4C and recognises the current Minister's and First Minister's keenness to ensure that Wales's interests are well-represented during the Charter Review process.
35. On a more general UK level, there has been no shortage of opportunities for stakeholders in Wales to give their views on Charter Review. In addition to submitting a direct response to the Government's Green Paper, TAC has also submitted evidence to the House of Commons Culture Media & Sport Committee on the BBC Charter Review, as well as the House of Lords Communications Committee on the BBC's public purposes, funding and scope. We will also be submitting thoughts to the BBC Trust on their consultations on the BBC's documents regarding an 'Open BBC' and 'BBC Studios'.
36. In addition, the BBC Trust has taken on the process of holding public debates on various aspects of the BBC's future, including funding, governance and other issues. One of these sessions was held in Cardiff and TAC was able to attend.

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469865/Wales_MoU_signed_final.pdf

BCR 04

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Equity

Response from: Equity

**Response to Communities, Equality and Local Government Committee
Inquiry into the BBC Charter Review**

1. Equity represents 40,102 performers and creative personnel working across the UK's creative industries. Our members include actors, singers, dancers, variety artists, stage managers and stunt performers who work across various sectors including theatre, light entertainment, television, film, video games and the music industry.
2. In Wales, we have 1,479 members living in Wales and many members who work in Wales but do not live here. We estimate that around 450 members are Welsh Speakers.
3. The UK currently has a number of competitive advantages in the creative industries. According to the Department for Culture, Media and Sport, the creative industries now account for economic output of at least £77bn per annum. This translates to more than 5% of UK GDP and is one of the largest areas of growth in the UK economy.
4. The UK is a world leader in content production, including public service broadcasting, theatre, film and music. The UK video games sector has had a number of successes and has the potential for further growth. Creative content is also a key driver of other sectors, such as the digital economy. Cultural experiences, particularly the live arts, also underpin the UK's ability to benefit from tourism.
5. The factors which will sustain the UK's competitive advantage in the creative industries are those which will enable creative organisations and businesses to continue to produce the best content in order to meet demand at home and abroad. The key interventions which will promote conditions for success are: the retention of a highly skilled and valued creative workforce, sustainable funding for the arts, investment in public service broadcasting, a strategy for the film and video games industries, a fully functioning intellectual property regime and support for the grassroots of the creative industries including live entertainment.

Public Service Broadcasting

6. One of Equity's key objectives is to ensure that all broadcasters can continue to contribute positively to producing original British programming as much as possible in the digital age. Producing the broadest possible range of audiovisual content is in the interest of audiences and secures the UK's competitive advantage in this field.
7. The public service tradition in broadcasting has given the UK a reputation for producing programming of the highest quality – content that not only enhances this country's culture but which is also makes a major economic contribution through overseas sales and licensing. For example, the BBC generates over £1bn through worldwide sales. For these reasons Equity strongly believes that the UK must commit resources towards ensuring plurality across the spectrum of public service content.
8. Equity members have been concerned for some time that all of the UK's nations and regions and nations should be able to take an active part in the creative industries and that work opportunities should be available throughout the UK. Currently performers who are not based in London and the South East of England often struggle to find enough employment to

sustain a career in the entertainment industry and many are forced to relocate to London in order to access opportunities. Employment in film and television production in particular is heavily concentrated in London and the South East.

9. England's population dominates the UK, accounting for 84% (53.9 million people) of the total population, while Scotland accounts for 8% (5.3 million people), Wales for 5% (3.1 million people) and Northern Ireland for 3% (1.8 million people). Each nation has its own identity, however, and it is important that Broadcasters reflect these differences. It is also important to note that London accounts for just 13% of the total population (8.2 million people). Including the rest of south east England brings this total to 27%, or 16.8 million people, so most of the UK population lives outside that part of the UK where most of the programmes have historically been made. *Source - Ofcom*
10. A number of regionally-badged programmes are also produced or partly produced in other countries including *Wallander* (filmed in Sweden) *Robin Hood* (filmed in Hungary), *The Musketeers* (filmed in the Czech Republic), *Merlin* (external scenes filmed in France) and the upcoming BBC Cymru Wales Drama production of *War and Peace* which was filmed in Russia, Latvia and Lithuania. It is evident that Broadcasters make programmes in the Nations and regions for broadcast across the whole of the UK. Such programmes include drama set in the nations and regions, such as *Shetland*, *The Fall*, *Vera*, *Broadchurch* and *Cucumber* (you will note the lack of a Welsh made product in that list); and programmes made outside London which are more generic, such as *Waterloo Road*, *Doctor Who* and *Casualty*. In so doing, they can portray the Nations and regions not only to themselves but to the rest of the UK, in high quality productions that achieve mass audiences, with budgets which would not be affordable for programmes made specifically for each Nation or region. However, this is not a guarantee that the particular Nation or region will be portrayed in the programme; this depends on how the area is used in the production (for example, Liverpool doubles for Birmingham in *Peaky Blinders*).
11. Equity is also concerned that a large number of regionally-badged programmes are actually being produced by London based companies, who may run auditions or make casting decisions in London rather than in the nations and regions. Equity has long been campaigning to persuade Ofcom to incorporate a meaningful ratio of "on screen talent" into their definition of what constitutes an out of London production. At the moment "on screen talent" is specifically excluded.
12. Broadcasters should be encouraged to support this greater spread of commissioning and explore long-term methods of developing and sustaining regional production in parts of the country that are not represented on screen. One of the best ways in which this can be achieved is by the establishment of returning drama serials. The fact that this genre of production has a distinct long-term benefit for the local production infrastructure means that it should be subject to particular encouragement.
13. The role of the BBC as a cornerstone for UK made content is, however, vital for the sustainability of the UK's creative industries. Various factors, including the downturn in advertising revenue experienced by other PSBs during the recession and the historical lack of investment by the majority of digital and satellite channels in original drama, children's

and comedy programming have had a huge knock-on effect on the employment prospects and job security of performers and other creative workers in the sector.

14. As a world, UK national and Welsh broadcaster, the BBC plays a crucial role in our economy, both as an employer and an exporter of goods. It also acts as a standard bearer for the audio-visual sector in terms of quality, diversity, and innovation. The BBC also has an important role in sustaining the independent production sector. Without the BBC's investment and commissioning, the UK's production base, which also serves the UK film industry, would not be as strong as it is today.
15. This is only possible because the BBC is supported by unique sources of funding, including the licence fee and its commercial operations. Licence fee payers rightly expect to receive good value for money in terms of high quality programmes and new innovations and services responding to developments in technology and the wider media industry.
16. A particularly good example of competitive advantage and value for money is BBC Radio, which has demonstrated that the unique system of funding alongside public service obligations can result in the production of high quality programming not available anywhere else. Radio drama and comedy, which is only found on the BBC, gives young writers and performers a chance to build their careers, take risks and develop their skills, as well as employing the proven skills of mature actors and writers.
17. The BBC is the largest employer of actors and performers in the UK and provides a wealth of training opportunities for creative workers. Because of the investments it makes across a diversity of disciplines, including drama, comedy, entertainment, as well as factual programming, the BBC is able to provide decent jobs and engaging work for Equity members.
18. The Task and Finish Group on the future outlook for the media in Wales reported in May 2012 and made 23 recommendations to the WAG, first and foremost an independent forum to advise on policy in relation to the media in Wales. 22 of the 23 recommendations were accepted, except the independent forum which was instead replaced by a Broadcast Advisory Panel reporting directly to the First Minister. Since it first met in September 2012 the panel has yet to issue a public report.
19. Channel 4 should be challenged about the opportunities it offers in Wales. The Channel has pledged with a license obligation to make 9% of its content in the Nations by 2020.
20. As identified above, Ofcom has a definition for 'out of London' production that excludes front of camera talent and activity. Equity urges the WAG to work with Ofcom to develop a more transparent and meaningful definition of a production's location.

The future provision of the BBC's services in Wales, in both the English and Welsh languages;

21. At its best Equity believes that the BBC should be:
 - A National Broadcaster committed to investment & programming in the Nations and regions.

- A Modern Broadcaster committed to on-screen diversity that reflects modern Britain.
 - 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 original TV and radio drama, comedy, entertainment and children’s programming
 - A Responsible Broadcaster committed to fair pay and conditions for the people working for it.
22. In Equity’s view the BBC should set the standard for the UK’s creative industries in terms of producing high quality content and through its public purposes should lead on best practice in areas including employment standards, investing in the UK’s nations and regions and equality and diversity.
23. Creative workers and performers are central to the sustainability and strength of the UK’s content production sector including the BBC’s output however, as they are mostly freelancers and self employed workers, they do not enjoy the same security or pay levels of directly employed workers. If the BBC is to continue to attract the best talent for its productions it must retain and improve terms and conditions and pay levels agreed with Equity and other trade unions for all performers. Specific references to best practice in employment, training and development, for both in-house and independent producers should therefore be included in the BBC’s public purposes. To strengthen this commitment and best practice, the Ofcom definition for regional programming should be changed to include front of camera talent which is currently excluded meaning the employment possibilities are limited – especially in the Nations and the regions. The BBC Trust response to the Green Paper states ‘Despite the BBC now siting half of its network TV production outside London, and establishing production bases, such as the Roath Lock drama village in Cardiff, there can still be periods where specific representation of some nations and regions does not occur. It is important both to site production outside of London, and also to consider commissioning and use of locations and on- and off- screen talent’.
24. The BBC is an important component in addressing the regional imbalance in employment opportunities in the media. Film and television production is heavily concentrated in London and the South East. As a result, performers in the UK’s nations and regions often struggle to find enough employment to sustain a career and many are forced to move to London in order to access opportunities. All broadcasters should increase their investment in the nations and regions so that a greater proportion of production employment, including performing talent, is spread across the UK. The BBC should lead the way in investing in underrepresented areas and should have a specific responsibility towards contributing to growth in the employment in the creative industries, particularly in Wales.
25. The public purposes should also include a commitment for the BBC to reflect society better through on-screen diversity. Equity has welcomed the Project Diamond initiative whereby the main television broadcasters will collect equality monitoring data for all employment on and off screen however, in order to ensure continued progress, equality and diversity must be codified. We believe that the best place for this is in the public purposes so that diversity has the status of a key performance indicator for the BBC. We need to make sure

that the BBC is meeting the proposed Public Purpose 'To reflect, represent and serve everyone in the UK'.

26. The Government, via the DCMS consultation on Charter Renewal, has suggested that it may be appropriate to include a commitment to certain genres of content in public purposes. While Equity believes that the BBC should continue to provide a universal service and to produce content for everyone we believe it is worth considering a commitment in the public purposes to producing *high quality* original TV and radio drama, comedy, entertainment and children's programming. It is a BBC priority to invest in its content, and to invest in the Nations.
27. While network production in the Nations has grown in real terms since 2008, spend on first-run programming specifically for each Nation and region (including news and current affairs) fell from £404million in 1998 to £358million in 2008 and to £277million in 2014. Wales has seen one of the steepest real declines in spend on first-run originations between 2008 and 2014 of 30%. This decline in spend has been matched, for the most part, by declines in hours. BBC Hours in the English language have dropped between 2008 and 2014. *Source – Ofcom*
28. Between 1998 and 2012 the BBC in Wales was exemplary in its investment in regional drama. Series like *The Bench*, *Belonging*, *Crash* and latterly *The Baker Boys* and *The Indian Doctor* have all been made in Wales for Wales. It would have been even more satisfying if any of these productions had been made for network, but that was not their prime purpose. They fulfilled an important cultural need, namely that the national broadcaster told stories about Wales to Wales. It is disappointing to see that this success has not been continued, and the cut in spend is directly attributable. In the BBC response to the Green Paper it made the following statement 'We believe that the supply of BBC and commercially funded programming in each of the Nations needs addressing'. However it goes on to say that significant investment would be required and that this can only be funded by additional income.
29. This is equally true of the investment in drama and light entertainment in Radio Wales and Radio Cymru. There is no other broadcaster other than the BBC providing this breadth of work for actors and writers in radio, but this again has been in decline.
30. The provision for Welsh Language programming is made up mainly of the making of *Pobol y Cwm* which is a contractual obligation under the Framework agreement.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales;

31. Out of the £3.7 billion license fee income, approximately £179 million can be identified as being generated by Wales. By comparison to other Nations and regions the Operational expenditure of the BBC in Wales of £150 million is a high percentage of the license fee earned here but it is only 3.85% of the overall operational expenditure of the BBC in total. Disproportionately 65.44% of the £3.7 billion is spent in London. If the proportion of productions made in the Nations and Regions, especially when they are regionally badged

and funded, is supposed to increase then this task is made all the more harder by the relative imbalance of the distribution of the license fee. *Source BBC Annual Report 2014*

32. The BBC's independence from Government and its position in terms of being neither a state broadcaster nor one driven by commercial interests is highly valued by UK and international audiences and is the basis of much of the trust invested by audiences in the organisation. We therefore also believe that the BBC's independence should feature strongly in any set of new public purposes drafted during Charter Renewal.
33. Whilst we welcome the BBC's commitment to protect funding for the Nations, this is only by way of ensuring that they are cut less than other areas. This can only be achieved by making sure investment works harder and portrays the whole country and its entire Nations better. We believe the BBC in Wales should be more accountable to the WAG and Equity supports the recommendation from the Silk Commission that a devolved governing body should be created within the framework of the UK trust, with the powers to oversee and scrutinise the output of the BBC in Wales, and to appoint a Welsh representative to the general governing body of the BBC, by formal agreement between the UK and Welsh Governments. It is, however, difficult to know whether this will now work within the new format being suggested by the BBC and the BBC Trust for the reformed structure of an Executive Board

S4C's future, including its funding, operating and governance arrangements, and the services it provides;

34. S4C is a unique investment in the Welsh language and a cornerstone for Welsh culture. It is also a source as far as Equity is concerned of significant employment. Many of the actors that are gracing stages and feature films across the world served their apprenticeship on the channel. There are many talented performers working hard on a day to day basis and the quality of the drama output is consistently high.
35. In evidence to the Silk Commission Equity supported the case for Broadcasting not to be devolved whilst contained in its current format. We did support, however, the transfer of the DCMS monies to be the responsibility of the WAG which would ensure some active review process of the work of this channel by the WAG. Whilst we know this has been resisted by the Labour administration in Wales, mainly because of the financial commitment, it is absurd that the National Broadcaster for Wales does not have any formal relationship with the National Assembly. It may be that Equity would have to shift its support for S4C to be a matter that is devolved, but whilst it remains part of the BBC License Fee we can only call for the funding for S4C to be ring fenced and protected as part of the license fee settlement.
36. Equity supported the calls for an independent review of S4C in 2010 and 2011, we believe now as we did then that any decisions on future funding and governance should have been based on this review. Equity can see now that S4C, in receiving its funding from a top slicing of the BBC license fee, is now no more than a balance sheet figure to support the BBC's commitment to the Nations and Regions. In the BBC response to the Green Paper it reduces its comment on S4C to that of a full commitment to broadcasting and providing services in the UK's indigenous minority languages. A comment from the BBC Annual Report reflects on

dropping audience figures for S4C as a concern in providing 'value for the license fee spend'. We believe that S4C is more important than that, which is why we have supported the channel since it first started broadcasting. It has brought over £2.2 billion pounds in to the Welsh economy and is almost entirely responsible for the independent production sector within Wales.

37. The combined spend of S4C and the BBC on programming for S4C, in real terms, was £92 million in 2013. S4C has seen a large real-terms decline in first-run spend, which fell by £23 million from 2009 to 2013, to £64 million. This means that 57% of the total programming is either a repeat of a recent programme or something from the archive. Whilst the archive is valuable and the average cost of retransmitting these programmes is very low compared to the £32,000 per hour needed for newly commissioned programmes we cannot help but look at the drop in funding and the frequency of these repeats in peak hours as a reason for the S4C audience share falling to 1% in the BARB figures in 2014, from 1.3% in 2010.
38. It is vital that S4C has sufficient funding as well as editorial and managerial independence for it to continue to play a crucial role in support of the Welsh language and the creative industries in Wales.

How Wales's interests are being represented during the renewal process.

39. It is difficult to find specific Welsh pledges being put forward during the process, much of the commitment to secure funding is aimed at the 'Nations and Regions'. The production base for the BBC in Wales does make a difference, but makes mainly network drama rather than drama for Wales set in Wales. Equity believes greater focus should be put on accountability and that BBC Cymru Wales should be fulfilling its own obligation to Wales first and network second.
40. Because of the license fee settlement we are unlikely to see separate funding for S4C, and it is because of the obligations on the BBC to pay for S4C, The World Service and now for the over 75's free licenses, that extra pressure is being put on budgets to fund its own corporate needs. The funding of S4C is the least worst outcome, as long as the funds are protected going forward and are not seen as another department when it comes to the continued efficiency savings necessary.
41. Equity does not believe that Wales's interests have been represented sufficiently during the renewal process. The WAG was not given the same provision as the Scottish Government under the Smith Commission, and because broadcasting is not devolved the responses have been lacking in focus because there isn't a firm policy for how the WAG deals with broadcasting and in particular BBC Cymru Wales and S4C. On such an important issue there was a need for a single message on how the broadcasters could serve Wales rather than responses based on party lines and self interest.
42. The Broadcasting Advisory Panel set up in 2012 to report directly to the First Minister on matters of this kind have failed to report formally, and would seem to have been the perfect focus point for a consistent message about broadcasting in Wales even if it isn't devolved.

Simon Curtis - National Organiser for Wales scurtis@equity.org.uk

Equity response to the Department for Culture, Media and Sport public consultation on BBC Charter Review

The BBC is one of the most important employers of Equity members because of the investments it makes across a diversity of output. It also plays an important role in supporting the wider creative industries through providing training and development for creative workers and provides much of the funding that fuels the UK's independent production sector, another significant employer of Equity members. Equity therefore welcomes the publication of this Green Paper as an opportunity for those who play a crucial role in producing content across the audiovisual industries to have a say about the BBC's future.

Equity is however extremely disappointed and concerned that the publication of the Green Paper was preceded by another hastily agreed licence fee deal which we believe will lead to further cuts to services and job losses at the BBC. The public and those who work for the BBC were denied any say about the previous licence fee settlement in 2010 and it had been hoped that a much more transparent process would have taken place in 2015, particularly given the level of media speculation surrounding the BBC throughout the General Election campaign.

Furthermore, the composition of the panel of experts advising the Secretary of State during Charter Renewal appears largely to reflect the political and commercial agendas of the BBC's media rivals with only a small level of representation for licence fee payers. The panel does not include a single representative of the thousands of workers who contribute so much to the success of the BBC. In this environment Equity does not have faith that the process of Charter Renewal is being conducted in a fair or open fashion.

Similarly, while the Green Paper itself asks a range of open and relevant questions in important areas including the BBC's duties towards the UK's nations and regions, accountability and the public purposes, it also contains many negative assertions about the BBC which do not appear to be evidenced, particularly in assessing the impact of the BBC on the wider content market.

Equity is not without its criticisms of the BBC and we intend to express in this response how we believe it can change in order to better meet the expectations of licence fee payers. We strongly disagree, however, with the repeated assertion in this Green Paper that the BBC is somehow too large and too 'diffuse' in its output and therefore must be scaled back. While the Government has stated that it is 'committed to both the future of the BBC and its underlying Reithian mission' it is clear that this consultation is predicated on an assumption that the scope of the BBC must be scaled back. This is not in the interests of audiences who continue to be best served by a universal and inclusive BBC.

1. How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve?

The public purposes are a relatively new development in the BBC's history, having only come into being in 2007. Equity supported the existing public purposes of the BBC when they were first debated and we continue to support the rationale for having a set of broad, overarching objectives against which purpose remits and priorities can be identified. Similarly, licence fee payers and the public generally support a broad remit for the BBC. Recent ICM research for the

BBC Trust found that 85 per cent of the public continue to support a BBC that ‘informs, educates and entertains’.¹

A broad set of high level public purposes should continue to underpin the work of the BBC in the next Charter period, however we agree that the public purposes could be reframed in order to provide more clarity for the public and in response to the needs of audiences and the rapidly changing and evolving nature of the wider creative industries.

In Equity’s view the BBC should set the standard for the UK’s creative industries in terms of producing high quality content and should lead on best practice in areas including employment standards, investing in the UK’s nations and regions and equality and diversity. For example, the public purposes could be clearer and more specific regarding the expectation that the BBC should be a leader among broadcasters in relation to equality and diversity – both on and off air. The existing public purpose with the most resonance with diversity requires the BBC to ‘Represent the Nations, Regions and Communities’. While there are clear implications for reflecting the diversity of the nation here, this could be made more explicit in meaning and measurement of performance and delivery ensuring there is greater accountability of the BBC in this area that there is at present.

We believe that the BBC should be:

- A National Broadcaster committed to national and regional investment & programming
- A Modern Broadcaster committed to on-screen diversity that reflects modern Britain
- 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 original TV and radio drama, comedy, entertainment and children’s programming
- A Responsible Broadcaster committed to fair pay and conditions for the people working for it.

2. Which elements of universality are most important for the BBC?

Equity supports the continuance of the BBC as a broadcaster that provides a wide range of different types of content and programmes, for a wide range of different audience groups. We do not believe that audience needs are better served by a more narrowly focused BBC and would disagree in particular with the contention that the broad mission of the BBC can lead to it ‘competing for ratings, not quality, or distinctiveness, under the ‘entertainment’ banner’.

Our members work across a range of BBC content including radio and television drama, comedy, entertainment and children’s programming and contribute to the success of programmes such as *The Archers*, *Eastenders*, *Doctor Who* and *Strictly Come Dancing*. Neither they, nor the millions of viewers who watch these programmes believe that the BBC is compromising on quality when it makes something that it is popular with audiences.

¹ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/news/2015/audience_research.pdf

The Green Paper asks if the BBC should instead focus on particular or underserved audiences. While Equity believes that the BBC should continue to serve audiences equally, audience research demonstrates the BBC could improve its offering to certain groups. Audience research finds that the BBC currently considerably underserves C2DE audiences, particularly young women and BAME audiences and within the latter group Black Caribbean and Black African audiences are particularly underserved.

As stated previously in this response we also believe that the BBC could do more to address the portrayal of underrepresented groups and would suggest that the public purposes are modified in order to address on screen diversity as a priority.

Equity also believes that the BBC should continue to make content available free at the point of use, on as wide a range of platforms as possible. In the changing context of the modern audiovisual industry, where audiences are fragmenting and younger viewers demonstrate a strong desire to consume content online it is imperative that the BBC is able to innovate and adapt its delivery mechanisms.

The BBC led the way in terms of establishing services such as the iplayer and iplayer radio and Equity has been party to the launch of such services through the negotiation of agreements with the BBC for rights clearances. The experience of reaching such agreements has challenged established methods of working and negotiating but we support the BBC's role as a creator of new digital services which are highly regarded by audiences.

3. Should Charter Review formally establish a set of values for the BBC?

The BBC showcases the UK to the rest of the world and sets standards for the rest of the audiovisual sector. Alongside the NHS it is one of the UK's most important institutions, especially now that the creative industries are acknowledged to be an important engine of growth for our economy. The relationship between the public and the BBC is unique in UK society because of the licence fee funding model. It is therefore reasonable to expect that the BBC should uphold a set of values that the public would expect from an institution of such size and importance.

However we do not believe it is not the job of a political process to set out what the organisational values of a broadcaster independent of government should be. The BBC already formulates its own set of values including independence, quality and value for money, creativity and diversity.

As outlined in the response to Qu.1 we believe instead that the *public purposes* should be reframed. Specific references to best practice in employment, training and development both for in-house and independent producers should be included in the BBC's public purposes, as should an expectation for the BBC to better reflect society through on-screen diversity. On the latter point, Equity has welcomed the Project Diamond initiative whereby the main television broadcasters will collect equality monitoring data for all employment on and off screen however we agree with the consultation document that in order to ensure continued progress, equality and diversity must be codified. We believe that the best place for this is in the public purposes so that diversity has the status of a key performance indicator for the BBC.

The BBC's independence from Government and its position in terms of being neither a state broadcaster nor one driven by commercial interests is highly valued by UK and international audiences and is the basis of much of the trust invested by audiences in the organisation. We therefore also believe that the BBC's independence should feature strongly in any set of values or new public purposes drafted during Charter Renewal.

The Green Paper suggests that it may be appropriate to include a commitment to certain genres of content in public purposes. While Equity believes that the BBC should continue to provide a universal service and produce content for everyone it is sensible to consider a commitment to producing high quality original TV and radio drama, comedy, entertainment and children's programming.

Finally, the BBC is an important component in addressing the regional imbalance in employment opportunities in the media. Film and television production is heavily concentrated in London and the South East. As a result, performers in the UK's nations and regions often struggle to find enough employment to sustain a career and many are forced to move to London in order to access opportunities. All broadcasters should invest in the nations and regions so that a greater proportion of production employment, including performing talent, is spread across the UK. The BBC should lead the way in investing in underrepresented areas and in particular Scotland, Wales, Northern Ireland and the Midlands.

4. Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

Equity takes the opposite view. In recent years, due to pressure exerted by politicians and media rivals the BBC has been forced to narrow the range of services available to the public. The licence fee freeze which began in 2010 has already led to a 16per cent shortfall in funding, huge job cuts and budget reductions for important genres such as radio and television drama.

Cuts have been made to the BBC Performing Groups, including the BBC Singers who have been reduced from a core group of 24 to 18. This will undoubtedly have an impact on the quality of the group and its output. Earlier this year Equity also urged the BBC Trust to consider carefully how the decision to move BBC3 online, a decision made in response to funding cuts, interacts with the BBC's role in providing public service television for younger audiences and its commitment to funding comedy. In particular Equity stressed that the BBC must consider if its offerings to younger audiences and its comedy output can continue to compete with that of other broadcasters.

These cuts and others including to services such as the Asian Network have threatened plurality and could be further exacerbated by proposed changes to television content supply which may be biased against investment in risk taking and the production of more challenging content.

The BBC is not crowding out commercial competition, in fact it is more likely to invest in expensive genres such as drama and freed from commercial interests will continue to do so, as opposed to commercial operators who are more likely to buy content from abroad or pursue a higher proportion of formats which generate advertising revenue.

The UK is a world leader in television content production. This reputation is built on a number of foundations, including the presence of the BBC and the availability of a highly skilled creative workforce, which includes performers. The UK has witnessed much lower levels of investments in television production during the last ten years and this has had a huge knock-on effect on the employment prospects and job security of performers as well as other creative workers in the sector. Notwithstanding welcome developments such as the tax reliefs for high end television content and children's programming, ensuring that the BBC can maintain a solid level of investment in content production is vital for the sustainability of all of the UK's creative industries. As part of this, the BBC's in house production must be protected from full competition so that the UK's content production base can weather any future downturn in investment by other broadcasters or international producers.

The Green Paper suggests that 'a smaller BBC could see the public pay less for their TV licence and would also be likely to have a reduced market impact'. It is disappointing that the Government wishes to limit the BBC's ability to launch new services, innovate and create new kinds of format or delivery mechanisms. We should be proud of the fact that the UK is home to the world's largest public service broadcaster and that despite a shortfall in funding in recent years has largely protected services that have emerged over the last twenty years in response to audience demand and changing viewing habits.

5. Where does the evidence suggest that the BBC has a positive or negative wider impact on the market?

The evidence supplied in the Green paper to assess the positive and negative market impacts of the BBC is not robust. On page 25 the phrase 'some say that' precedes two paragraphs of positive impacts that are generally acknowledged to be true: the BBC raises broadcasting standards generally; it invests more in content because of licence fee funding; it develops new technologies such as iplayer and independent producers and commercial broadcasters benefit from BBC investments in training and talent development. In contrast the negative impacts are enumerated in five paragraphs but refer only to online and local news, radio and the BBC's cross promotional activities.

It is difficult to find evidence that supports the view that the BBC has a negative market impact, especially on the wider television market. Recent results from ITV show a 23per cent increase in half year profits to £400m and full year profits are expected to be in the region of £850m. ITV is also engaged in a process of acquiring a number of independent production companies in the UK and the US in order to expand its production capacity. Sky currently boasts 12m customers in the UK and Ireland and has successful operations in a number of other European states. In 2015 it is expected to reach record turnover and full year profits of £1.4bn. Amazon Prime and Netflix have experienced huge growth in the UK market and the latter has begun to invest in original UK drama productions.

6. What role should the BBC have in influencing the future technological landscape including in future radio switchover?

The BBC has a key role in making new services and platforms accessible to the public, without charging subscriptions. Equity has worked with the BBC in developing new and different platforms for content delivery and has consistently sought to ensure that content can be made

available for use on these platforms when made under Equity collective agreements. Equity has also reached a number of agreements with the BBC for the use of work in its interactive services and has engaged constructively in order to reach long term arrangements for the engagement of performers on Equity agreements and the subsequent use of their material. For example, Equity is currently in negotiations with the BBC regarding rights clearances for performers whose work features on BBC3 in order to facilitate the move to an online channel.

Suitable agreements must be concluded that recognise the rights of performers whose work is exploited across all BBC channels and platforms. It is essential that the rights of artists are protected and that they are rewarded appropriately for the future exploitation of work, especially considering the fact that the BBC can generate over £1bn through worldwide sales of its content portfolio.

Separate from the BBC's legitimate role as an innovator in digital services, it is regrettable that a large proportion of licence fee funding has been diverted for other purposes which have had variable levels of success. Equity welcomes the decision to phase out the allocation of £150m per year to support broadband roll-out from 2017. Local TV services are another area which we believe should not continue to be funded by the BBC post 2017.

7. How well is the BBC serving its national and international audiences?

A larger international audience is likely to lead to an increase in the market for programmes sold by BBC Worldwide, which in turn generates income for reinvestment in content. The target set by the Director General – that the BBC should have a global reach of 500m by 2022 – is one that Equity would support. It is disappointing, however, that there are limited opportunities to grow and develop the international audience for radio drama, especially given that the UK is a world leader in this genre. Following the cancellation of the radio drama *Westway* over 5 years ago there are no remaining slots on the World Service for spoken word programming.

In terms of serving UK audiences Equity believes there is a pressing need for the BBC's public purposes to provide a commitment to reflect modern Britain and to take action to address on screen diversity. As the BBC Trust's Purpose Remit Survey illustrates, audiences from black ethnic groups are least likely to say that the BBC is effective at representing their ethnicity. Ofcom's Public Service Broadcasting Review also reports that several audience groups are concerned about how they are portrayed on screen across the UK's PSB channels - particularly people from BAME backgrounds or people with disabilities. They believe that they are either being under-represented or unfairly portrayed. Similarly, Equity has been concerned for some time that all broadcasters should do more to better represent and portray the LGBT community and women, particularly older women.

Equity has previously welcomed the BBC's commitment to produce 17per cent of network television production from the UK's Nations by 2016. While other broadcasters and producers have recently made considerable and welcome investments in television content production outside of London and the South East, including HBO's decision to film *Game of Thrones* in Northern Ireland, the BBC remains uniquely placed to work across all of the UK's nations and regions to create a positive impact on the production base and workforce.

Recent investments made by the BBC in the Nations and Regions, including its move to Salford and the increase in drama production in sites such as Roath Lock studios are very welcome. Local casting, however, which should be a key component of regional production, is sadly lacking. Often a programme is labelled 'BBC Northern Ireland', 'BBC Scotland' or 'BBC Wales' but in reality there are few – if any – opportunities for performers in the Nations to appear in them.

On-screen talent is currently excluded from most targets and regional production quotas set by Ofcom and the BBC however there is a pressing need to ensure that opportunities are opened up to local talent. Equity has been campaigning for many years to encourage broadcasters to undertake more local casting and to encourage Ofcom to consult with stakeholders about an appropriate inclusion of on-screen talent in its definition of an Out of London production.

Equity supports the recommendations of the Smith Commission including a formal consultative role for the Scottish government and the Scottish Parliament in the process of reviewing the BBC's Charter. We also agree that there should be new responsibilities for the BBC to lay its annual report and accounts before the Scottish Parliament and submit reports to, and appear before, committees of the Scottish Parliament in relation to matters relating to Scotland in the same way as it does in the UK Parliament.

Equity further believes that the BBC must also spend more on original drama production in the English regions and particularly the Midlands following a migration away from the area over several years by the BBC and other broadcasters. The Midlands offers affordable housing and quality of life to people working in the creative industries. Currently many actors, particularly high profile actors, are forced to move to London or Manchester to access work and auditions, where housing and living costs, particularly for young people starting out in their career, are more expensive than in the Midlands. Similarly media and other students graduating from Birmingham City University frequently relocate to find work. The Midlands also offers diverse range of locations for filming, including Birmingham City Centre, where permission to film is considerably cheaper than other city centres. Consideration should also be given as to how investment can be attracted for new studio facilities in the region.

8. Does the BBC have the right genre mix across its services?

The BBC has a duty to foster creativity and nurture talent across a wide range of genres. It is troubling to note the reduction in BBC network TV hours for drama - down from 2062 hours in 2006 to 1344 hours in 2014, children's programming – down from 10989 to 9074 hours and entertainment – down from 2384 to 1118 hours. The Green paper rightly identifies that costs are increasing in areas such as television drama production but there is no acknowledgement that many of the savings which have led to a decrease in certain genres have been forced on the BBC by funding cuts resulting from the 2010 licence fee settlement. In this environment Equity has strongly supported the efforts made by the BBC to maintain and where possible increase investment in television drama.

Equity members working in variety and light entertainment have been concerned for some time that UK broadcasters including the BBC do not offer a sufficient range of entertainment programming in their schedules, partly due to the dominance of reality based formats in this genre. This issue is somewhat borne out in the figures mentioned above, where entertainment programming appears to have suffered a disproportionate decline.

The reduction in hours devoted to radio drama from 4719 to 4280 hours per year in the same period is equally concerning, especially considering that this genre represents a very cost effective form of production. Traditionally genres such as radio drama have had a key role in helping the BBC to nurture new talent. Spoken word programming offers a platform for artists just starting out in their careers. Radio drama has also enabled established writers and performers to take risks and maintain and develop their skills.

The BBC is still by far the most prolific radio drama broadcaster in the world, making more original productions than Hollywood. Without the BBC, there would be very little provision for niche audiences and the promotion of radio drama would suffer greatly. That is not to say that radio drama is a niche product. Over one million listeners access spoken word programming on the BBC every day. Without licence fee funding, working alongside public service obligations this sort of high quality programming, which attracts a significant audience, would not be available anywhere else.

Radio Four has historically been a major showcase of radio drama and the short story however in 2012 the number of short stories broadcast on Radio 4 reduced from three to one a week in order to make way for an extension of the World at One from 30 to 45 minutes. Radio 4 also cut slots for new writing from three to two and the number of listener slots (of which there were six as recently as 2009) from four to two. Spoken word programming slots have been lost across a number of services including Silver Street on the Asian Network, the Friday play, short stories and there has been an overall reduction in radio drama output aimed at children across the BBC's radio services.

Equity members with disabilities have also pointed out that cutting short story reading, combined with the continuing cuts being made to radio drama generally, is of specific detriment to audiences with sight impairments. A commitment to encouraging more spoken word programming across the BBC's radio stations should therefore be a priority. Equity fears that if the number of productions continues to drop, radio drama could sink below the critical mass that will keep it viable.

9. Is the BBC's content sufficiently high quality and distinctive from that of other broadcasters? What reforms could improve it?

Audiences appear to think that the BBC's content is sufficiently high quality and distinctive. The Green Paper itself cites findings from the BBC Trust's Purpose Remit Survey 2013 which states that 76per cent of audiences think that the BBC already makes high quality programmes or online content. 74per cent think that the BBC has a wide range of enjoyable and entertaining programmes and online content. Figures from Ofcom also support the view that audiences are largely satisfied with the output from the main public service broadcasters. Ofcom's PSB Review found that half of all TV viewing is on these main channels - but that figure rises to more than 70per cent when the time shifted channels are taken into account.

The BBC is much more likely to invest in high quality genres such as television drama and UK originated children's programming. Freed from commercial interests it will continue to do so, as opposed to commercial operators who are more likely to buy content from abroad or pursue a larger proportion of formats such as reality shows that generate advertising revenue. Ofcom's

latest Public Service Broadcasting Review reports that investment in television drama has fallen by 44per cent since 2008 and notes that the declining level of investment by ITV is of concern. The Review also finds that the BBC accounts for 97per cent of children's content production – spending by ITV, Channel 4 and Channel 5 in this genre has fallen by 74per cent since 2008.

Looking beyond television, recent pressures on funding have meant that it is difficult to maintain the high standards and quality in areas of spoken word programming on BBC radio. Increasingly fewer actors are cast in radio drama productions and there are diminishing opportunities for lesser known actors and writers to enter the field. There also appears to be a lack of talent development as rehearsal and recording times have been reduced, impacting on the ability of writers and performers to experiment and improve productions.

Radio drama is a specialised skill area and one that feeds through talent, in terms of writers and performers, into many other areas of BBC production including television drama and comedy. If this genre is to survive, the BBC must make a clear commitment to preserve existing funding for services such as Radio 4 and Radio 3 and must endeavour to expand the number of slots available, particularly for low cost content such as short stories.

In this environment it makes sense for the BBC to have a commitment, through the public purposes, to producing high quality original TV and radio drama, comedy, entertainment and children's programming. Other reframed public purposes, such as a commitment to equality, diversity and on and off screen portrayal of modern Britain could also offer genuine scope for greater originality and distinctiveness.

10. How should the system of content production be improved through reform of quotas or more radical options?

Future proposals outlined in the Green Paper and recently explored by the BBC Trust and the BBC Executive to remove the current in house guarantee or to privatise or otherwise reorganise the BBC's TV production unit could, in Equity's view, have damaging consequences for the BBC, those who work for the BBC and its audiences. The recent creation of BBC studios is particularly concerning and in Equity's view safeguards must be put in place to ensure that, like BBC Worldwide, BBC Studios remain an associated body of the BBC, rather than being created with a view to privatisation.

It is not clear how an immediate move to open competition and abandonment of the existing quotas for content production can better deliver high quality and creative content. If there is to be more open competition between the BBC's in house production unit and independent production companies of all sizes there is a risk that this could lead to market pressures challenging public service broadcasting values.

One of the strengths of the BBC's in house production is that it creates programmes aimed at niche audiences as well as formats which attract large audiences and have a potentially global appeal. If BBC production is put on a more competitive footing, more resources may be directed towards the latter, particularly if the BBC is seeking to compete for more work from other broadcasters. Greater competition could also lead to a greater focus on mass appeal productions and less emphasis on risk taking by the BBC and independent producers.

Increased competition could also cause the BBC's production unit to cut costs by considering a reduction in permanently employed staff or by investing less in skills development and training. A more aggressive competitive environment for content production could also lead to a reduction in terms and conditions offered to performers and other creative workers. This would not be conducive to maintaining the capacity of the workforce or in encouraging diversity.

There are other mechanisms which we believe the BBC Executive should explore before making changes to the content quotas in order to encourage more creativity. These include considering how the current commissioning process can be improved, as well as exploring how BBC production staff can be better supported to pursue their ideas and work more creatively.

Our members are very strongly in favour of an approach to content supply that can facilitate the continuation and an expansion in the production of original and high quality drama, comedy, entertainment and children's programmes made in and about the UK. For these reasons Equity continues to support the existing mixed economy model of content supply for the BBC. Over time and in response to changes in the sector this model has changed and has opened up opportunities for independent producers, however we also continue to strongly support the existence of the in house guarantee and believe that the level at which it is currently set is reasonable.

A critical part of the mixed economy approach is the continued use of appropriate union agreements covering the engagement and remuneration of performers. There have been recent incidences where the BBC have sought to source content from new providers, in some cases procuring from individual members of the public through the use of online engagement and other mechanisms. This has led to confusion and disagreements about the appropriate level of payment and/or rights due to contributors. Similarly, the increase in investment in co-productions by the BBC and particularly the increase in content produced in other European countries must respect existing agreements covering terms and conditions for performers.

Equity is also concerned about plans to phase out quotas in radio and to give radio independents greater opportunities to compete for commissions – this could lower standards, particularly employment standards in an area where production margins are already tight and funding cuts have had an impact on content production in spoken word programming.

The Green Paper implies that reform of the BBC's content quotas could include a review of the arrangements for regional production, most notably in the Midlands. It is unclear to Equity how increased competition between the BBC and independent producers, the BBC Studios proposal or the option to directly scale back in house production will provide a better basis for increased investment throughout the UK's nations and regions however we welcome the Government's acknowledgement of this problem and point to the response to Qu 7 for suggestions to reform regional production quotas and improve regional investment.

11. How should we pay for the BBC and how should the licence fee be modernised?

Licence fee payers and representatives of those working at the BBC are united in their condemnation of the most recent licence fee settlement reached in secret between the Government and the BBC in the days leading up to the July 2015 Budget. Given recent events Equity is in favour of including a new legal obligation in the Royal Charter for Government to

consult either directly with the public or via any future regulator of the BBC and to seek Parliamentary approval for any changes to the BBC's funding.

Taking on the funding of free licences for the over 75s is inappropriate as it confers social policy responsibilities on to the BBC and is likely to lead to a significant shortfall in BBC funding post 2018, despite the Government's commitment to end top slicing for broadband rollout and the potential new income arising from the closure of the catch up TV loophole. The projected shortfall in funding could be as much as £350m and this will inevitably lead to large scale job losses, content budget cuts and service closures.

Equity is also extremely concerned that the commitment to a CPI increase in the licence fee is dependent on the outcome of Charter Renewal. This creates undue leverage for the Government during negotiations and compromises the independence of the BBC from Government.

Equity continues to support the Licence Fee as the most appropriate funding method for the BBC. It provides a direct link between licence fee payers and the BBC, it provides sustainable and predictable funding, maintains the independence of the BBC from Government and enables the BBC to produce programming that other services would not fund. Of the three funding models outlined in the Green Paper for the short to medium term we support the 'reformed licence fee' option as it removes the catch up TV loophole, thereby increasing income for the BBC. It also goes some way towards creating parity between users of the BBC's broadcast and digital services.

Equity agrees that it is not appropriate to consider funding the BBC from general taxation or by allowing the BBC to show advertising. The former option risks compromising the BBC's independence and there is no appetite from viewers for the latter option. If advertising were introduced on the BBC there is a strong chance it would diminish the value of the advertising market and could lead to a decline in revenues for other public service broadcasters.

Throughout the Green Paper questions are raised about the need to continue to support the BBC's universality. In the context of future funding models, a suggested long term proposal is a move to a subscription-funded model, initially for certain services. Equity is strongly opposed to any replacement of the Licence Fee, in whole or in part, with pay-to-view subscription services or similar alternatives as this would signal the end of universality and break the link between the BBC and the general public.

Introducing subscription based services would undermine the BBC's ability to provide a range of content to audiences and as the Green Paper warns, could lead to the adoption of a much more commercial approach by the BBC. It is also unlikely that a subscription model for any of the BBC's services would meet the fairness test outlined in the Green papers 'funding model criteria' as the level of subscription fees will likely be determined by supply and demand in the market, which could lead to certain groups of audiences paying more for their preferred services, or niche services becoming underfunded or unaffordable.

12. Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content?

The BBC should have exclusive use of licence fee funding. As stated elsewhere in this response, diverting licence fee funds for projects such as Local TV services, broadband roll out and bringing the World Service and BBC Monitoring within the BBC's funding obligations has damaged the BBC's ability to invest in its core work – producing content for audiences.

In addition Equity does not support contestable budgets for areas such as drama or children's content which would enable other broadcasters or producers to access licence fee funding, as suggested by the Green Paper. The BBC's viewers have an expectation that the licence fees that they pay go predominantly towards funding the production of high quality programmes for the BBC. Currently this is the case and indeed most UK drama production employing professional performers originates with the BBC. This volume and range of work would not be possible without licence fee funding.

Drama productions funded by the BBC are either produced in-house or by commissioning independent producers. In this way the BBC is already supporting the wider creative sector and should not be top sliced further to fund programme making by other broadcasters. Equity is also opposed to the principle of contestable budgets for content. Licence fee funding should go towards BBC programme making and services and should not be distributed to commercial broadcasters to support the dividends and value of stock holdings of private shareholders.

Equity also continues to be opposed to the inclusion of S4C within the BBC's remit. S4C merits its own guaranteed Government funding allocation due to the prominence of the Welsh language however until this funding is restored funding for S4C, and particularly drama content for this channel must continue to be protected within the BBC's budget.

13. Has the BBC been doing enough to deliver value for money? How could it go further?

The licence fee has been frozen for six years at £145.50. It is estimated that this equates to a 16per cent real terms cut in resources – around £635m. As discussed elsewhere in this response, despite the BBC's efforts to cut administration costs and protect content budgets, there have been significant cuts to some areas including television drama on BBC4, spoken word programming on radio and youth and comedy content production for BBC 3. The BBC Director General has stated that if further cuts are imposed on the BBC it is unlikely that they will be able to 'salami slice' budgets further – in reality difficult decisions including service closures will have to be contemplated.

Equity has not been without criticism of spending decisions taken at the BBC, particularly regarding senior management pay and severance payments however the BBC continues to compare favourably with other broadcasters and services in terms of delivering value for money. The cost of an annual licence fee has gone up by just £10 since 2007. This contrasts sharply with annual rises in utility costs and specifically increases in energy prices. In some cases energy providers have increased their prices in excess of 10 per cent annually.

There are however notable discrepancies between perceptions of the BBC's value for money across ethnic groups and across the UK's nations and regions. This is the most fruitful area that could be addressed during Charter Renewal through a refocusing of the BBC's public purposes such that the BBC prioritises on screen diversity and investment in content production in the UK's nations and regions.

14. How should the BBC's commercial operations, including BBC worldwide, be reformed?

Equity supports the commercial operations of the BBC but has acted robustly to ensure that the rights of artists are protected and that they are rewarded appropriately when their work is exploited in the commercial sphere. Alongside securing a fair return for investment for licence fee payers, the BBC must also continue to pursue commercial arrangements that properly recognise the IP rights of performers in the next Charter period.

Commercial operations such as BBC Worldwide must continue to ensure that they can deliver real value to the BBC, licence fee payers and content creators. Rightly the BBC has narrowed its commercial arm and is now focussed on marketing BBC content. In general BBC output should not be driven by the consideration of its retail value in international markets however BBCW should be empowered to concentrate on enabling UK content to be showcased as widely as possible, using new technology and platforms where applicable.

BBC Worldwide is an important source of revenue which is re-invested in BBC production. This helps to keep the Licence Fee as low as possible. It exists to maximise profits for the BBC, but operates under the rules and principles outlined in BBC's Charter and Agreement. This framework is important as it means that BBCW is independent of Government, but supports the BBC's public service mission and is accountable to licence fee payers.

In 2013/14 alone BBCW returned £174m to the BBC through investment in BBC commissioned content and dividends. Independent producers and rightsholders also benefit greatly - in 2013/14 alone they received £116m in upfront rights investment, profit share and royalties from BBCW.

It is difficult to understand what merit there is in undertaking a debate about the ownership of BBCW at a time when further cuts to BBC funding are likely to occur. There should be no privatisation of any part of the BBC in the coming Charter period and the BBC should instead be free to explore how it can maintain and expand investment in content via all income derived from commercial activities into programme-making.

15. How should the current model of governance and regulation for the BBC be reformed?

There appears to be widespread support among parliamentarians and media commentators for Option 3 outlined in the Green Paper. This would entail abolishing the BBC Trust and empowering Ofcom to regulate the BBC. While elements of this option are attractive – Ofcom is an established and experienced regulator in the media sector and its new Chief Executive has indicated that Ofcom would be willing to exercise some of the regulatory functions of the BBC going forward - there are also a number of problems with this approach.

Ofcom is currently firmly rooted in the commercial sector and would have to undergo significant reform to undertake responsibility for the BBC. Under the Ofcom model there also may not be representation for important groups whose views must be taken into account – specifically representatives of the workforce and licence fee payers. The BBC Trust is currently empowered to represent licence fee payers but has had varying success in doing so. In many cases it has endorsed decisions made by the Executive and it is unclear how much bearing public views have

had on their decisions. Whoever regulates the BBC in the future must represent the views of licence fee payers much more robustly and should take a more active approach to issues such as positive employment relations, equality and diversity.

16. How should Public Value Tests and Service Licences be reformed and who should have responsibility for making these decisions?

Equity has been supportive of Public Value Tests and Service Licence reviews and has made submissions to relevant consultation exercises relating to both processes conducted by the BBC Trust. These consultations provide a channel for Equity and the public to express concerns and give feedback, most recently about the future of BBC Three and the operation of the BBC's radio stations. Consultation of this nature should continue into the future however consideration should be given as to how licence fee payers and the general public can more widely contribute their views.

17. How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling?

We agree that Audience Councils could also be given more prominence, either by the BBC or by the BBC Trust. Given the need to address the lower levels of satisfaction of certain BBC audience groups including those living in Scotland and Northern Ireland and certain ethnic groups, the structure of Audience Councils could be given more visibility and could be given a more robust remit or focus, for example in terms of representing underserved audiences and BAME, LGBT, women and disabled audiences.

It is regrettable that in many cases BBC senior management pay levels continue to appear to reflect patterns elsewhere in the economy, namely a growing gap between a small number of highly paid executives, whose rewards have grown year on year irrespective of performance, and the rest of the workforce who have seen greater insecurity and lower rewards. Equity has a constructive working relationship with the BBC however we will continue to seek to achieve improvements to the pay, terms and conditions of our members.

Creative workers and performers are central to the sustainability and strength of the UK's content production sector including the BBC's output however, as they are mostly freelancers and self employed workers, they do not enjoy the same security or pay levels of directly employed workers. If the BBC is to continue to attract the best talent for its productions it must retain and improve terms and conditions and pay levels agreed with Equity and other trade unions for all performers. The diversity of the BBC's workforce also needs to be vastly improved – particularly at senior levels and especially in terms of ethnicity, disability and gender.

18. How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

Equity is in favour of including a new legal obligation in the Royal Charter for Government to consult either directly with the public or via any future regulator of the BBC and to seek Parliamentary approval for any changes to the BBC's funding. The lack of transparency

surrounding the last two licence fee settlements are a matter of considerable concern for licence fee payers and the thousands of people who work at or for the BBC, as well as the industry, and the process for such agreements should be made more transparent and accountable as an urgent priority.

It is imperative in the next Charter period that specific decisions about the BBC's services or content should not be a matter for Government. These decisions should be taken by the BBC, in accordance with the parameters set out by its regulator and in concert with the appropriate consultation mechanisms with licence fee payers. The independence of the BBC and any new regulatory body established under Charter Renewal should also be carefully protected.

19. Should the existing approach of a 10 year Royal Charter and Framework Agreement continue?

The BBC Trust has suggested that in future it is worth exploring a longer Charter period of 11 years. This is to prevent undue political pressure being brought to bear on the BBC as a result of the changes to fixed term parliaments. Given that the cycle of 5 year parliaments will continue to coincide with Charter Renewal under the existing 10 year model Equity believes that this is a sensible suggestion.

BCR 05

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Y Fonesig Rosemary Butler AC

Response from: Dame Rosemary Butler AM

Christine Chapman AM
Chair
Communities, Equalities & Local Government Committee
National Assembly for Wales
CARDIFF
CF99 1NA

29 October 2015

Dear Christine

Inquiry into the BBC Charter Review

I welcome the opportunity to contribute my thoughts to this inquiry. I believe that the BBC Charter Review offers a particular opportunity to highlight the deficit of current media coverage on Welsh affairs and Welsh life; and to consider how the BBC can ensure that Wales is properly reflected in both the organisation's future output and governance.

You may be aware that I have been campaigning on this particular issue through my "Addressing the Democratic Deficit in Wales" campaign, and you may also want to consider, as evidence, a speech I gave on the [BBC's relationship with Wales](#) at the Pierhead in 2014.

I have also recently submitted evidence to the House of Commons Culture, Media and Sport Select Committee on the same issue, as I believe it is of paramount importance that Wales' voice is heard in this Charter Review process.

The future role of the BBC in Wales is, I believe, of central importance in ensuring that the people of Wales are fully engaged with the democratic process and I am pleased that the committee has agreed to undertake this important body of work.

The points I have raised below address the consultation points suggested by your committee, and are grouped around:

E-bost newydd: Swyddfa.Breifaf@cynulliad.cymru / Rhif ffôn newydd: 0300 200 6232
New e-mail: Private.Office@assembly.wales / New telephone number: 0300 200 6232

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

Cynulliad Cenedlaethol Cymru
Bae Caerdydd, Caerdydd CF99 1NA
Swyddfa.Breifaf@cymru.gov.uk
www.cynulliadcymru.org
T +44 (0)29 2089 8230

Pack Page 52

National Assembly for Wales
Cardiff Bay, Cardiff CF99 1NA
Private.Office@wales.gov.uk
www.assemblywales.org
T +44 (0)29 2089 8230



- **the future provision of the BBC's services in Wales, in both the English and Welsh languages** and therefore the implications should the BBC become smaller and more focused on a narrower, core set of broadcasting and online services, as well as the impact of possible scaling back of BBC production capabilities on content;
- **the BBC's current and future funding, governance and accountability arrangements as they relate to Wales**, considering the current governance of the BBC and mechanisms for holding the corporation to account for the public money it receives and spends in line with the expectations of those who fund it;
- **S4C's future, including its funding, operating and governance arrangements, and the services it provides;**
- **how Wales's interests are being represented during the renewal process** and in particular the Memorandum of Understanding mechanism that appears to have excluded the National Assembly for Wales from the consultation process at a Westminster level.

The future provision of the BBC's services in Wales, in both the English and Welsh languages

Wales is unique in the UK in terms of its media landscape and media consumption habits. There are only six daily regional newspapers in Wales. The regional newspaper model is in serious decline across the UK and Wales is no different, with circulation figures falling rapidly. Consequently a large number of people in Wales consume their news and current affairs solely through network programmes and channels, or through London-centric UK newspapers/websites.

Chief among these platforms is the BBC. In its 2014/15 annual review, The BBC Wales Audience Council observed that during the period under review, the weekly reach of all BBC television in Wales, despite having dropped from 87% to 85%, was still 3 points above the level for the whole UK. In addition, the council states that the average time spent per viewer watching BBC TV is 11:59 hours in Wales, the highest of the UK's nations.

It is a similar picture for all BBC Radio with weekly reach at 76%, average time spent per listener at 16:26 hours and audience share at 60% in Wales, higher than the other UK nations. According to the BBC's own figures, more than a million people in Wales now listen to BBC Radio 2 and 650,000 to Radio 1.



Despite this context however BBC Wales' budget for English language TV programmes has fallen 18% from £24.6m in 2006/07 to £20.2m in 2012/13. Spend increased slightly in 2014/15 but only to £20.8m.

Lord Tony Hall, the BBC's Director General has also admitted that some aspects of Welsh life were not "sufficiently captured by the BBC's own television services in Wales". In addition to this the BBC (and other network platforms) often ignore Wales all together or mislead viewers by reporting policy developments in devolved areas such as health and education in England as though it applies to Wales when the government here often pursues a very different direction.

It is incongruous that - at a time when more powers have been devolved to Wales - there is less coverage and challenge of its political life. For example, the 2014 Question Time edition held in Newport, despite being in Wales had only one panellist from Wales; no representation from either the Welsh Government or the National Assembly; discussed only one primarily Welsh issue; and there appeared to be widespread confusion among the panellists of the difference between the Assembly and the Welsh Government. Whilst I recognise that there has been a little improvement in terms of the number of Welsh representatives on subsequent programmes, consideration of Welsh issues have been scarce and confusion about powers and responsibilities remain.

Furthermore, the BBC's Audience Council for Wales review 2014/15 said that non-news TV production, reflecting Welsh cultural life through drama and comedy programming, was a particular area of concern because cuts had brought such programmes "closer to the cliff edge". I would ask the committee to also consider this lack of content at a network level, in terms of non-news programming, reflecting Welsh life and voices.

It all means Welsh viewers are missing out on programming, whether it be current affairs, drama or comedy that reflects Welsh life.

Any changes to the BBC Charter must be considered in the context of the organisation's unique contribution to Welsh public life.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

Governance and accountability:



The Commission on Devolution in Wales, led by Paul Silk recommended the establishment of a devolved governance body within the UK BBC Trust framework to provide independent oversight and scrutiny of BBC outputs in Wales. I believe this could go a long way to strengthening the voice of Wales on the BBC Trust, I would encourage the Committee to recommend that Wales has a strong voice in any future management structures.

I also share the Silk Commission's view that the appointment of the Welsh representative on the BBC Trust, or in any future governance framework, should be agreed formally between the Welsh and UK Governments.

I do not call for broadcasting to be devolved to the Assembly but I believe the National Assembly should have the opportunity to scrutinise the BBC's relationship with, and provision for, its Welsh audience. I have written to the Secretary of State for Culture, Media and Sport on the development of a BBC Memorandum of Understanding for Wales similar to that signed in Scotland. I hope that this process will formalise the scrutiny of the BBC's accounts in relation to Wales and the arrangement whereby the Chair of the BBC Trust (or any future governance body) and the Director General regularly appear before a National Assembly's Committee (see section on how Wales's interests are being represented during the renewal process for further details).

Funding:

The Welsh viewer pays the licence fee, the same as everyone else in the UK, but given the deficit of relevant coverage there is a perception that we are being short-changed.

The First Minister, in August of this year (2015), suggested that Welsh audiences "risk being dealt the worst deal" of any UK nation, stating that an extra £30million a year was needed on current funding levels to ensure programmes are made to properly reflect the people of Wales, and specifically non-news programming such as comedy and drama.

I am also concerned about the sustainability of funding for English-language programming in Wales, given the decrease since 2006. The funding mechanisms and decisions which have delivered this landscape have not been as transparent as they could have been. In reviewing the funding arrangements I would urge the committee to look at the current funding situation in Wales.

S4C's future, including its funding, operating and governance arrangements, and the services it provides

Of equal importance to English-language programming is the issue of funding for S4C. These have changed significantly in the last 5 years from 2011-12, S4C when they received £101 million in funding directly from the DCMS. Following the Comprehensive Spending Review in 2010, that funding was reduced to around £7 million per year from 2013-14, with the BBC Trust to provide £76.3 million via the licence fee. The BBC's element will further reduce over the next few years, down to £74.5 million in 2016-17. Overall, the changes have meant that S4C has faced budget reductions of 36 per cent in real terms since 2010.

In an article on the IWA's Click on Wales website in 2013, S4C Chief Executive Ian Jones said that "any further cuts would be detrimental to the economy and would cut the core service to the quick".

The S4C Authority and the BBC Trust have an Operating Agreement that has set out the relationship between the two broadcasters since the UK Government decided that S4C would be primarily funded from the licence fee from April 2013 onwards. The BBC Charter renewal will, therefore, clearly have implications for both the way S4C is funded and for the Operating Agreement.

I would support the Welsh Language Commissioner's view, asserted in her submission to Westminster's Culture, Media and Sport inquiry into Future of the BBC, that, if a new Royal Charter is agreed, "S4C should retain its editorial and managerial independence from the BBC as agreed in the Operating Agreement".

I also believe that it is essential that S4C must continue to be funded at a level which will allow it to continue to meet the Welsh language broadcasting needs of the people of Wales.

How Wales's interests are being represented during the renewal process

The BBC Charter renewal process should afford Wales the opportunity to be fully involved and ensure that distinct Welsh issues are considered. I have been pressing the Secretary of State for Culture, Media and Sport to secure the formal involvement of the National Assembly for Wales to that end. The renewal process has been formalised through a Memorandum of



Llywydd
Presiding Officer

Understanding (MoU); currently however this is only between the Department of Culture, Media & Sport (DCMS), the BBC and the Welsh Government (WG).

Whilst I am pleased that this formalises a consultative role for the WG in the renewal process, thus ensuring some measure of representation for Wales, I am disappointed that the MoU was not completed in the same manner as in Scotland where the Scottish Parliament also signed the MoU at the beginning of the process. The MoU for Wales has been signed with a commitment that it be further revised to include the National Assembly for Wales as a signatory to facilitate agreement that the BBC would lay its annual report and accounts before Assembly, and for the BBC to appear before Assembly Committees on matters relating to Wales.

I believe this two-stage approach to the MoU is regrettable and unnecessarily protracted. However I am gratified that there is a commitment to ensure parity across the devolved institutions and that recognition has been given to the role that the Assembly must have in the future scrutiny of the BBC in relation to Wales.

In conclusion

In conclusion, the BBC plays a central role in ensuring that the people of Wales are fully engaged with the democratic process, particularly as I believe that there is a democratic deficit in respect of coverage of Welsh political and cultural life in the UK media platforms through which the majority of Welsh people consume their news and current affairs. I hope that the BBC Charter review process will provide the opportunity to consider this issue and also ensure that Wales is properly represented in the decision-making process for both the organisation's future output and governance.

I look forward to seeing the results of your inquiry in due course.

Yours sincerely

Dame Rosemary Butler AM
Presiding Officer

BCR 06

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Comisiynydd y Cymraeg

Response from: Welsh Language Commissioner



Communities, Equality and Local Government Committee
National Assembly for Wales
Pierhead Street
Cardiff
CF99 1NA

29/10/2015

Dear Sir/Madam

Inquiry into the BBC Charter Review

Here is a summary of the Welsh Language Commissioner's comments in response to the Committee's call for evidence: Inquiry into the BBC Charter Review.

- **The Welsh language is an integral part of the culture of the United Kingdom and it is vital to the language that its presence on various public broadcasting platforms in Britain continues and increases.**
- **The wide range of quality Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.**
- **The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.**
- **Further efficiency savings could have an effect on the contribution made by the BBC Trust towards the radio and on-line Welsh medium content, as well as on the television output provided by the BBC for S4C.**
- **Considering the disproportionate cuts that have been imposed on S4C to date, as well as the extent of efficiency savings already implemented by the channel, it is questionable how fair and appropriate is it for it to shoulder any further cuts.**

Comisiynydd y Gymraeg
Siambrau'r Farchnad
5-7 Heol Eglwys Fair
Caerdydd CF10 1AT

0845 6033 221
post@comisiynyddygybraeg.org
Croesewir gohebiaeth yn y Gymraeg a'r Saesneg

comisiynyddygybraeg.org

Welsh Language Commissioner
Market Chambers
5-7 St Mary Street
Cardiff CF10 1AT

0845 6033 221
post@welshlanguagecommissioner.org
Correspondence welcomed in Welsh and English

welshlanguagecommissioner.org



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

- Considering the very high proportion of the S4C budget spent on its output, we believe that any further cuts or efficiency savings to S4C could endanger the future of the channel and its ability to continue to support and promote the Welsh language through production and provision of quality and competitive content.
- As the only Welsh-medium public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial security and adequate resources to achieve its purpose.
- It is also noted that the UK Government's Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.
- It is essential that no additional efficiency savings endanger the ability of S4C and the BBC to innovate and modernise their services in a way that facilitates audience access to Welsh medium content.
- We welcome the independent review of how the BBC is governed and regulated by Sir David Clementi. We hope that the review will give due attention to the aspects of the BBC governance relevant to Welsh medium broadcasting, in order to ensure representation, equality and fairness for Welsh medium audience.

Introduction

The Welsh Language Commissioner welcomes the opportunity to comment on the inquiry. The principal aim of the Welsh Language Commissioner in the exercise of her functions is to promote and facilitate the use of Welsh. In so doing, the Commissioner will try to increase the use of Welsh in the provision of services, and through other opportunities. The Commissioner will also address the official status of the Welsh language in Wales and the statutory duties to use Welsh through the imposition of standards.

Two principles underpin the work of the Commissioner namely

- that the Welsh language should be treated no less favourably than the English language in Wales, and
- that persons in Wales should be able to live their lives through the medium of Welsh if they choose to do so.

One of the Commissioner's strategic objectives is to influence the consideration given to the Welsh language in policy development. This is done by providing comments in



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

accordance with this remit and to act as an independent advocate on behalf of Welsh speakers in Wales. This approach is employed to avoid any potential compromise of the Commissioner's regulatory functions and should the Commissioner wish to conduct a formal review of individual bodies' performance in accordance with the provisions of the Measure.

Accordingly, comments are submitted below in relation to the remit of the inquiry.

Importance of Welsh language broadcasting

Broadcasting plays a vital role in promoting regional and minority languages worldwide and specifically in Wales. In the European context, the importance of broadcasting is recognized in maintaining and promoting use of minority languages within Article 11 of the European Charter for Regional or Minority Languages¹. This is also reflected in the 'Oslo recommendations on the rights of national minority languages²' which suggest 4 specific recommendations in relation to the media and broadcasting in minority languages. Those recommendations highlight the importance of ensuring that the speakers of minority languages have access to broadcasting services that meet their linguistic needs, and how vital that is to the viability of minority languages.

On the British level, one of the purposes of a public broadcasting service is to meet requirements and satisfy audiences' interests³. According to the Ofcom guidelines, public broadcasters are expected to achieve the purpose of reflecting the cultural identity of the UK:

'...To reflect and strengthen our cultural identity through original programming at UK, national and regional level'⁴

In accordance with this, it can be taken that one of the purposes of a public broadcasting service in Wales is to meet requirements and satisfy the interests of the substantial proportion of the audience that can speak Welsh.

The Welsh language is an integral part of the culture of the United Kingdom and it is vital to the language that its presence on various public broadcasting platforms in Britain continues and increases.

Importance of Welsh-medium broadcasting service by S4C and the BBC

¹ <http://conventions.coe.int/Treaty/en/Treaties/Html/148.htm>

² <http://www.unesco.org/most/ln2pol7.htm>

³ Section 264(4)(c) Communications Act 2003

⁴ http://stakeholders.ofcom.org.uk/binaries/broadcasting/welsh-language-guidelines/psb-review/psb2015/PSB_Annual_Report_summary.pdf



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

The BBC and S4C provide a wide range of Welsh-medium content on television, radio and on-line.

S4C is the only Welsh medium public television broadcaster in Britain and the only Welsh language television channel in the world. S4C was watched by 8.4 million people across the United Kingdom in 2014/2015 (an increase of 1.9 million compared to 2013/2014). According to S4C's image tracking survey, viewers are of the opinion that the channel has a positive effect on the development of the Welsh language and people's awareness of Welsh culture. 97% of the viewers who can speak Welsh think that S4C as a channel is important to the Welsh language and that it should continue. 81% also feels that the channel makes the Welsh language seem more modern and relevant.

Based on the Operating Agreement between the S4C Authority and the BBC Trust, BBC Cymru Wales produces around ten hours per week of television programmes for S4C, including *Newyddion 9*, the drama *Pobol y Cwm* and sports programmes such as *Ciwb Rygbi (Pro12)*. All these programmes are watched by approximately 131,000 per week.

The BBC's influence on the use of the Welsh language extends beyond the content that is available on television. According to the latest figures 119,000 people have listened to Radio Cymru every week in 2014/2015.

BBC Cymru Fyw was launched in May 2014, namely a new on-line Welsh language service and the BBC's first Welsh language app. Since last year S4C is also available as a full channel on BBC iPlayer. Across all on-line content, the service was used in 2014/15 by 89,000 individual browsers per week.

The key role of S4C and BBC Cymru in linguistic planning in Wales is reflected in the Welsh Government's Welsh Language Strategy 2012-17 'A Living Language: a Language for Living':

*'Public service broadcasters in Wales, including BBC Cymru Wales, S4C and ITV Wales, recently as programmes producer, have played an important part in the work of ensuring that the Welsh language continues to flourish.... The variety and standard of Welsh language programmes on S4C and BBC Radio Cymru help to ensure that the Welsh language remains a modern language and part of everyday life in Wales.'*⁵

The wide range of quality Welsh-medium content provided by the BBC and S4C is essential for the Welsh language to thrive in the future.

The BBC and S4C make a substantial contribution to the economy of Britain and specifically to the economy of Wales.



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

It is estimated that the BBC's direct investment in creative industries in Britain in 2013/14 was equivalent to £2.2 billion. In terms of Welsh medium services in 2014/15, £12.8 million was spent on the cost of creating Radio Cymru programmes and £24.5 million on the costs of creating the statutory output for S4C, excluding overheads, distribution costs and others.⁶

In 2014/15 S4C invested £83 million in the economy of Wales and the UK and according to the latest research commissioned by S4C, every £1 of that investment more than doubles in its value to the economy. If so it is estimated that S4C contributed approximately £170 million to the Welsh and UK economy in 2014/15.

The economic influence of S4C includes the creation of new jobs, helping independent companies to grow and supporting supply chains in areas across Wales. According to the S4C annual report in 2014/15, the channel worked with 66 independent production companies to provide the content that it broadcast.

The BBC and S4C Welsh-medium broadcasting service makes a valuable contribution to the economy of Wales and the UK.

The future of Welsh medium provision by S4C and the BBC

The BBC

As well as funding the BBC's Welsh-medium content on radio and on-line, the BBC also contributes around ten hours of television programmes per week for S4C; the BBC spent £19.4 million on the production costs of this output during 2013/2014. There is also close co-operation between the two organizations on joint-production of the second series of the drama *Y Gwyll*, and joint-location of aspects of S4C's technical and administrative work at the BBC's new site in Cardiff city centre.

According to the BBC annual report, in 2014/2015 the Trust has realised efficiency savings equivalent to £484 million, and it is expected that it meets the target of £700 million per annum by the end of 2016/2017⁷.

Further efficiency savings could have an effect on the contribution made by the BBC Trust towards the radio and on-line Welsh medium content, as well as on the television output provided by the BBC for S4C

S4C

In October 2010, following the Comprehensive Spending Review, the Secretary of State wrote to S4C confirming a cut of 24.4% to S4C funding over the 4 years from the

⁶ <http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf> page 139

⁷ <http://downloads.bbc.co.uk/annualreport/pdf/2014-15/bbc-annualreport-201415.pdf>



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

spending review period⁸. Since then, S4C has seen continuous cuts to its Public Service Fund income:

- 2010: £101.647million
- 2011: £90.000million
- 2012: £83.000million
- 2013/2014: £100.609million (over 15 months)
- 2015: £82.787million (between the Licence Fee contribution and income from DCMS)

Since April 2013 the BBC Trust has been responsible for providing around 90% of S4C's budget from the Licence Fee. The total of this contribution has fallen every year, and a further reduction is foreseen by 2017:

- 2014-15 £76 million
- 2015-16 £75.25 million
- 2016-17 £74.5million

According to the annual report by S4C, since 2011 the channel has realised over £12.5million in efficiency savings⁹. S4C estimated that the channel's budget has received a cut that is equivalent to 36% in real terms over the last four years. In comparison, the comparative cut to the BBC budget is estimated at between 20%¹⁰ and 26%.¹¹

Despite these cuts, the UK Government Secretary of State for Culture, Media and Sport stated in July 2015 that: '*S4C will be expected to find similar savings to those in the BBC.*'¹²

It was further stated in a recent briefing note by the House of Lords Library '*...The BBC's grant to S4C may be reduced by an equivalent percentage reduction in funding to the percentage reduction made to BBC funding over the period 2018/19–2020/2. It will be up to the Government to decide how to make up the shortfall.*'¹³

Considering the disproportionate cuts that have been imposed on S4C to date, as well as the extent of efficiency savings already implemented by the channel, it is questionable how fair and appropriate is it for it to shoulder any further cuts.

S4C's expenditure on commissioned programmes is equivalent to 80% of the channel's entire spend (2014/2015). Approximately 16% of the budget is spent on content support, while S4C overheads amount to about 4% of its expenditure.

⁸ <http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2010.pdf>

⁹ <http://www.s4c.cymru/abouts4c/annualreport/acrobats/s4c-annual-report-2015.pdf> tud 54 - 55

¹⁰ <http://www.parliament.uk/documents/lords-committees/communications/BBCgovernance/BBCGRallev.pdf> : 2011

¹¹ <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomeds/315/31509.htm#n317> :2015

¹² <http://www.theyworkforyou.com/debate/2015/07/20/120.0>

¹³ House of Lords Library Note: 'BBC: Future Financing and Independence' LLN 2015/026, 3 September 2015



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

Considering the very high proportion of the S4C budget spent on its output, we believe that any further cuts or efficiency savings to S4C could endanger the future of the channel and its ability to continue to support and promote the Welsh language through production and provision of quality and competitive content.

The Green Paper 'BBC Charter Review Public Consultation' by DCMS states that the budget of S4C was protected in the previous Charter period. However, as outlined above there has been a very substantial reduction in the channel's budget since 2010, and the threat of further cuts endangers its ability to continue to provide quality content and service Welsh-medium audience.

In addition, the channel is facing continuous financial uncertainty, since its long term budget is dependent on the conclusions of the UK Government Comprehensive Spending Review this November, as well as on the results of the BBC Charter review process to be concluded next year. Such financial uncertainty would present challenges for any organisation, but it is particularly difficult for S4C given the disproportionate cuts already applied to the channel's budget.

As the only Welsh-medium public television broadcaster in Britain and the only Welsh language television channel in the world, it is vital that S4C continues to serve the Welsh-speaking audience with financial security and adequate resources to achieve its purpose.

It is also noted that the UK Government's Secretary of State for Culture, the Media and Sport has a statutory duty to ensure adequate funding for S4C.

Modernising

The recent dynamic changes to audience viewing patterns and requirements are transforming the broadcasting landscape in the United Kingdom. It is increasingly more challenging for broadcasters to provide quality and competitive content to diverse audiences and across diverse platforms.

We welcome therefore the huge growth in the use of the Welsh-medium content on-line. It was noted above that the launch of S4C on the BBC iPlayer has contributed to striking increase in the number of individual Welsh-medium content browsers per week. In the period between March 2014 and March 2015, the number of viewing sessions of S4C on iPlayer raised from 11,000 to 474,000; in conjunction with the content delivered via S4C Online service, this figure contributes to the overall increase in viewing sessions of S4C content by 175% in the same period¹⁴. We also welcome the launch of new digital transmitters in Wales in 2014, as well as the BBC's commitment to broaden the reach of DAB radio for Radio Cymru and Radio Wales to 86% by mid-2016¹⁵.

¹⁴ S4C: Adroddiad Blynyddol a Datganiad Ariannol ar gyfer y cyfnod 12 mis hyd at 31 Mawrth 2015

¹⁵ BBC Cymru Management Team Review 2014/15, page 10



Comisiynydd y
Gymraeg
Welsh Language
Commissioner

The two developments outlined above exemplify an affirmative and purposeful action to increase the reach of Welsh medium content and attract new Welsh language users. Although the changes to the broadcasting landscape are challenging, public broadcasters should not respond by restricting the service - rather, there is a need to innovate in order to meet the needs of modern Welsh audiences.

It is essential that no additional efficiency savings endanger the ability of S4C and the BBC to innovate and modernise their services in a way that facilitates audience access to Welsh medium content.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

We welcome the independent review of how the BBC is governed and regulated by Sir David Clementi. We hope that the review will give due attention to the aspects of the BBC governance relevant to Welsh medium broadcasting, in order to ensure representation, equality and fairness for Welsh medium audience.

Conclusion

Considering my comments above, I ask you to pay due and specific regard as part of this investigation to the importance of Welsh medium broadcasting and the implications of any further cuts for S4C, Welsh-medium provision by the BBC, and the valuable service supplied by both to the Welsh speaking audiences.

Yours truly,

Meri Huws
Welsh Language Commissioner

BCR 07

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol

Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Councillor Philip Rapier

Response from: Councillor Philip Rapier

I strongly recommend that the committee consider the serious affect on community well being caused by the decline in English Language programmes on BBC Wales.

I would urge them to support the establishment of a Board of Trustees for Wales instead of the curent position of one Trustee serving the whole of Wales. A physically impossible task.

The significant effect is that the complex multicultural demographic of densely populated areas such as Cardiff are not sufficiently represented either in Drama or Documentary output at BBC Wales

Tony Hall began his 50th Anniversary BBC Cymru Wales Lecture on the 1st April 2014.by saying

The BBC's English language television programming in Wales has been "eroded" in recent years,

He went on to say "English language programming from and for Wales by all broadcasters had been declining for almost a decade and that some aspects of Welsh life were not "sufficiently captured by the BBC's own television services in Wales".

He of course mentioned that since 2006/7 BBC Wales' budget for English language TV programmes has fallen 18% from £24.6m to £20.2m in 2012/13.

The basis of my submission is that through the the establishment of BBC Cymru Wales Trust this situation may be remedied without harming Welsh Language output in anyway whatsoever.

The facts speak for themselves since the First Minister opened the BBC Roath Lock even the Studio's Website has not been updated. Employment opportunities at Roath Lock are rare.

Recruitment is exclusively carried out in London for both Artistic and Technical staff. The present policy has therefore had a grossly unfair affect on both the Creative Industries and the wider community.

This is entirely as a result of BBC Wales being charged to find savings of £10.7m by 2017 as part of the Delivering Quality First programme introduced after the last licence fee settlement, in a way that is unfair and not democratically accountable.

Appointing a Board of Trustees for Wales would restore the balance

Councillor Philip Rapiel writing in a personal capacity only.

29 Oct 15

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Ymddiriedolaeth y BBC

Response from: BBC Trust

National Assembly for Wales Communities, Equality and Local Government Committee Inquiry into the BBC Charter Review

BBC Trust Evidence

1. The role of the BBC Trust is to get the best out of the BBC for licence fee payers across the UK, including Wales. We set the strategic direction of the BBC. We hold the Executive to account for its performance of its functions. We are supported by the Audience Councils in each of the four nations of the UK which bring the diverse perspectives of licence fee payers from across the UK to bear on our work. While all Trustees act in the interests of licence fee payers, there are four Trustees representing each of the four nations who have a specific role in doing this. Our evidence to the Committee should be read alongside the submission by the BBC management, which covers the operational and performance aspects of the BBC.

Broadcasting in Wales

2. Expectations of the BBC have been high from the outset when it went on air in Wales for the first time on 13 February 1923 and when engaging with the audience at events across Wales the BBC Audience Council Wales certainly perceives a strong feeling of warmth towards the BBC. It also perceives a sense amongst people of ownership of the BBC and high expectations of its role in the public life of the country. High expectations often met by bold ventures such as the launching of Radio Cymru and Radio Wales to great acclaim in 1978.
3. The BBC plays a key role in many areas of the artistic life in Wales also, not least the contribution that the BBC National Orchestra of Wales makes to music. It is the only full scale symphony orchestra based in Wales and is a major employer of world class musicians and commissioner of music. Its outreach work is highly appreciated and contribution to festivals across Wales, in cooperation with the Arts Council Wales, is notable.
4. The welcome, and relief, that was shown recently when it was announced that the BBC had kept the television rights to the Six Nations rugby tournament, albeit joint with ITV, was an illustration of the fact that many find it difficult to imagine a Wales without the BBC.
5. Audiences in Wales have very high consumption and appreciation of BBC services:
 - BBC TV has weekly reach of 85% in 2015, still 3 points above the level for the whole UK

- Average time spent viewing and BBC audience share is also higher in Wales than in any other UK nation.
 - BBC Radio also has higher weekly reach, time spent and audience share in Wales than in any other nation.
 - BBC Wales' TV opt-out programmes in English have a 15 minute weekly reach of 32% and the non-news opt outs having a reach of 22%.
6. The BBC's economic impact in Wales is also significant. For example, £154m is spent on content by the BBC in Wales, either produced BBC Wales or by independent producers, 60% on BBC Wales' dedicated services for Wales and 40% on network TV content. In 2014-15, BBC Wales' direct spend with external suppliers and producers totalled approximately £50m on independent productions, artists, facilities etc. When Deloitte last measured the economic impact of the BBC's activities in the UK in 2013 the estimated Gross Value Added (GVA) of its activities in Wales was £276 million. This means that for every pound spent by the BBC in Wales its effect is nearly doubled.
 7. A staff of approximately 1,300 often highly skilled people, a hundred of those based in north Wales, and others in west Wales, ensures that BBC Wales has an enormous impact on the economy of Wales.
 8. It is not only BBC Wales expenditure which makes that economic impact. The dispersal of functions from London has seen the BBC Finance Centre move to Cardiff where almost 100 members of staff are based.
 9. The BBC decision to base the 2004 revival of Doctor Who in Wales, and the BBC Trust's targets for production in the devolved nations, has in effect created a new industry in Wales. According to recent Welsh government figures the number of people working in the nation's creative industries increased by 52% between 2005 and 2014 to 47,700. Turnover across the sector was up 17.5% in the same period. The value of BBC network productions made by BBC Wales in 2014-15 represented a £59.1m investment in the Welsh creative industries.
 10. We also expect the relocation of BBC Cymru Wales Broadcasting House to the centre of Cardiff in Central Square to have a very significant economic impact. Working with Cardiff City Council and other partners, and as the anchor tenant, the BBC will be a catalyst bringing in others promoting the regeneration of this area of the capital. Also, partnership with S4C to share playout facilities at the location will offer savings to both broadcasters.
 11. The Trust is clear that, under any new Charter, the BBC should continue to commission content from a wide range of producers across the UK. Our Content Supply Review found that the BBC's Network Television Supply Strategy and the Trust's targets pursuant to this (50% of network TV production spend from outside London by 2016 and, within this, at least 17% of its network production spend from Scotland, Wales and Northern Ireland) have been effective interventions, having contributed to an increase in the plurality of supply as well as to the growth of production skills outside London.
 12. The story in Wales is a spectacular success and in 2014, TV production spend in Wales amounted to 6.5% of the BBC's total. However, we concluded that Network supply outside London needs active intervention by the BBC which goes beyond the requirements of meeting quotas and towards the achievement of

sustainable outcomes in the devolved nations and English regions. To deliver this, the BBC's production centres across the UK will need to work together with the independent sector based in different parts of the UK to develop creative, sustainable, local ecologies.

The future provision of the BBC's services in Wales, in both the English and Welsh languages

13. The Trust is clear that that the BBC Wales' services in both the Welsh and English languages are a vital part of how the BBC serves its audiences in Wales and every opportunity should be sought to strengthen them.
14. The BBC's Welsh language services are in many ways unique, and that is not only in the case of Radio Cymru which is the only Welsh language national radio service. The Welsh language content available to learners on Bitesize is not available anywhere else and so we welcome the Executive's commitment in its response to the Green paper to enhance that provision:

“Our plan is to develop curriculum resources for each Nation, ensuring that our offer for students in Scotland, Wales and Northern Ireland is as comprehensive as it is in England. In Wales, we will also provide Welsh language content. In this area we recognise that we have to develop our material with appropriate regard for our impact on commercial providers, and we will. We also believe that as a UK-wide provider of services we need to ensure that our service in this area is consistent across the four Nations of the UK”
15. We welcome the fact that the BBC's Welsh language provision continues to evolve as broadcasting changes and the availability of S4C on the iPlayer Radio Cymru on the Radio iPlayer and the provision of the news app Cymru Fyw recently are all developments which have been enthusiastically welcomed by Welsh speakers.
16. The Trust recognises that there are some concerns about how Wales is portrayed in BBC Network services and the range and volume of English language television programming being produced by BBC Wales for Welsh audiences, with less drama, comedy and entertainment being provided.
17. Ofcom's latest Communication Market Report for Wales observes - *“Wales was the only nation that saw a reduction in first-run originated output year on year, down 3% on 2012. Over the five-year period since 2008 the number of hours of first-run originated programming (from all broadcasters) for Wales fell by almost a quarter (23%) to 923 hours in 2013”*.
18. The BBC Audience Council Wales, which advises the BBC Trust on audience views in Wales, has recognised these challenges and said in its Annual Review of 2014-15:
 - The Council is regularly told by audience members about the importance they place on seeing themselves reflected in the BBC's programming and content.

- It is concerned at the lack of the portrayal of Wales on UK-wide BBC TV with seven years having now passed since the last major portrayal of Wales in UK drama through *Gavin and Stacey* and *Torchwood*.
- The Council considers there has been no improvement in relation to the audience priority on the importance of English language TV from Wales for Wales, and that the Delivering Quality First cuts have brought BBC Wales' non-news TV provision *closer to the cliff-edge*.

19. However, the BBC's headline performance in the Wales remains strong with key reach and appreciation measures higher than average for the rest of the UK.

Reach (%) and appreciation (AI) of BBC TV and radio across the UK

	UK	England	Wales	Scotland	N Ireland
All BBC TV Reach	82.5	82.2	85.4	83.4	81.6
All BBC TV AI	81.2	81.3	81.4	80.0	82.4
All BBC radio reach	65.6	65.6	75.8	57.3	63.1
All BBC radio AI	80.1	80.0	82.6	79.7	78.6

All figures for calendar year 2014; sources: BARB for TV reach, RAJAR for radio reach and BBC Pulse Survey for AIs.

20. Nevertheless, the Trust's tracking of the BBC's performance in promoting its Public Purposes shows that large minorities of people across all four UK nations believe that they are not well represented in BBC drama: 40% in England, 41% in Wales, 49% in Scotland and 38% in Northern Ireland¹. Despite the BBC now siting half of its Network TV production outside London and establishing production bases, such as the Roath Lock drama village in Cardiff, adequate representation of the diversity of the whole UK does not occur.

21. We welcome the commitment made by the BBC Executive in its submission to the Charter review process to portray the full diversity of life in the UK throughout our programmes and services. In the submission it says:

"The UK is changing and it is not straightforward to represent or portray every aspect of British life across all of our services.

However, the BBC has a major role to play here, and in the next Charter we will evolve our programmes and services to meet these changing audience demands. We now spend the same proportion on network television in each Nation as their share of the population. But we recognise that spend is not everything—we need to do more, and better, to reflect the lives and experiences of all licence fee payers. During the next Charter, we will remain committed to investing in programming across the UK and ensure that the drama and comedy we produce for BBC One and BBC Two better reflect the diversity of the UK's Nations and regions. As we said in the BBC Strategy Paper, strengthening BBC news provision in Northern Ireland, Scotland and Wales is central to our plans for improving how we serve the Nations in the next Charter. We want to consult audiences across the country on whether we currently have the right balance between UK-wide and Nations news bulletins on television."

¹ Source: BBC Trust Purpose Remit Survey 2015

22. It has also said that it will strengthen its services for Wales by creating “*an interactive digital service for each of the Nations of the UK. By creating curated ‘channels’ on our existing digital services – such as iPlayer – we will be able to deliver a unique offer, allowing the BBC to showcase existing content as well as new digital-first content from ourselves and a range of partners.*”
23. In News and Current Affairs the Trust has been particularly concerned that the BBC should reflect the way in which public policy and politics is becoming more distinct across the different nations of the UK as devolution continues to develop. One of its earliest interventions in the current Charter period, on the advice from its Audience Councils, was to commission an Impartiality Review of the BBC Network news reporting of devolved matters and this led to major improvements in reporting of issues which are devolved across the UK. However, as devolution continues to develop across the UK, the task for network news to capture the diverging social and domestic agendas of all four nations and their people has become more and more challenging. The BBC will need to continue to respond to this and there remains work to do, for example, the Audience Council Wales remains concerned, for example, at the implications of the paucity of Radio 2’s coverage of Wales in its news output in light of its popularity in Wales.
24. We welcome the BBC Executive’s commitment in its response to the Green Paper to strengthen its commitment to reflecting a devolved UK in its news and current affairs coverage. It says:
- “As the pace of devolution quickens – and as the UK changes more quickly than in recent history – we will need to adapt our services to ensure they fully reflect and report the increasingly divergent politics of the UK. The BBC, in principle, should neither lead nor lag behind constitutional change in the United Kingdom. Our priority is to ensure we arm citizens in all four Nations of the UK with the information they need to make sense of their world and help hold those in power to account.*
- “In a more devolved UK, news in some parts of the country simply does not apply in others. The politics and economics of the country is becoming more varied, the business of reporting it more complicated. The BBC has a responsibility to ensure it is informing the audience in the most effective and relevant way. We believe the time has come for us to strike a better balance between the delivery of pan-UK news and news tailored to the distinctive needs and agenda of the devolved nations of the UK.*
- “As a start, we will deliver a different BBC News homepage in each Nation. We will personalise our news services to reflect personal passions and interests in every part of the UK. But we may need to go further. We want to consult audiences across the country on whether we currently have the right balance between UK-wide and Nations news bulletins on television. Our News services today are very popular and widely used by audiences, including the much-debated Six O Clock News.*
- “But after devolution, the Scottish referendum and in a world where large aspects of public policy are devolved in the Nations, there is now a much stronger case for providing a different balance in how we serve audiences with the most relevant BBC News and current affairs.*

We look forward to exploring the various options with our partners, stakeholders, audiences and National Governments through the process of Charter Review.”

25. The Trust has also suggested a strengthening of the wording of one of the BBC’s key Public Purposes in order to make the duty to reflect the whole of the UK in the BBC’s services a more explicit requirement under the next Royal Charter suggesting that it should read as follows:

4. To reflect, represent and serve everyone in the UK

The BBC should reflect the full diversity of the UK in its content. In doing so, the BBC should accurately and authentically represent and portray the lives of the people of the UK today, and raise awareness of different cultures and alternative viewpoints. It should ensure that it provides content to meet the needs of the UK’s nations, regions and communities. It should bring people together for shared experiences and help contribute to the social wellbeing of the UK. The BBC should use emerging communications technologies and reflect the UK in a digital age.

26. This would build upon the major BBC initiatives which the Trust has instigated and supported during this Charter period to improve the way in which the BBC portrays and serves Wales and the other nations and regions of the UK.

27. The BBC’s commitment to fulfilling its public service broadcasting responsibilities to Welsh-speaking audiences has made it one of the most important components of life in Welsh-speaking Wales from very early on in its existence. Before the establishment of S4C Welsh language news was broadcast by the BBC but the output encompassed a broad range of genres including such comedy classics as Ryan a Ronnie and the plays of Gwenlyn Parry and well as the early years of Pobol y Cwm which, like the BBC news, transitioned to S4C so successfully.

28. BBC Radio Cymru retains its role as a key component in the life of Welsh speaking Wales and Cymru Fyw, the app allowing access to news, sport and other Welsh language materials produced by the BBC and others, has been a major step forward during the past year in the way in which the BBC improves its offer to Welsh speaking audiences.

The BBC’s current and future funding, governance and accountability arrangements as they relate to Wales

29. As a result of decisions in 2010, with the licence fee remaining fixed and the BBC being required to meet additional costs, such as rural broadband roll-out and funding for S4C and the World Service, the BBC has had to make substantial savings across all of its operations in order to work within the funding available. The BBC is on track to deliver £1.6 billion cumulative annual savings by the end of the current charter period in 2016/17 and so far has delivered £1.25 billion towards this target. As with other areas of the BBC, BBC Wales has therefore had to make stretching, but not disproportionate, efficiency savings.

30. The funding set out by the Chancellor of the Exchequer and the Secretary of State for Culture, Media and Sport in July 2015 will require the BBC to make further, significant efficiencies and savings over the next Charter period.
31. The role of the Trust is to approve the BBC budget at a strategic level and decisions beyond that are for the Executive, therefore precise budgeting allocations and areas where efficiencies are sought are matters for the Executive. The Trust notes that the Executive says in its response to the Green Paper that its “will protect funding for the Nations, ensuring they are cut less than others areas”. It is essential therefore that the accountability of the BBC Executive to the nations in future is sufficiently robust to hold it to account for implementing this undertaking.
32. The BBC’s governance – both its internal governance and the way it is overseen and regulated – is important because the audience needs to know that the BBC is in safe hands and that their interests are being looked after. Our research suggests that a number of aspects are important to the public. They want their money to be spent wisely. They want the BBC to be clearly independent and not being run for its own interests or those of politicians or business. They need to know that if something goes wrong, it will be handled effectively and lessons will be learned. They need to have confidence that the culture and values of the BBC mean that it will operate with integrity and in the licence fee payers’ interest.
33. We believe that greater clarity about responsibility for functions and where accountability rests for the exercise of those functions (whether management, supervisory or regulatory) is important.
34. We have suggested that one of the ways governance could be improved is by the creation of a unitary Board with a majority of independently-appointed non-Executive Directors and a non-Executive Chairman to run the organisation, determine its strategy and manage its finances. The precise details such as composition of the Board, appointments and its responsibilities, would be subject to debate beyond this first stage of consultation.
35. The BBC needs to be subject to some form of independent scrutiny and regulation. Wherever that function sits, the Trust believes it is important to satisfy public expectations that the BBC should be held to high standards. This would point to a bespoke regulatory regime (again irrespective of who the regulator actually is). It will also be necessary for any structure to ensure oversight and impartial supervision to address the concerns of competitors around market impact and fair trading.
36. We welcome the *Independent review into how the BBC is governed and regulated*² led by Sir David Clementi (‘the Clementi review’) and will be engaging fully with it to share the Trust’s experiences of the current model. The architecture arrived at must have the confidence of industry and the public, and therefore an independent review looking at all of the evidence and publishing its recommendations to government is the best way to do that. Whatever solution is devised, we believe it must address the following key principles:

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461078/20150916-Terms_of_Reference_for_independent_review_on_BBC_governance_and_regulation_.pdf

- **The BBC must be and be seen to be independent.** Due to its role in creating content and informing, educating and entertaining the UK public, it must be and also be seen to be independent from Government and politicians and commercial and vested interests, so that they are not able to influence its content or message. This principle guarantees free speech and is a fundamental pillar of the BBC's ability to hold individuals and organisations to account and to be impartial across the full range of its broadcast and online content. This builds on principles that the Government recognised during the debates about the response to the Leveson Inquiry which are paramount for media organisations in a free and democratic society.
 - **Proper scrutiny over how the BBC spends licence fee payers' money.** The BBC can't licence and regulate itself. It must be accountable to licence fee payers for the service it provides. The BBC's boundaries and trading must also be subject to independent scrutiny so the market has confidence that trading is fair and is clear about what its boundaries and remit are.
 - **The public themselves must have a say** – in particular because they pay directly for the BBC through the licence fee.
37. How the future governance structure of the BBC reflects the need for engagement with and representation of the devolved nations is a key issue that needs to be resolved as part of Charter Review. There is already a debate about how the BBC's structure might be adapted. The Trust agrees that the BBC will need to be more accountable to audiences in Scotland, Wales and Northern Ireland. We think it will be very important that the Clementi review considers this closely, and we will want to play a full part in the debate. There is a separate issue about exactly how the BBC reports on its activities and offer in each nation and this is a question that will follow on from new structures of governance and accountability. Broad principles of reporting have already been agreed between the BBC, DCMS and the Government of Wales in a Memorandum of Understanding.
38. The next Charter and Framework Agreement should provide the vehicle for better codification of the relationship with the Westminster Parliament, including Select Committees and this can be extended to the Welsh Assembly. For example, the recently-agreed Memorandum of Understanding (MoU) between the BBC, UK Government, Scottish Government and Scottish Parliament provides for the BBC to lay its annual report before the Scottish Parliament and for the BBC to appear before Scottish Committees on Scottish issues "*on the same basis as it does in the UK Parliament*". The MoU entered into between DCMS, the BBC and the Government of Wales commits the parties to establishing (subject to agreement, through further MoUs) parity between the devolved administrations regarding the BBC's annual report and accounts and appearances before committees. The relevant part of the MOU reads as follows:

Prior to the publication of the BBC's annual report and accounts for 2015/16, the signatories will work to agree a revised memorandum of understanding, to supersede this one, which would (subject to agreement) include commitments in the following areas, to establish parity across the devolved Governments in relation to annual reports and accounts and appearing before committees:

- *A commitment from the BBC to send its annual report and accounts to the Welsh Government and a commitment from Welsh Government to lay these before the National Assembly for Wales; and*
 - *A commitment from the BBC to appear before the National Assembly for Wales committees on matters relating to Wales, on the same basis as it does in the UK Parliament.*
39. Currently the Trust receives regular advice from its network of Audiences Councils and their Annual Reviews provide an additional performance assessment of the BBC in each of the nations, alongside the Trust's work.
40. In our response to the Green Paper we have said that the BBC must, as the Trust does now, have in place the mechanisms for the public to have their say when developing strategy. It must consider these views before making decisions about future direction, be that about individual services or the overall shape of the BBC.
41. The ways in which the BBC is accountable to audiences:
- Must be the ones which audiences themselves want to use.
 - Should reflect the relationship which members of the public want to have with the BBC, as relatively passive consumers or as more active stakeholders.
 - Should ensure that the widest possible range of voices is heard in order to represent fully the UK, particularly in light of devolution, and ethnic and social diversity.
 - Must reach not only those the BBC wants to hear from but also those who feel alienated or under-served by the BBC.
 - Should be flexible and evolving, finding new ways to use technology as a way of enabling accountability, though not at the expense of those who wish to engage in more traditional ways.
42. These criteria should also be used when considering any formal accountability structures.
43. There has been a formal structure of Broadcasting or Audience Councils since the late 1940s and they have played a key role during this time. However, ways of engagement have evolved particularly quickly in recent years, and the beginning of a new governance system for the BBC is an appropriate time to consider the future of any formal accountability network.
44. Again, we do not feel that the Charter should be prescriptive. It should be the responsibility of whichever body has the duty to represent licence fee payers' interests to decide how it wishes to use audience bodies around the UK and how the work which is currently done with and by Audience Councils can be developed in new ways for the digital age (although reaching all segments of Audiences, including those who do not have access to digital technology should remain an important consideration).
45. It is vital that the duty to represent licence fee payers' interests and, in particular, to do so across the UK, be embedded in the next Charter, though allowing the BBC and its regulator the freedom to use the appropriate methods. We look forward to engaging with the Government on these issues.

S4C's future, including its funding, operating and governance arrangements, and the services it provides

46. Prior to S4C became mainly funded from the licence fee in 2013-14 the BBC Trust and S4C Authority agreed an Operating Agreement which included commitments to S4C's funding from the licence fee up to the end of the BBC licence fee settlement, in addition to the programming provided by the BBC to S4C under statute.
47. This new relationship between the BBC and S4C has also, since November 2014, allowed the BBC to include all S4C's programming on the iPlayer which has led to a very significant increase in the viewing of S4C programming online.
48. The BBC is obliged by legislation to provide at least 520 hours per annum of programmes to S4C free of charge, agreed and delivered as outlined in the BBC Trust and the S4C Authority's Strategic Partnership agreement. Each year the Trust agrees an annual Programme Plan for this provision with the S4C Authority, which includes S4C's most watched output and in 2015-2016 the BBC will supply programming worth £19.4m, and this level of spend is guaranteed until the end of the current BBC licence fee period in 2017.
49. The Trust has monitored the working of this agreement, meeting on an annual basis with officials of S4C to discuss its operation and the performance of the channel, and has been pleased to learn of the way in which the partnership between S4C and the BBC has flourished and is appreciated by both the S4C Authority and management team.
50. The Trust has not yet reached any agreement, either with the BBC Executive or the S4C authority on the licence fee funding of S4C under a new Charter.
51. However, the Secretary of State for Culture, Media and Sport has suggested that S4C should be obliged to "*make the same kinds of efficiency savings that the Government are looking for the BBC to make*". We expect that S4C, as an independent corporation, and will want to discuss its own purposes and future funding in its own right with DCMS as well as the BBC over the coming months.
52. We think that it makes sense to develop a reference point regarding what a read-across, such as the Secretary of State envisages, might mean, based on the governance and funding arrangements that are currently in place. It obviously cannot be a final position as neither the Trust nor the BBC management will be able to make firm commitments until the Charter process has been completed and a full and final financial settlement is in place.

How Wales's interests are being represented during the renewal process

53. Throughout all the Trust's work, from its inception, the Audience Council Wales has scrutinised the BBC's services on behalf of BBC audiences in Wales and shared their insights with the Trust. The Council undertakes a continuing assessment of BBC programmes and services in Wales and the extent to which the BBC's Network output and other activities reflect the diversity of the UK and its nations, regions and communities. Such work includes the identification of audience priorities for BBC (based on feedback and research in Wales) and the

assessment of the BBC's performance. Based on its experience over the period of the current Charter the Council is advising the Trust on all aspects of Charter review relevant to Wales.

54. The Trust has ensured that the research it has conducted to inform its response to the Government's Green Paper has been fully representative of the UK, including Wales.
55. The recently-agreed Memorandum of Understanding (MoU) entered into between DCMS, the BBC and the Government of Wales says:

The terms of the formal consultative role for the Welsh Government in the process of reviewing the BBC's Charter shall be as follows:

- *The Department will consult the Welsh Government on the draft terms of reference for the Charter Review in advance of their publication.*
- *The Welsh Government will lay the final terms of reference for the Charter Review before the National Assembly for Wales.*
- *The department will consult the Welsh Government through the process of reviewing the Charter.*
- *The Welsh Government will lay the draft Charter and framework agreement before the National Assembly for Wales, and should the Assembly deem it appropriate, schedule a "take note" debate on the content of the draft Charter and framework agreement.*
- *The department will consult the Welsh Government before recommending to Her Majesty in council that the draft Charter is granted*

56. As referred to above, a corresponding MoU relating to the role of the Assembly in these matters is currently being agreed between DCMS, the BBC and the National Assembly.

BCR 09

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
Ymchwiliad i'r Adolygiad o Siarter y BBC
Inquiry into the BBC Charter Review
Ymateb gan: Creative Skillset Cymru
Response from: Creative Skillset Cymru

Response to the Communities, Equality and Local Government Committees' Inquiry into the BBC Charter Review



Please find below Creative Skillset Cymru's response to the Welsh Assembly Communities, Equality and Local Government Committees' Inquiry into the BBC Charter Review (October 2015)

If you need to contact us regarding this response, please contact: Gwawr Thomas, Director, Creative Skillset Cymru gwawrt@creativeskillset.org

Creative Skillset Cymru empowers the Creative Industries to develop skills and talent; it does this by influencing and shaping policy, ensuring quality and by securing the vital investment for individuals to become the best in their field and for businesses to grow. As the industry skills body for the creative industries, it works across film, television, radio, fashion and textiles, animation, games, visual effects, publishing, advertising, marketing communications and performing arts. www.creativeskillset.org .

The Creative Skillset Cymru Industry National Advisory Board, is responsible for strategically overseeing all of Creative Skillset Cymru's work and brings all parts of the industry together – from the three major broadcasters, the independent production sector, the trade union BECTU, trade associations such as TAC and PACT, sector support agencies such as Ffilm Cymru Wales, and the Welsh Government – to support Creative Skillset Cymru's mission to lead the Welsh Creative Industries' skills and talent drive and vision for the Welsh Creative Industries to be world-beating.

Context of our response

Our response is focused on aspects of BBC's Charter Review that relate to its commitment to training and how that relates to the BBC's future plans and ambitions.

Responding to the Welsh Assembly review questions

The future provision of the BBC's services in Wales, in both the English and Welsh languages:

The BBC continues to provide high quality services. Going forward we would like the BBC to take an active role in providing more innovative bi-lingual content too. As with quality original content, the making of innovative programmes will also depend on the people who develop the idea, commission and deliver. This implies a more diverse workforce operating both within the BBC and the independent production sector, who could provide new ideas and be encouraged to take risks.

Fostering a culture of innovation is interlinked with fostering the people that can deliver. Quality programming pre-supposes people with honed skills and talent – therefore training and skilling and taking risks is at the heart of encouraging and enabling innovation.

By its own admission¹, the BBC feels that more could be done to increase diversity in its output and satisfy the needs of its national audiences². In particular, for the UK nations and English regions, the BBC has identified areas of improvement; we also note that the BBC has asked for additional investment on this beyond its current settlement. We would like to add that investment should also be provided for training to ensure that people and talent from Wales are supported. We want to ensure that the BBC is truly representative of all parts of the UK, with more commissioning and production from all the nations and regions.

Over the years, the BBC has been a key training ground for the industry – many of our most successful programme makers and media executives began their careers at the corporation. The UK has a proud track record of producing people with skills and talent envied across the world and the BBC has played a big part in that. It has also given emerging talent a platform, as a commissioner and producer. Not to be underestimated within this context is also the work of the BBC Films (both short films and features).

The BBC has historically invested substantially in training its own staff and, in doing so, has been an incubator of talent for the wider creative industries. The importance of this role has been recognised by the BBC Trust, which has recently published a report acknowledging the BBC's "critical role in developing and supplying new talent to the media sector in the UK", and claiming, for example that "45 per cent of ITV's current talent for factual, lifestyle, entertainment, and comedy had their first TV appearance on the BBC."³

Training is an area where the BBC continues to have a wider impact. For example, over the last few years BBC Wales has enthusiastically embraced the Apprenticeship agenda. In its Roath Lock centre in Wales, the BBC's biggest TV drama production facility in the UK, BBC Cymru Wales in partnership with Creative Skillset Cymru introduced the first Apprenticeships available to the creative industries here back in 2011. The broadcasters' involvement has set a high standard of good practice for the rest of the production community; approximately 85% of Apprentices secure employment after completion of the qualification, while the remainder continue with their education.

The BBC's potential for positive impact includes collaboratively working with Creative Skillset and others to build the right training programmes, adding its brand to schemes that benefit the whole of the creative sector.

For example, with Creative Skillset securing public co-investment, the BBC led the creation of the higher-level Apprenticeship in Broadcast Technology, a new degree-level Apprenticeship, the first of its kind, developed with the University of Salford and Birmingham City University. The BBC worked closely with the wider industry to understand

¹ British Bold Creative: The BBC's programmes and services in the next Charter, September 2015.

² <http://www.bbc.co.uk/news/uk-wales-31895836>

³ A Review of the BBC's Arrangements for Managing On-Screen and On-Air Talent, BBC Trust/O&O 2015

the knowledge, skills and experience new Broadcast Technology Engineer Apprentices should gain. This first intake started in 2013 and will be finishing in 2016 across the UK, including Wales. The skills required by broadcast engineers are changing as new technologies emerge and it is important that the BBC, together with the broadcasting industry, are responsive.

We believe a new public purpose to support training and skills development across the creative media industries is of relevance and importance to ensure the continuation of such initiatives. We are concerned as we have seen worrying trends in recent years with the BBC's investment in training for its own staff markedly declining, partly as a consequence of the 2010 licence fee settlement. This reduced investment in training will have a negative impact in the future with increased skills shortages and gaps in the wider creative media industry.

We also think that the BBC Film budget, especially for short films, should be maintained as it provides a key training ground and also can support emerging filmmakers from Wales.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales:

Creative Skillset has expressed its views on aspects of the BBC Charter renewal in the past, including providing evidence to the Select Culture Media and Sport Committee's inquiry on the Future of the BBC. The Committee's subsequent report made reference to our evidence, which was also published in the report's appendix. We were pleased to see that the Committee had reviewed this evidence carefully and made the following recommendation:

[[The Future of the BBC paragraph 49:](#)]

"Given the BBC's vital contribution to training and development of talent and skills in the UK's creative media industries and in journalism, we believe this function should be reflected in the BBC's core public purposes. Similarly, we believe that the success of a future public BBC will depend on its ability and willingness to collaborate and work in partnership with others at all levels to maximise its public value and that of others. The necessity for collaborative engagement should be enshrined in the BBC's public purposes."

We support this recommendation in the context of Charter review and propose that the BBC has a **new public purpose to support training and skills development across creative media**, which working in partnership with industry:

- includes recruitment of new entrants and the ongoing skills development of the workforce;
- is focused on training and developing the skills base of both BBC staff and the wider industry across the UK;
- is measured on both proportionality of investment and outcomes achieved.

The BBC is a driving force for the UK's creative economy. As a major public intervention in the creative economy, the BBC has a key role in supporting the growth of the UK's creative industries. This is particularly important given the sector's significant reliance on freelancers who would not otherwise have access to the training they need to develop their careers. It is strongly in the BBC's own interest to ensure that we have production sector capable of delivering the range of quality network content which the BBC requires.

In this time of cutbacks, and given the current pressures on the budgets of all UK broadcasters, we ask for training not to be disproportionately cut as it was before. We strongly believe that the imperative of growing skills and talent outside of London requires a greater, additional commitment of funding than before and that the BBC should reassess the scale of the challenge which lies in ensuring that the skills base and size of the production sectors in the Nations, and especially here in Wales, are 'fit for purpose'.

In this respect, we believe that the BBC should have a new public purpose to support training and skills development across creative media in its role as a public service broadcaster, as a significant driver of creativity, the creator/commissioner of content, and as a global brand upholding quality. Training is key to enabling and achieving greater diversity within the creative media industries.

Making this one of the Corporation's core public purposes will only help ensure that the BBC treats training as a priority during a period when it will be making tough decisions about how to invest licence fee income. It will also support the BBC's expressed commitment to its identified three priorities as a Public Service Broadcaster: "Modernising services; Content investment; Devolution and Diversity".

BBC's investment in films – particularly short films – also provides vital development and production support for the Welsh independent film sector, and we think it should be maintained. With the remit of the other key public film funder, Film4, shifting towards more commercially-orientated investments, the BBC's ability to invest in risk-taking, including support for new and emerging filmmakers, is ever more crucial.

Creative Skillset values the partnership we have developed with the BBC here in Wales and across the UK. We want to continue that partnership in the next Charter period with clarity about the BBC's commitment towards training for the wider creative media industries. We want the BBC to work closely with Creative Skillset on a strategy that enables the industry here and across the UK to strengthen its skills and talent base and so enhance productivity and remain competitive.

The BBC Trust is currently considering a new public purpose on the BBC's contribution to the creative economy – a wider scope than envisaged in the recommendation from the Select Committee's report, but one that includes working collaboratively on training and talent development. Whilst we welcome that, a specific public purpose to support training and skills development will provide a clear remit for the BBC which could be effectively monitored and assessed.

S4C's future, including its funding, operating and governance arrangements, and the services it provides:

S4C has a particularly constructive relationship with Creative Skillset Cymru to support the skills and training needs of companies and freelancers operating within the creative industries in Wales. It has always been committed to developing skills and talent in the industry, and makes a significant contribution to training provision within the sector.

Moreover, S4C has shown consistent leadership in this area, realising that investment in our skills and talent base is the only way we can build that future of increased competitiveness and growth we want for the Creative Industries in here.

Creative Skillset Cymru's track record of leveraging money from Europe and other sources has had a significant impact on the investment in skills. For example, S4C and TACs investment of £785,000 over the lifetime of the Skills for the Digital Economy Programme

(2010-2015) secured match funding of £3,600,000, which represented a five-fold premium on S4C's investment. This led to the training of over 1,000 people within the creative industries in Wales. With reduced budgets, this partnership and co-investment model has obviously paid great dividends. Working in partnership is crucial in securing value for money.

Under the terms of the licence fee settlement of October 2010, responsibility for the majority of S4C funding transferred from the UK Government's Department for Culture, Media and Sport (DCMS) to the BBC Trust through the licence fee, with a reduction in funding equivalent to 36%. This led to a reduction in S4C's investment in Creative Skillset Cymru's Skills for the Digital Economy Programme (2010-2015) – a programme which brought large scale skills and training initiatives to the sector in Wales. With further budgetary cuts looming, we hope that this will not impact on S4C's commitment to skills and training in the future.

We would like the S4C Authority, to consider in its scrutiny role S4C's contribution to the development of talent and skills for the creative media industries in Wales. This role should mirror the scrutiny role of the BBC Trust against the public service commitments of the BBC towards supporting training and talent development for the whole of the creative media workforce. While being independent entities, both these bodies (S4C Authority and BBC Trust) have a parallel role and could jointly examine whether there is enough commitment and investment towards building a highly skilled and competitive creative media workforce in Wales.

How Wales's interests are being represented during the renewal process:

The UK Government has committed to the three devolved administrations having clear, agreed and equal roles in developing the new BBC Charter and we welcome this move. These powers will ensure that the BBC has governance, management and funding structures which reflect the needs of Wales and better support the development, production and delivery of content from the nations and regions. A key aspect of this partnership is to:

“push the BBC to take a more representative approach to commissioning, talent development and production from and for all the nations and region”.

We fully support this proposition and look forward to collaborating with both government, the BBC and S4C to take this forward.

BCR 10

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Cyngor Celfyddydau Cymru

Response from: Arts Council of Wales



National Assembly for Wales: Inquiry into BBC Charter Review

Communities, Equalities and Local Government Committee

Nick Capaldi, Chief Executive Officer
October 2015



Cyngor Celfyddydau Cymru
Arts Council of Wales



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Front cover:

BBC National Orchestra of Wales at BBC Hoddinott Hall

Dim Sŵn, Kizzy Crawford, Gorwelion/Horizons

Pack Page 87

Imagine...

1. Imagine Wales. And when you've done that – pictured it, heard it, enjoyed it, read about it, celebrated it – try to think of our country without song, the spoken word on stage and screen, without poetry and novels, and dance and sculptures and ceramics and paintings and images, and all of the living traditions that are making our contemporary culture so potentially dynamic. In raw fact, as well as in our imagination, there's no human Wales without art and culture, just as there's no heritage to pass on generation by generation without creativity.
2. If the duty of public broadcasting is to reflect the lives of people, we must expect it reflect the culture of Wales and the creativity of its people. The Arts Council of Wales 2014 Omnibus Survey of the Welsh public tells us that 4 in 5 adults and 3 in 4 young people attend arts events. And over a third of adults and 8 in 10 young people participate in the arts. Arts and culture matter to Wales.

Arts Council of Wales

3. The Arts Council of Wales is the country's funding and development agency for the arts. We are a Welsh Government Sponsored Body and a charitably constituted organisation. We also have a relationship with the UK Government's Department for Culture, Media and Sport because we distribute funding from the National Lottery.
4. In our *Inspire* strategy we outline three areas of focus. *Make* - supporting the creation of great art, *Reach* - reaching new audiences in new ways and *Sustain* - ensuring resilience of, and through, the arts. We believe that broadcasting in Wales has an important role in all three of these areas. Broadcasters can work with the arts sector to support the creation of work and the creators, use their platforms to connect with the people of Wales, and co-invest with partners to make best use of public money to achieve greater impact.

The Arts and the BBC Charter

5. Like the BBC, the Arts Council of Wales is a Royal Charter organisation. This reflects our public benefit remit. We strongly believe that the BBC should reflect, support and advocate for the arts and the people who make it.

6. The BBC has had a long-standing reputation for the quality and range of its arts broadcasting. From drama to documentary, much of the BBC's arts programming has become synonymous with the cultural expression of the time and the BBC's reputation as an enlightened patron of the arts can be seen in its support for the BBC Promenade Concerts and the BBC performing ensembles.
7. If the BBC's core mission is still to "inform, education and entertain", then it must reflect cultural life in all its manifestations. Culture and the arts underpin public life. From arts and health to cultural tourism, public art to town centre re-generation, the arts bring meaning, authenticity and enjoyment to our everyday lives. They create and sustain jobs, enrich education services, bring people together, improve our quality of life. It is the universality of arts and culture that makes them so special and it is the role of the BBC to respect that universality.
8. It is for this reason that we would disagree with the assertion contained in the Government Green Paper that the BBC is too large and too "diffuse". Whilst "committed to both the future of the BBC and its underlying Reithian mission" the underlying assumption is that the scope of the BBC's output should be reduced. In our view this is not in the interests of audiences who continue to be best served by a universal and inclusive BBC. We believe that arts should be available across the BBC's output, not just pigeonholed as specialised, niche output. It should be present in all its forms across all the BBC platforms reaching all of its audiences - from Cbeebies to Radio 3.
9. Additionally in Wales the licence fee supports our Welsh language broadcaster, S4C. S4C's remit is to serve Welsh speaking Wales of all demographics and ages – as universal a challenge as that faced by BBC. It is culturally vital and unique in its focus.
10. We are also concerned with wider cultural issues – creativity, identity and diversity – fertile territory within which the BBC and S4C operates. By engaging collaboratively with the cultural sector, we believe that broadcasters could begin to make serious inroads into these areas as the cultural dimension of wider societal issues is widely acknowledged. Part of a public service remit as opposed to a market driven service in a 21st century democracy is to provide the platform for diversity and cultural voices.

Arts Council of Wales in partnership with broadcasters

11. Our relationships with the BBC Cymru Wales and S4C have many facets:
 - as a distributor of public funds in Wales our activities are often the focus of media scrutiny
 - as a campaigning charity we try to persuade the media to do more to promote the profile of the arts in Wales - and from Wales
 - as an investor of funds into the cultural and creative sector we are contributing to the development of the wider creative economy in Wales (of which the media are a key part)
 - as a partner we work together to promote, and invest in, the arts and culture of Wales in both languages
12. Arts Council of Wales, BBC Cymru Wales and S4C recognise that they are the largest investors in publicly funded creativity in Wales. We share a strong commitment to deepening and widening audiences for the arts and creative sector. We're also passionate about developing and supporting the best creative talent. Through our joint endeavours we work to make Wales more vibrant, inclusive and economically dynamic.
13. In May 2013 Arts Council of Wales and BBC Cymru signed a public value partnership (PVP) agreement committing to exploring closer collaboration over three years. This demonstrates our joint determination to seek opportunities to work together to do more, better and maximise public funding.
14. The PVP has been a strong foundation for working together in Wales. Successes include our flagship music talent development project *Horizons/Gorwelion*; making communication more open to earlier spot and take better advantage of opportunities such as the WOMEX coverage and BBC Folk Awards in Cardiff and working on 'big moments' such as the projects across to mark the centenary of Wales' greatest author, Dylan Thomas 100.
15. Separately from the PVP, both bodies also fund BBC National Orchestra and Chorus of Wales. This unique arrangement enables Wales to have a truly national orchestra of outstanding quality as well as enable the orchestra to participate in exciting and important initiatives such as *Ten Pieces*. We must ensure that we retain a balance here – in terms of partnership funding and also the role of the Orchestra in reaching the people of Wales and its recording and broadcast duties.
16. Our partnership with BBC Cymru Wales is greatly valued. It is something we want to strengthen and build on to benefit arts and audiences in Wales. Ways in

which we'd like to do this are:

- For BBC Cymru Wales - and the BBC more generally - to have a more collaborative attitude to working with arts organisations. This means not just looking to see how they can *help*, but how they can work as equal partners with the arts. Whilst we have seen some development in this area – such as working with National Theatre Wales on *Under Milk Wood* – it too often feels that the arts are the lesser partner. We believe that creative partnerships between artists/arts organisations and the BBC could produce wonderful outcomes if given time and resources with which to take root and flourish. The BBC needs to encourage processes that make such outcomes easier to achieve
 - By renewing our formal partnership with BBC Cymru Wales at the end of the current term. This second agreement will reflect what we have learnt in working together. It will outline priority areas of work.
 - To look again at how we can improve communications. In particular, how UK-wide strands of work such as BBC Music and BBC Arts involve and communicate with the nations. We all too often find out about initiatives after the launch when we and our BBC Cymru colleagues should have been engaged at inception. Wales misses out. How do we remedy this?
 - Continue to focus and act on areas of mutual priority. Digital skills (through a revaluated and refocussed *The Space*, and working on training and collaboration opportunities such as using Connected Studio model) encouraging participation in the arts (through *Get Creative* and profiling arts activity) and creating 'big moments' to grab the imagination through a variety of experiences, content and events (such as Dylan Thomas100 and forthcoming year of Roald Dahl)
 - Better network the arts sector in Wales and BBC Cymru Wales and strands like BBC Arts and BBC Music. To facilitate understanding on both sides and making it more likely to spot an opportunity to collaborate earlier.
17. Similarly, in 2013 Arts Council of Wales established a Memorandum of Understanding (MoU) with S4C. This has provided a platform for the two organisations to identify and co-invest in creative talent that work in the medium of Welsh as well as find new ways for artistic events and projects to find new audiences.

18. The arts sector in Wales works closely with S4C in many ways and we value how our MoU can facilitate this better by facilitating communication and information sharing. Initiatives like *Labordy* - an intensive development programme for Welsh language writers for stage and screen is a good example of us co-investing in this creative ecosystem. S4C have frequently broadcast arts events of adaptations of to their audience with notable examples including the WOMEX opening concert and *Tir* – an offshoot of Theatr Genedlaethol original *Tir Sir Gâr* production. We also welcome S4C's investment much earlier in the creative process – such as with the Patagonia project *150* and their collaborations with Fflim Cymru Wales (the organisation that we delegate responsibility for film to) which have produced the recent Oscar longlist nominated *Dan Y Wenallt*. There are numerous examples of S4C working with the arts for the benefit of both the creators and audience's.
19. Looking to the future, we want to build on our work to date, in particular focussing on our shared priorities around:
- Language. Working together to create opportunities to participate in the arts through Welsh language and building audiences. For example, in north east and south east areas of Wales where there is less provision for Welsh speakers.
 - Communities. Using arts and creativity to make our Welsh language communities vibrant and sustainable. Using our network of arts venues to do this.
 - Festivals and events. We both invest in creating unique cultural events in Wales. How can we do this even better and share content more widely?
 - Talent. Developing talent for mutual benefit. We have long done this around technical skills and increasingly through creative talent, but might there be other areas such as our education work?

Arts Council of Wales and BBC Charter renewal in Wales

20. Arts Council of Wales has submitted a response to the UK Government Charter renewal consultation. That document details our thought on the general purpose is of the BBC. In this document we raise many of the same points but respond to the given terms of reference, below. It is written from the viewpoint of the arts in a devolved Wales in 2015. It draws on our experience working

with BBC Cymru Wales, S4C the BBC nationally and our successes, frustrations and aspirations for the arts in Wales. Where we do not feel it appropriate to comment, we have not.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

Devolution in the UK means that the BBC has to respond to the differing needs and aspirations of the nations. Up until now the BBC has appeared slow to delegate responsibility and power from London to its own 'nations'. We understand that broadcasting isn't a devolved area and it is not for us to comment on this. However, in Wales many of the other areas of everyday life are devolved responsibilities and the BBC needs to be able to appropriately flex its structure, finances and decision-making processes to adapt to this change.

The resources for programme-making and origination need to be appropriately distributed through the UK. This would ensure diversity of voices, a spread of economic benefit and the nations and regions reflected better - both within and beyond those nations and regions.

We must consider the realities of devolution within the remit of *representing the UK, its Nations, Regions and Communities*. It is not just a case of the BBC making work that represents Wales or Wales 'warehousing' network productions. The BBC should be committed to work being made *by* Wales, *in* Wales and *for* Wales and beyond.

The BBC consultation document indicates that they would wish to protect the level of funding in the nations. We very much support this. It will enable the BBC to create work in Wales, with Wales, that reflects Wales. This, of course, includes work in the medium of Welsh. Wales is a bi-lingual nation, there is the need for content to reflect this and that should be taken into consideration when setting the funding levels.

A general point of principle is that we believe that the budgets for arts content across the BBC channels and platforms should be protected. As we have stated, the BBC is a unique provider of such content and platforms.

We also have concerns around the competitive element of production within the BBC which, if unregulated and unmanaged, could lead to production being concentrated once again in and around London.

Although it is not for us to recommend how the licence fee should be paid for, it is clear that there need to be modernisation. However this is done - the licence must remain universal as free at the point of delivery is predicated on this principle.

The future provision of the BBC's services in Wales in both the English And Welsh languages

It is essential that there is proper visibility of Wales nationally, and that the portrayal and representation of Wales is one that we would recognise. As well as our unique needs as a bilingual nation, there is a particular need for English-language, non-news and cultural production in Wales, for Wales. The resources available at the moment to the BBC in Wales impede its ability to draw on talent and to produce, for the people of Wales, cultural product produced in Wales.

In recent years we have seen a decline in capability of BBC Cymru Wales to deliver a cultural offer to Wales. Whereas funding of news and sport has been protected to some extent, Welsh arts, culture and drama - particularly on television - is barely existent. In the last year BBC Cymru Wales created 90 minutes of English language television drama (*Hinterland* – a co-production with S4C). In their 2014/15 annual report, Audiences Council Wales raised concern at the very limited portrayal of Wales through drama and comedy.

In his address from Cardiff's Pierhead building last year, BBC director general Tony Hall remarked that: *"English language programming from and for Wales has been in decline for almost a decade."* He went on to say: *"It means, inevitably, that there are some aspects of national life in Wales that are not sufficiently captured by the BBC's own television services in Wales, and I would include comedy, entertainment and culture in those categories."*

Similarly coverage of the arts in Wales has been neglected. Quality magazine programmes such as *The Slate* are no longer being made. There is no 'arts show' in BBC Cymru Wales' television output and only a weekly half hour show on Radio

Wales.

No other broadcaster is better placed to create quality creative content from Wales, to Wales, yet BBC Cymru Wales are not doing this. BBC Cymru Wales output does not reflect the creative Wales that it should.

The vitality and originality of the arts in Wales depends on the fresh flow of new ideas – new thinking that's conceived, developed and shared through the medium of Welsh. This makes it essential that we have strong, confident Welsh language broadcasters (in TV and Radio), publishers and film makers who are able to reflect the full diversity of contemporary Welsh society. To this end, it is important that S4C (which currently is funded by licence fee and BBC) and BBC services such as Radio Cymru are appropriately financed.

Wales is a bi-lingual nation – legally, socially, culturally, and as individuals and communities. Nothing makes Wales more distinctive than the Welsh Language. The language provides the means to understand and enjoy an extraordinarily rich literature and culture. Creativity thrives on this and is a key component in continuing the Welsh language's vital role at the heart of Welsh life.

BBC Cymru Wales and S4C must defend and promote vigorously the right of people to explore their own culture, their own creativity through the language of their choice. In an increasingly globalised world, we must see the Welsh language, alongside English, as a basic civic attribute as well as an inherited culture. If it's to flourish and grow, the Welsh language and culture will themselves have to offer the same levels of experimentation and responsiveness to global trends as is more widely seen through English language media. The BBC and S4C have played an enormously important role in Welsh language culture to date and it must continue to do so.

Again, the BBC should position itself alongside other organisations with a vested interest in developing the Welsh language and play a key role as a major collaborator, particularly now as it is vested with budgetary responsibilities for S4C. Regardless of its financial arrangements, S4C is self-evidently in a unique position, as a public service broadcaster, to promote Welsh language culture and the use of Welsh language in new media. Budget cuts to S4C could hobble the capacity of the media in Wales to reflect fully its culture and identity in an equal and accessible way (regardless of the language of choice).

The mandate for enshrining a commitment to the language and cultures of Wales should not be lost sight of in Charter Renewal.

It is not for us to comment on the details of the model of governance and regulation of the BBC but we do believe wholeheartedly that the BBC should retain its independence. We do, however, believe that there would be merit in ensuring that Welsh Government and the National Assembly for Wales are represented properly at Ofcom.

In our response to the UK Government consultation we highlighted the importance of the BBC to be able to innovate to remain relevant to new audiences. We noted the responsibility of the BBC to work with sectors such as the arts to assist with their development too. This is an area we feel strongly about seeing acted on in Wales.

S4C's future, including its funding, operating and governance arrangements, and the services it provides

We also recognise that, aside from the BBC, the licence fee pays a contribution for S4C. In a bi-lingual Wales it is vital to have the distinctive editorial 'voice' of S4C. S4C is in a unique position, as a public service broadcaster, to promote Welsh language culture and the use of Welsh language in new media.

Alongside the BBC, S4C are a substantial investor in creativity in Wales. In addition, the commissioning model adopted by S4C has allowed the development of several creative industry clusters in Wales such as Caernarfon which has helped to sustain the economy of rural Welsh communities. Reductions in funding will have serious repercussions and unintended consequences.

We have noted that BBC and S4C have found ways to work collaboratively and to co-invest in projects without compromising their editorial independence. We welcome this way of working.

We also believe that the budgets for arts content by S4C should be protected. S4C is a unique provider of such content and platforms for Welsh speaking audiences. S4C have maintained commitment to creative and cultural content which we welcome. Collaboration is key here. We would encourage continued partnership with the arts

sector – examples of which we have detailed earlier - in the creation and broadcast of work.

As with the BBC, to deliver a truly public service, S4C must ensure that it provides content across digital platforms. This is often with the additional consideration of making platforms being available in Welsh.

How Wales's interests are being represented during the renewal process

We welcome the National Assembly inquiry in to how the BBC Charter renewal will impact on Wales and for the opportunity to respond. We noted that the UK Government consultation terms of reference did not reflect much on the particular needs of the Nations – such as Welsh language provision.

As we have highlighted throughout this document, although broadcasting is not devolved it is important that the unique needs of Wales are adequately reflected in the process. Additionally, it is important that Welsh Government and the National Assembly for Wales are represented properly at Ofcom and well as there being ample opportunity for the public – the licence payers – to input.

Finally, the BBC and S4C need to evaluate how they can continue to develop engagement with stakeholders, including the arts sector in Wales, during this process and beyond.

Concluding comments

The main points that we would like make regarding the BBC Charter renewal in Wales, is that BBC and S4C should:

- **support the arts** – They can help us to understand and appreciate new dimensions of expression or experience, enriching our quality of life. The BBC and S4C should invest in the arts in Wales.
- **widen access and develop new audiences** – Universal in access. Both BBC and S4C need to adapt to new platforms and the arts and creativity should be

present across all these platforms. Public funding provides the security to innovate and take risks – new challenges, new opportunities. It is vital that the BBC and S4C are allowed to continue to do this in order to be fit for purpose. It also has a responsibility to support others - including the arts – to innovate with them.

- **reflect Wales as it is today and its future ambitions** – Wales is bilingual, post-devolution, creative, international in outlook and diverse in its people. This should be reflected in the content broadcast, how it is made, who makes it and how it can be accessed.
- **be genuinely collaborative** – We don't need a paternal BBC or S4C, but an open and equal partner willing to collaborate with creative producers in the widest sense.

Public service broadcasting should:

- **be structured to reflect the needs of the devolved nations** – Wales has unique needs. This should be reflected in governance and funding.

And that we, Arts Council of Wales:

- **value our partnerships with BBC Cymru Wales and S4C** – We want to continue working closely together through a partnership agreement and acknowledge their crucial role in sustaining the creative economy all over Wales. The arts in Wales are vastly richer because of them.



BCR 11
Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
Ymchwiliad i'r Adolygiad o Siarter y BBC
Inquiry into the BBC Charter Review
Ymateb gan: S4C
Response from: S4C

30.10.2015

Christine Chapman AM
Chair
Communities, Equalities and Local Government Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

**S4C's Submission:
Communities, Equalities and Local Government Committee - Inquiry into the BBC Charter Review**

Dear Chair

Please find below S4C's submission to your committee's current inquiry relating to the BBC Charter Review process. Given the parallel nature of other parliamentary inquiries in Westminster regarding the BBC's Charter Renewal and Licence Fee settlement we have written in similar terms to David T. C. Davies MP, Jesse Norman MP and Lord Best. S4C has also provided a submission to the DCMS's Green Paper Charter Review Consultation. We will provide your committee with a copy of these submissions for your information.

We look forward to the opportunity to give oral evidence to your committee with regard to the future of S4C and broadcasting in Wales.

The past few years have been a period of significant change for S4C – in terms of re-establishing the organisation as a national institution that engages proactively with public life in Wales, that understands and contributes constructively to delivering its important cultural and social role, that identifies the significant economic impact S4C's investment has in the creative industries in Wales and that places the audience at the centre of all our activities and delivers a high quality service for as wide an audience as possible – in Wales and across the UK.

2014-15 was a year of overall growth for S4C – in particular in terms of online usage – up 31% year on year. Viewing of S4C on television across the UK increased with an average of 605,000 viewers tuning in each week. However, within this picture of growth there are challenges, including financial, technical and linguistic matters, as well as understanding the audience's expectations and responding to the small year on year decrease in viewing within Wales.

We are hopefully entering the next phase in S4C's development in good shape to deal with challenges that may lie ahead.

For the purposes of this response, we have assumed that there will be a proportionate and transparent process or review by which the Secretary of State will be able to ascertain the 'sufficient funding' requirements for S4C for the next funding period in accordance with his statutory duty¹, and also that the current arrangements between the S4C Authority and the BBC Trust are to continue or be transferred to its successor body, subject to such body's independence from the BBC's executive (and depending upon the proposals to be set out in the White Paper).

In this response we concentrate on matters that relate to S4C. We do not offer a view regarding wider issues relating to the BBC's Charter Renewal.

Next week we will be publishing a vision for the future of S4C's services. In this document we will set out options for S4C's future strategy together with information relating to the future of S4C and its funding. We will of course provide your committee with copies of this document and hope that you will be able to join us for the publication of the document.

¹ Section 31 Public Bodies Act 2011



If you require further information relating to S4C we would be happy to answer any questions you may have. Information relating to the performance of S4C's services can be found in [S4C's Annual Report for 2014/15](#). Information relating to the accountability and funding arrangements between the S4C Authority and the BBC Trust can be found in the [Operating Agreement](#) between the Authority and the Trust.

Q - The future provision of the BBC's services in Wales, in both the English and Welsh languages

The importance of reflecting the culture of Wales through the medium of both Welsh and English broadcasting in Wales cannot be underestimated. General PSB (BBC and commercial) investment in programming for and from the nations and regions has seen a significant decrease in recent years. S4C believes that this is a cause for concern and hopes that the needs of the audiences within the nations and regions of the UK will be taken into consideration whilst shaping the next Royal Charter and the BBC for the next ten years.

Wales needs strong local creative platforms for its culture through the medium of English and there is a need for Wales, its talent, its history and its everyday life to be seen more prominently on the public channels of the UK networks. These matters must receive full consideration during the discussions regarding the expectations of public service broadcasting across the UK.

However these questions are separate to those regarding the needs of broadcasting in the Welsh language. There is only one Welsh language channel, compared with hundreds in English, and that single channel must try and provide, for Welsh-speakers, an offering which corresponds to the whole range of international English language television provision which is available.

It is appropriate therefore that its funding needs should be considered in their own right, as has been the case since 1982, and separate to consideration of the BBC's provision for the nations more generally.

S4C is the only television channel that reflects a comprehensive range of Welsh language culture, including coverage of national events – such as the Urdd Eisteddfod, Llangollen International Eisteddfod, National Eisteddfod of Wales, Gwyl Cerdd Dant, Can i Gymru, and the Royal Welsh Show. S4C plays a unique role in relation to the promotion of the Welsh language. Research conducted annually by S4C (and set out in the Annual Report) shows that in 2014, 88% of S4C's audience panel believe that S4C is the channel that has the best coverage of events in Wales, 81% believe that S4C increases their awareness of Welsh cultural events, 83% felt that S4C makes the Welsh language 'come alive' and 81% felt that S4C makes the Welsh language seem more modern and relevant. S4C's partners including national events organisers and partners in the field of life long education also attest to the importance of S4C's provision for their events and for the promotion and development of the Welsh language.

Consideration of the BBC's provision in the Nations should note the BBC's important contribution not only to its own national services but also in Wales to S4C's service. The 10 hours per week of programming produced and provided by BBC Cymru to S4C since 1982 under a statutory provision and also a Strategic Partnership Agreement forms an important element of S4C's PSB service and includes provision in important PSB genres such as news, the Pobol y Cwm soap opera, elements of sport and important events coverage from the National Eisteddfod of Wales.

Q - The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

We do not offer an opinion regarding governance and accountability arrangements for the BBC insofar as they relate to the BBC's own services. However, in relation to S4C's services, the issue of governance and accountability arrangements relating to Licence Fee expenditure are of particular relevance and importance to S4C – since the coming into force of the Operating Agreement in April 2013. Since 2011, the S4C Authority and the BBC Trust have worked closely to develop an accountability and funding framework that would protect S4C's independence whilst at the same time ensure appropriate accountability to the BBC Trust for use of Licence Fee funds. Despite initial scepticism and concerns from some stakeholders, S4C and the BBC Trust have worked hard to make the arrangements work. We have demonstrated that protected



funding arrangements can work and can provide appropriate accountability to the BBC's regulatory body and guardian of the Licence Fee whilst at the same time ensuring the continuing independence of a PSB.

In relation to the public policy discussions surrounding the future of accountability of broadcasting in Wales, as considered by the Silk Commission, it is important to note that S4C, as a public body and a PSB cannot express a view on public policy. However, S4C's submission to the Silk commission set out a number of issues for policy makers to consider and also reaffirmed its willingness to engage with elected representatives in both Westminster and Cardiff Bay with regard to matters relating to broadcasting and the accountability of S4C.

S4C's current governance and accountability arrangements are set out in both statutory provisions and in the Operating Agreement between the S4C Authority and the BBC Trust.

S4C is currently *accountable* to Parliament through statutory provisions and since 2013 is accountable to the BBC Trust (by way of the Operating Agreement) for use of licence fee money. S4C notes the recent MOU agreed between the BBC and the National Assembly for Wales and notes that it would be willing to formalise along similar lines S4C's current relationship with the National Assembly and its committees.

In relation to *governance*, S4C commissioned Sir Jon Shortridge to conduct an independent review of S4C's governance arrangements in 2010, following the Authority's decision to replace the former system of governance known as Arwahanrwydd (separation). Sir Jon made a significant number of recommendations, of which the majority were accepted by the Authority and have been implemented. The system of corporate governance recommended by Sir Jon has provided S4C with effective governance arrangements.

S4C will be submitting evidence to Sir David Clementi's recently announced review of the governance of the BBC, concentrating on S4C's unique relationship with the BBC Trust and Executive and in particular the means by which the Operating Agreement between the Authority and the Trust has created a new and vibrant creative relationship between two independent PSB broadcasters, and protected S4C's independence whilst at the same time ensuring appropriate accountability to the BBC Trust for the use of Licence Fee money.

S4C has a unique relationship with the BBC Trust and the BBC Executive. However, S4C does not offer a view regarding the constitution or responsibilities of a potential successor body to the BBC Trust insofar as its responsibilities would relate to governing the BBC and its services.

That said, the existence of a body which is independent of the BBC Executive itself as the conduit by which funding from the Licence Fee is provided to S4C, and through which ultimate accountability for use of such funds is exercised, has provided an important safeguard of S4C's independence. For example, the current Operating Agreement with the BBC Trust contains 'in extremis' provisions by which the BBC Trust may withhold a proportion of S4C's funding if it believes that S4C is not acting in accordance with the provisions of the agreement. Such a provision would not be used lightly by the Trust and was negotiated as a 'last resort' measure.

In circumstances where potential conflicts could arise between the BBC's own interests and those of an independent PSB such as S4C, it could become very difficult for the BBC Executive to be seen to be exercising independent and objective judgement if its decisions could possibly appear to benefit the BBC itself or its services. In circumstances where the BBC Executive believed that money should be withheld from S4C, there is a danger that the motive for any such decision could be called into question, for as well as acting as arbiter of the provisions of the agreement the Executive would also be the de facto beneficiary of any such action as any amounts withheld from S4C would by default be kept within the BBC Executive's budget.

Such a situation could eventually be counter-productive for the Executive as any such decisions would be questioned, thus potentially leading to diminished credibility for its decisions. This is one example where the model of ensuring accountability to an arms-length body / regulator, such as the BBC Trust in the current arrangements does in practice benefit both S4C and the BBC Executive.

Q - S4C's future, including its funding, operating and governance arrangements, and the services it provides

Next week we will be publishing *S4C: Looking to the Future*, which will set out options for S4C's future strategy, S4C's impact and possible challenges we may face in future. We set out below information relating to funding matters. The answer to your previous question sets out information relating to governance and accountability matters.

S4C's funding – in terms of sources and quantum has changed significantly since 2010. We understand the importance the UK Government has placed on reduction of the public deficit since 2010 and believe that we have dealt with this challenging funding settlement in a positive manner, whilst ensuring that the service we provide our audience is protected as far as possible. The costs that we have taken out of S4C's own operations and the reductions that have been delivered by our partners in the independent production sector are significant, as shown below.

The revised funding settlement set out in the 2010 CSR has required S4C to deal with a real terms reduction of c.36% in its income over the period of the current funding settlement. In cash terms, this equates to a cumulative reduction in funding (not including RPI) of over £65m to date. During this time we have sought to balance our books, whilst at the same time seeking to ensure that the highest possible percentage of S4C's income is invested in front line services for our audience, with 80% of S4C's income being invested in original content from the independent production sector, and also that the economic impact of S4C's activities is maximised for the benefit of the economy in Wales (as set out below).

In addition to dealing with the cash terms reduction of more than £65m since 2010, a [programme to identify further efficiencies within S4C's own operations has been put in place](#) in line with the Operating Agreement between the S4C Authority and the BBC Trust. This programme is designed to ensure that the vast majority of S4C's income is invested in its front line services for our audience. The efficiency targets in the Operating Agreement require S4C to deliver efficiency savings and scope reductions of 15% for the period 1 April 2013 to 31 March 2015, as compared with S4C's 2012 budget.

We have managed, by and large to sustain the current comprehensive service within the current funding settlement, however there have been clear pressures that have affected the service we provide to our audience such as the cessation of S4C's High Definition service, a reduction in investment in childrens' programming, an absence of original drama for a significant number of months each year, changes in the Pobol y Cwm broadcast pattern (including cessation of the Sunday omnibus, due to a reduction in S4C's financial contribution to the BBC). In addition, significant pressures on costs in all content genres have led to a reduction of 35% in the cost per hour of S4C's service since 2009.

A great deal of work has been done by the executive team to review S4C's organisational structure and its activities in an attempt to minimise S4C's internal costs and to maximise the amounts that we can invest directly in content and in production companies across Wales, to ensure the best possible service for our audience. Close co-operation with these producers, providing many of them with longer-term contracts in exchange for lower costs, further increased value for money, and a commitment to training, has enabled overall service hours to be maintained, though with some reduction in the number of hours of the most expensive programming – drama, in particular.

The efficiency programme has already led to efficiency measures and reductions in base costs, not including programme content, of over £12.5m in actual gross savings. On average, each year from 2011 has seen added efficiency of 12% being delivered, as against the 2011 base. In accordance with the Operating Agreement, all efficiencies delivered are retained by S4C to be reinvested in original content for S4C's services.

Further information relating to the implementation of S4C's efficiency and value for money programmes can be found at [pages 52 to 67 of the 2014-15 Annual Report](#).

Given the scale of the reduction in funding and efficiencies implemented to date, it is anticipated that any further savings, given the over-riding priority to maintain quality, would be likely to require a reduction in the range and type of service provided by S4C.

Such measures could include a general reduction in broadcast hours, an increase in the use of repeats and



archive (already at a high level – at 57% of broadcast hours), a reduction in original children’s programmes (replacing them with dubbed acquisitions), a reduction in high cost genres such as drama and documentaries, an inability to resume provision of a HD simulcast service and a reduction in S4C’s current online platform offering (such as the provision of S4C’s content on platforms including BBC iPlayer and YouView) thus relegating S4C from being a universally available PSB service.

Any such measures would impact cumulatively on the service delivered to the audience, its cultural, linguistic and social impact and would reduce S4C’s economic and fiscal impact within the Welsh economy.

Despite our efforts to prioritise investment in original content and therefore to seek efficiencies in the first instance from S4C’s own costs, the quantum of the reduction in funding has already meant an unavoidable reduction in S4C’s ability to offer certain genres of programming – such as high quality original drama and sport. For example in 2013-14, a seven months’ hiatus between new drama series in the traditional Sunday night slot. The audience regularly places high quality original drama at the top of their list of priorities for S4C. Its absence is consequently noted and reflected in the channel’s performance.

Our ability to compete for sports rights has been diminished as a result of substantially increased competition in the market with other broadcasters now being better able to afford to acquire rights which we have previously exploited. This trend is likely to become exacerbated in the near future.

Given the significant increase in usage of S4C outside Wales in recent years as a result of S4C’s new platforms strategy, which includes carriage of S4C on iPlayer, Virgin Media outside of Wales, YouView across the UK as well as certain Smart TVs and games consoles, the inability to provide an HD service is a cause of concern as it appears that there is a latent demand for S4C’s content across the UK.

Increasing the range of platforms upon which S4C is delivered is a strategic priority for S4C. However pursuing this strategy will entail increasing annual costs.

In addition to S4C’s important linguistic and cultural role, we also place significant importance on ensuring that our financial investment in the independent production sector – SMEs in Wales - generates the greatest possible economic impact. In 2014/15, S4C commissioned content and worked with 50 production companies (that are listed in the Annual Report) from across Wales, including in Caernarfon, Llanelli, Swansea and Cardiff.

Independent research (Arad) relating to S4C’s economic impact found that for every £1 S4C invests in the economy in Wales and the UK produces a total value of £2.09. This means that S4C’s investment of £83m in 2014/15 generated a combined effect of £117m on the economy of Wales and £170m across the UK.

S4C notes the importance of ensuring long term visibility and stability of its funding, and also the importance of the Secretary of State’s duty to ensure ‘sufficient funding’ for S4C (as set out in the Public Bodies Act 2011).

S4C is in a unique position in terms of funding structures - and a number of processes are relevant to the discussion surrounding S4C’s future funding. These include (i) the UK Government’s current Spending Review, (ii) the BBC’s Charter Renewal process and Licence Fee settlement and (iii) the overarching duty upon the Secretary of State, set out in Section 31 of the Public Bodies Act 2011, to opine upon and make arrangements to ensure ‘sufficient funding’ for S4C.

The Green Paper referred to the principle of Protected Funding within a future Licence Fee settlement as a means of ensuring specific public policy objectives. The Culture, Media and Sport Committee also recommended in their previous report that responsibility for the (part) funding of S4C should transfer from the BBC Trust to the proposed Public Service Broadcasting Commission.

Protected Funding has been an appropriate means of securing the specific public policy objectives of providing a Welsh-language television service, i.e. S4C.

S4C does not offer an opinion regarding the detailed funding mechanism options (i.e. Licence Fee, household levy or other payment method) for the collection of the BBC’s Licence Fee income in future. The key principle, we believe, is that of universal availability of PSB services, including indigenous language services such as S4C. The level of funding needed to ensure the continued provision of comprehensive PSB services

across the nations of the UK, and the mechanism most likely to deliver this funding, should be the key considerations.

If one accepts the principle regarding “read-across” to S4C funding outlined in the Chancellor of the Exchequer’s letter to the Director General of the BBC (dated 3 July), there is a real danger that any further reduction of Licence Fee income would materially impact upon the funding for S4C that is provided from the Licence Fee.

The process of implementing the 2010 agreement regarding the transfer of the bulk of S4C funding from DCMS to the Licence Fee required protracted negotiations between the S4C Authority and the BBC Trust in order to secure an Operating Agreement which protected S4C’s editorial, managerial and operational independence, while putting in place an accounting mechanism which provided for ultimate accountability by the BBC Trust for use of Licence Fee funds. Furthermore, as public service broadcasters, with a shared history of providing services in the Welsh language, the core objectives of the BBC and S4C are closely related, so that a clear demonstration could be made that S4C’s activities were simultaneously contributing to the BBC’s public purposes. It may well be that such a relationship is, in fact, unique, and does not in itself provide an argument for the more widespread use of the principle of Protected Funding.

S4C believes that the process for arriving at the quantum of such protected funding should be by way of a specific process to ascertain the ‘sufficient funding’ needs of S4C. The level of funding should be set in advance of a Licence Fee Settlement during the Charter Renewal process and should be negotiated and agreed in a transparent and open manner between Government, the BBC’s future governing body and the relevant party, in this case the S4C Authority.

Q - How Wales’s interests are being represented during the renewal process.

S4C believes that it will be important to ensure an appropriate place for S4C and the wider interests of public service broadcasting in Wales as part of the Charter renewal process. The importance to S4C of engaging with stakeholders to ensure an understanding of S4C’s position and requirement is paramount, especially in the context of Charter renewal and the process or review for ascertaining the ‘sufficient funding’ of S4C.

S4C has nurtured a constructive relationship with stakeholders over recent years. These include the Secretaries of State for Culture, Media and Sport, and for Wales and their officials, Welsh Government, Assembly Members and Members of Parliament, and the BBC Trust and the BBC Executive in London and Cardiff. S4C believes that these relationships will be key to ensuring an appropriate process or review of S4C’s long term strategy and funding as it will be important for stakeholders to be able to contribute to the process of ascertaining sufficient funding for S4C and be able to demonstrate the added value that S4C can provide to organisations across Wales through working in partnership.

The “read-across” to S4C funding outlined in the Chancellor of the Exchequer’s letter to the Director General of the BBC (dated 3 July) means that it is important to ensure a clear understanding and agreement in relation to the underlying principles and how such a read-across would be implemented as part of the wider process or review of S4C’s sufficient funding requirements. We also believe that it will be appropriate and important to take into consideration the substantial funding reduction S4C has already implemented when considering fair and sufficient funding over the forthcoming period, given S4C’s reduced ability to deal with further reductions without impacting upon the type of service that can be provided for the audience.

As part of ensuring the totality of Wales’s needs and expectations are taken into consideration during the Charter Review process, we believe that it is important to ensure a proportionate and transparent process or review by which the Secretary of State will be able to ascertain the ‘sufficient funding’ requirements for S4C for the next funding period in accordance with his statutory duty. The timing of the various decisions which impact upon S4C’s funding creates uncertainty in establishing how S4C will continue to receive sufficient funding, and such complexities should be taken into consideration as part of any review of S4C’s sufficient funding requirements and its ability to commission content in the long term and to provide stability to the independent production sector in Wales.



We look forward to discussing the matters set out in this letter and matters relating to the BBC Charter Renewal process and the future of S4C with you and your committee at your earliest convenience.

Yours sincerely

Huw Jones
Chairman, S4C Authority

Ian Jones
Chief Executive, S4C

BCR 12

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Undeb Cenedlaethol y Newyddiadurwyr

Response from: National Union of Journalists



September 2015

NUJ submission to the BBC Charter Review public consultation

The National Union of Journalists is the representative voice for journalists and media professionals across the UK and Ireland. The union was founded in 1907 and has 30,000 members. It represents staff and freelances working at home and abroad in the broadcast media, newspapers, news agencies, magazines, books, public relations, communications, online media and as photographers and illustrators.

What the BBC does: scale and scope

Q1. How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve? Q2. Which elements of universality are most important for the BBC?

1. The BBC's purpose set out by Lord Reith was to produce programmes and services that inform, educate and entertain. The NUJ believes this purpose to be as relevant today as it was for the fledgling corporation. The BBC's public purposes will define, to an extent, the scope of the corporation as a public service broadcaster. The NUJ believes the BBC provides great value at 40p per day for four TV channels, 10 national radio stations and a network of local radio stations, an internationally-acclaimed website, BBC Parliament, the World Service, S4C, BBC Monitoring and five orchestras and choirs. As the nation's broadcaster, it is important that it provides services for all its licence-fee payers. The BBC accounts for 40-plus per cent of the total investment in UK original content: it is the most important commissioner of

new content in the UK, spending about £1bn a year on non-news commissions. It is the largest single investor in TV news production and a by-word for broadcasting quality. The NUJ is not saying the BBC is perfect; elements of its services could be improved but, as a model providing a wide offering across genres and interests, it is doing a good job. To downgrade the BBC, whether on ideological, anti-statist grounds or because commercial rivals such as Rupert Murdoch are putting on pressure, would be wanton vandalism.

2. **Michelle Stanistreet**, the NUJ General Secretary, said on the day of the green paper's publication: "There is no evidence the public want to see a smaller BBC which, as the green paper says, may become 'more focused on a narrower, core set of services'. The BBC is a world-respected public service broadcaster, something we should be proud of, and something we need to preserve.
3. "The BBC is watched and listened to by 96 per cent of the UK population. It is the largest single investor in TV news. Every £1 of licence fee spent by the network generates £2 of economic activity. The licence fee is the single biggest investor in the arts and creative industries and the biggest commissioner of new music in the world. Why, if we have something so popular, great value for money and a huge asset to the cultural fabric of the nation, would we want to reduce its scope with a remit to produce programmes in which the commercial sector is not interested? Its purposes must be to continue to inform, educate and, importantly, entertain. After the shabby, secret deal cooked up between the BBC director general, Tony Hall, and the Chancellor, George Osborne, for the BBC to pay for free licences for people over the age of 75, this consultation must be open and the views of the public and the industry, including the staff of the BBC must be listened to."
4. The clue is in the name. The **British** Broadcast Corporation creates a shared culture in a way that no other institution does. We are all united by Blue Peter, Dr Who, David Attenborough, Victor Meldrew, Monty Python, the Shipping Forecast, the Today programme, MOTD, Last Night of the Proms, the Clangers, Civilisation, the Great British Bake Off, Strictly Come Dancing, Teletubbies, Miranda, TW3, The Office, A History of the World in 100 Objects, the Singing Detective and Only Fools and Horses to name just a few. We all turn to the BBC for the great state occasions: the royal marriages and investitures; the funeral of Princess Diana; the Olympics; and general elections. We all watched the landing on the moon and the 9/11 attack on the BBC.
5. Regional television news and local radio provides news and information on travel, weather and sport. The BBC's services provide it best of all. This detailed information is presented not as dry facts but with warmth, sympathy, humour and authority by people who know and live in the same area. BBC local radio is particularly important for elderly people, especially the housebound, whose contact with the outside world is severely limited. Without it, they would be even more lonely and their lives very

much sadder. In this respect, BBC local radio is a unique public and social service of immense value.

6. The NUJ argues strongly against a scaled-down BBC, although this is already happening as a result of the corporation budget's being cut by a fifth and, in the case of news, one-quarter. The report prepared for Ofcom in 2015 by Oliver & Ohlbaum Associates¹ covering 2003-2013 noted that original-content investment by UK public sector broadcasters fell 24.7 per cent in real terms during the past decade. It said there had been "no significant volume loss and no noticeable quality loss" and audience satisfaction remained high. Yet, the report said: "Broadcaster budgets have been under pressure and, to deliver the desired level of originated content, they have moved towards cheaper genres." Ofcom also noted: "As licence-fee income has fallen in real terms, the last few years have seen the BBC reduce its investment in programmes in some key PSB genres, such as drama, current affairs, specialist factual and education."
 7. The BBC's public purposes, as set out in the charter are: **sustaining citizenship and civil society; promoting education and learning; stimulating creativity and cultural excellence; reflecting UK audiences; global outlook; delivering to the public the benefit of emerging communications technologies and services.** The NUJ believes these public purposes still hold good but there may be a case for providing levers and sanctions, so the purposes do not become a woolly wish-list.
 8. There is a case for reinforcing the BBC's public purposes by making direct reference to key genres. These (and this is not an exclusive list) should include news, current affairs, documentaries, natural history, arts, culture, entertainment, comedy, drama and programmes for children.
- **Sustaining citizenship and civil society:** the BBC plays a huge role in providing high-quality news, current affairs and political debate. Its role as an impartial broadcaster is crucial to this. The BBC is free from shareholder pressure, advertiser influence and the chase for ratings. People understand this and that is why the BBC commands a high level of trust. Ofcom's latest public service broadcasting review showed eight in 10 viewers (79 per cent) believed public service broadcasting fulfilled its purposes, such as trustworthy news and high-quality programmes that reflect the UK, a notable increase from 69 per cent in 2008. During the general election, BBC election coverage reached nine in 10 UK adults in the last week of the campaign. The so-called cost-cutting programme, Delivering Quality First, has led to the BBC scaling down its political programming. Panorama no longer has dedicated reporters. ITV has significantly retreated from its public service broadcasting commitments during the past decade. It produces fewer non-news/factual programmes and local news has been cut considerably. Ofcom allowed ITV local news to be reduced by a third in its latest 10-year broadcast licences for ITV, STV, UTV and Channel 5.

As it stands, the BBC is struggling because of cuts to staff numbers. Cuts to the Home Newsgathering department, which supplies reporters, camera crews, producers, broadcast trucks and kit to all BBC outlets (radio and TV) across the UK, has resulted in the Midlands bureau (geographically from the Welsh border to Great Yarmouth, Oxford to Chesterfield, including the Thames estuary and the rest of East Anglia) being covered by one bureau chief, two producers and two reporters. The bureau chief and the main reporter live outside the patch, in Wales. News is a seven-day-a-week operation, but weekend staffing in London is now at skeleton levels. Outside the M25, there are no staff members available, apart from a small team in the North of England. When major news stories break, staff are called in from days off.

The BBC is distinctive in that it provides news coverage from your doorstep to the darkest corners of the globe. The level of trust it commands cannot be bought. There is nothing that undermines democracy more than a media dominated by the state, a media mogul or international conglomerate.

- **Promoting education and learning:** the BBC has a long and distinguished history in promoting education and learning. For half a century, the Open University has produced programmes with the BBC. From the days when many people were given the opportunity to take degrees by watching late-night lectures delivered by professors in kipper ties, to many thousands of innovative, exciting education clips used in schools for all stages of the curriculum, the BBC has played TV teacher. BBC Bitesize, the Learning Zone and iZone are huge repositories of high-quality learning resources. The **BBC schools** website pulls together these resources: Newsround, the current affairs show for young people; Ten Pieces, which aims to open up the worlds of classical music, dance and digital art to young people; and BBC News School Report, which gives 11- to 16-year-old UK students a voice and the chance to produce their own news reports. These examples show the distinctive service the BBC provides:

- One pupil's struggle with anorexia: <http://www.bbc.co.uk/schoolreport/31954786>
- Pupils discuss why they self-harm: <http://www.bbc.co.uk/programmes/p01wdlpq>
- Northern Irish children and country music: <http://www.bbc.co.uk/schoolreport/31815070>

For grown-ups, BBC Four and Radio 4 provide an excellent and unparalleled array of documentaries on a wide range of subjects which enlighten, inform and entertain. These programmes may not command the viewing figures of Strictly Come Dancing, but they provide programming for a different group of viewers and represent a quality marker of BBC output. The BBC could also expand its education and documentary output by creating new partnerships with other academic institutions.

- **Stimulating creativity and cultural excellence:** every £1 of licence fee spent by the network generates £2 of economic activity in the creative sector. In the period 2011-12, the BBC generated £8.3bn for the UK economy. The licence fee is the single

biggest investment in the arts and creative industries in this country. In 2013-14, the BBC injected £2.2bn into the creative industries.

Gareth Neame, the executive producer of *Downton Abbey*, in an interview in the *Guardian*², said it would be madness for the BBC to stop making commercial programmes. He said: “I am the person who took *Downton Abbey* to ITV; I never picked up the phone to the BBC. My income and job is not dependent on the BBC ... However, it is wrong that people who are not practitioners believe market forces can just pick up the slack if the BBC is cut back. The BBC is a highly dysfunctional place, like all big organisations, but it is also ‘our Hollywood’, the only organisation big enough to make its own creative decisions. The proposal that it should stop making commercial programmes is a madness.”

The Proms are an example of cultural excellence; a BBC institution which has become one of the premier musical events on the globe. If the BBC didn’t do it, it just wouldn’t happen. Who else would provide a concert series where you could see world-class performances for £5.00? Again, the BBC should create more partnerships with arts and cultural institutions.

- **Reflecting UK audiences:** the BBC must provide a service that reflects UK audiences. It must also have a workforce which does the same. This is an area which should be improved. The move to MediaCity, Salford, has made the corporation less London-centric. However, the Mailbox, the much-vaunted BBC facility in Birmingham which costs the BBC £2.14m a year, is half-empty. Apart from the Archers, the Asian Network is the last remaining network radio based in the city. Ofcom’s Advisory Committee for Wales³ said Wales was served less comprehensively outside the BBC than any of the other UK nations, with weaker print media and commercial radio services offering a reduced challenge to the BBC in terms of a plurality of voices. One in five (21 per cent) viewers in Scotland and one in four (26 per cent) viewers in Northern Ireland felt they were portrayed negatively in PSB programmes. Ofcom found that more than half (55 per cent) of respondents from black ethnic groups felt they were under-represented in PSB programmes and a similar proportion (51 per cent) felt they were negatively portrayed. About half (51 per cent) of disabled people felt under-represented. Latest figures from the BBC show 13.1 per cent of its staff are from BME backgrounds; the industry average is 5.4 per cent. This must be addressed by the new governance structure (see below).
- **Global outlook.** This year, the World Service reached 210 million people. For many around the globe it is a vital service; the BBC is still able to expose the brutality and corruption of regimes which try to hide their acts by repression of the media. According to *The Soft Power 30* report⁴, compiled by the communications consultancy, Portland, the UK leads the world in soft power, putting it above Germany, the United States, France and Canada. “Soft power” is the term used to explain the use of positive attraction and persuasion to achieve global influence. The UK scored high on culture, digital, and global engagement. The World Service now

comes under the BBC's budget and is funded from the licence fee. This is already having an effect on the way it is being produced, with BBC news teams and World Service news teams being merged. There are fears that this will dilute the character, tradition and ethos of the service. The World Service provides an important and highly valuable service representing the UK abroad and reporting on global affairs but it should be funded by taxpayers not licence payers.

- **Delivering to the public the benefit of emerging communications technologies and services:** the BBC's Digital Media Initiative (DMI) was a £100m disaster but, on the whole, the BBC has been a major innovator in broadcasting technology since the birth of radio and TV. From the Radiophonic Workshop to BBC micro-computers to Ceefax then Freesat – a joint enterprise with ITV which allowed the change from analogue to digital – and iPlayer, which opened up view-on-demand, the corporation's engineers and scientists have been pioneers. The whole media landscape has benefited from the BBC's innovations. The Commonwealth Games were used to test 360 TV, a method of filming from all angles. The NUJ believes this work should remain one of the BBC's purposes, but more rigid accountability is necessary to ensure that the DMI-style fiasco is not repeated.

Q3. Should Charter Review formally establish a set of values for the BBC?

9. The NUJ does not see the need for Charter Review to “formally establish a set of values for the BBC”. The BBC, on the whole, has an ethos that is shared by its staff: a responsibility to its licence-fee payers; the need to remain independent; to maintain standards of accuracy and integrity in its journalism and to cherish British culture while reflecting and celebrating the diversity of its population.

Q4. Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

Q5. Where does the evidence suggest the BBC has a positive or negative wider impact on the market?

10. According to the Barwise and Picard report for the Reuters Institute for the Study of Journalism⁵, without BBC TV the investment in first-run UK content would be 25-50 per cent lower. Ofcom's research shows ITV 1's investment in content is directly linked to the investment made by the BBC in BBC One.
11. Ofcom, in its latest review of public service broadcasting (PSB), in July 2015², said: “The approach to the BBC in the forthcoming Charter Review will be critical to the future of the PSB system overall ... It is the largest investor in new UK programmes, and the only major commissioner in certain genres, such as children's. It supports the wider creative economy both directly (e.g. through commissioning from the independent production sector) and indirectly (e.g. through investment in skills and

training). But as licence-fee income has fallen in real terms, the last few years have seen the BBC reduce its investment in programmes in some key PSB genres such as drama, current affairs, specialist factual and education. Charter Review will need to balance the need for the BBC to produce a range of high-quality content and innovate across all major platforms against preventing it from crowding out commercial innovation.” The watchdog adds that new services, such as Netflix and Amazon Prime, are “aggressively expanding and increasingly popular”. It said: “The evidence today is that these platforms are largely complementary to traditional TV viewing, rather than substitutional, although drama is one genre where some substitution appears to be taking place. However, these companies are evolving very quickly, using global scale to fund technology innovation and, increasingly, content investment.”

12. ITV’s profits are up 25 per cent. Great news for the shareholders, but not such good news, it seems, for the viewers who have been voting with their remote controls. The broadcaster’s share of viewing fell to 21.1 per cent from 22.2 per cent in the first half of last year. A drop in appetite for the main ITV channel was more pronounced, down to 14.8 per cent from 15.8 per cent last year, believed to be its lowest share on record. Adam Crozier, the broadcaster’s chief executive, had been otherwise engaged in a spending spree buying companies such as Talpa Media, maker of the BBC’s *The Voice*, Mammoth Screen and Twofour Group, rather than investing in his own staff.
13. News that Liberty Global, the owner of pay-TV company Virgin Media, had raised its stake in ITV to 9.9 per cent increased speculation of a buy-out of ITV, despite denials by the American owner, John Malone. Last year, Malone paid £550m for All3media, the maker of *Midsomer Murders*. If Malone, known variously as the cable cowboy, Darth Vader and Mad Max within the industry, took over at the same time as the BBC was being downsized and expected to produce only the unpopular bits of media eschewed by commercial broadcasters, what effect will this have on the UK’s cultural identity? Channel 5 is now owned by the American company Viacom and many of the UK’s major independent producers have been acquired by US broadcasters.
14. Sky reported annual revenues of nearly £11.3bn, with its like-for-like pre-tax profit rising 6 per cent to £1.196bn in the year to the end of June, 2015. Its total revenues increased by 5 per cent to £11.28bn. Rupert Murdoch’s company expanded with purchases in Germany and Italy and its UK and Ireland market increased with more than 12 million new customers signing up. His revenues in the UK and Ireland in 2015 were up 6 per cent to £7.8bn with operating profit up 12 per cent to £1.35bn.
15. These figures show a buoyant commercial broadcasting market, not one which has been crowded out by the “licence-fee-cushioned BBC”. Elsewhere, global players such as Amazon Prime and Netflix are flourishing and expanding.
16. Culture Secretary, John Whittingdale, seemed to be questioning why the BBC should be producing shows as *Strictly Come Dancing* and *The Great British Bake Off*, which

could be made by the commercial sector, when he spoke to The Guardian's chief culture writer, Charlotte Higgins, in July 2015⁶. While the case could be made for saying the BBC should not be buying up formats such as The Voice, why would you want to stifle the talent which brings about popular entertainment? The final of Bake Off was watched by 13.9m viewers (more than one in five of the entire population). Providing quality entertainment is a valid role for a PSB – as well as providing part of the licence fee's value, BBC entertainment has provided a benchmark for other broadcasters and programme makers. Programmes such as Sherlock and Dr Who are popular worldwide and are great money-spinners for the BBC.

17. In radio, the BBC provides services that are quite distinct from those provided by commercial stations. It might be the case that reducing the number of BBC services available will drive listeners to commercial stations when their chosen service has disappeared but the service they find will not be the same. Taking such action could well benefit commercial broadcasters but what benefit would there be for the listener?
18. The News Media Association, which represents owners of Britain's newspaper industry, blames BBC online news for the demise of local newspapers. More than 200 titles have folded in the past decade but this isn't because of the BBC – when the going was good, newspaper group managements milked the profits for their shareholders and executives, made unwise acquisitions and failed to invest in journalism. By the late 1990s, profit margins ranged from a minimum of 20 per cent to 35 per cent and more. When the recession came, advertising dried up and then failed to migrate to newspaper websites while newspaper groups continued to award their executives fat pay cheques and cut their staff to the bone. It's not that they aren't making money; profits are still coming in. The BBC claims it is the only news organisation committed to reporting the whole of the UK, community by community, region by region, nation by nation. If the website is severely downgraded, there is no evidence the newspaper groups will fill the gap. That said, the BBC needs to work in partnership with local media, to credit local papers for stories it follows up and hasten the rollout of the Local Live pilots, where local newspapers send a link to their strongest stories which then feature on the BBC News website.
19. Research by media analysts Enders showed that UK newspaper publishers have been damaged by the internet. The problem has been raising sufficient revenue from their digital platforms. They said: "To be blunt, the BBC plays no role in exacerbating these challenges." (*The BBC, the press and online news*, August 2015)
20. On cross-promotion, it is absolutely logical for the BBC to promote its programmes across its channels in the same way that it is entirely logical for, say, ITV to cross-promote its programmes across its own four television channels. Or for Sky to cross-promote its "694 television and radio channels" (source: sky4me.tv).

21. On the issue of contestable funding, it should be noted that broadcasters other than the BBC have made and continue to make programmes that might be considered to have “public service characteristics”. In particular, news, documentaries, drama and arts have all, over the years, had extensive input from ITV and Sky and continue to do so. For this reason, the idea of switching BBC funds to commercial broadcasters to provide such programmes is laughable and offensive. It would mean in effect, licence-payers contributing to the profits of commercial companies. Where children's programmes are concerned, a more imaginative solution might be sought. For example, Ofcom could make provision of children's programmes a condition of commercial broadcasters having a licence to broadcast.

BBC Funding

Q11. How should we pay for the BBC and how should the licence fee be modernised? Q12. Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content? Q13. Has the BBC been doing enough to deliver value for money? How could it go further? Q14. How should the BBC's commercial operations, including BBC Worldwide, be reformed?

22. The method of funding the BBC appears to have been decided. As part of the BBC Charter Review consultation, Culture Secretary John Whittingdale said that, while he would prefer to move to a subscription model, the technology to do so was not yet available. He said he would close the loophole which allows people to watch the BBC on catch-up free; that is a sensible move. The NUJ supports the continuation of the licence fee, but would like to see research on other models, such as the German household-levy method or a tax on electrical equipment. The NUJ objects to governments raiding the licence-fee pot for other purposes. Licence-fee payers believe they are paying for the BBC's broadcasts and other services and not for backdoor government funding, such as the roll-out of broadband or licences for over-75s. The corporation's Director-General, Tony Hall, seemed to think he had secured a cash-flat deal, with an increase at CPI (Consumer Price Index), but it now appears the funding will be decided as part of the consultation process.

23. Media consultants Enders said: "The transfer of the over-75s subsidy loads a whacking extra cost onto the BBC, no less than £613 million in the latest annual accounts for 2014/15, but likely to be closer to £750 million by 2020/21. It is in no way compensated by the government's semi-commitment to let the licence fee rise in sync with the CPI, pending Charter Review, or to pad it out with several ameliorating factors, such as modernising the licence fee to include catch-up in households without TV sets."

24. The BBC has made substantial savings as part of the so-called Delivering Quality First cost-cutting programme – by 2017 more than £1.5bn of savings will have been made. The budget for news has been cut by a quarter. On 2 July, 2015, consultant

PwC ranked the BBC among the most efficient public sector organisations. Its overhead costs were about 8 per cent and due to fall to 7 per cent, compared with the public sector average of 11.2 per cent and the regulated industry average of 8.8 per cent. The decline in the proportion of households with a television means the BBC's income in the final year of 2016/17 is projected to be more than £150m less than was predicted in 2011. There are no signs of how this shortfall can be made up. There is very little left to salami-slice and, as matters stand, whole services, such as local radio, could be axed.

25. The low cost of the licence fee has been accompanied by savage savings in recent years which have directly affected the people who make the programmes. They have lost jobs and seen their pay shrink in real terms. At the same time, much of the BBC's senior management has been rewarded with large salaries, new posts with obscure job titles and huge payoffs. The NUJ would like to see less spent on management and more on the people who create and deliver the output.
26. At its 2014 Delegate Meeting (DM), the National Union of Journalists adopted the following policy regarding BBC remuneration: BBC senior management salaries should be capped at a figure no higher than 10 times the lowest-paid staff member. No one engaged by the BBC should be paid less than the full-time equivalent of the London Living Wage. There should be a maximum BBC salary of £150,000 per annum (including bonus payments, car allowances, pension top-ups and any other benefits).
27. In 2014/15, BBC Worldwide, the main commercial arm of the corporation, generated headline profits of £138.6m plus headline sales of £1,001.8m and returned £226.5m to the BBC. Selling popular programmes makes commercial sense, especially if the profits are ploughed back into the BBC rather than the shareholders of a privatised company.
28. The NUJ believes there must be a mechanism which protects decisions on the BBC's funding from political interference. The corporation should not be in a position where the Prime Minister of the day can make bully-boy "jokes" to the BBC's political editor that he can shut the BBC down.

BBC and governance

Q15. How should the current model of governance and regulation for the BBC be reformed? Q16. How should Public Value Tests and Service Licences be reformed and who should have the responsibility for making these decisions? Q17. How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling? Q18. How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

29. It is obvious to all, including its chair Rona Fairhead, that the BBC Trust is a dead duck. Watching the BBC's top brass passing the buck in front of the Public Accounts Committee, in March 2015, was an unedifying spectacle. The NUJ believes many of the recent problems in the BBC were caused by the top managers of the organisation being totally disconnected from the journalists and creative programme makers at the corporation. That is why the NUJ believes staff should be a part of whatever governing structure replaces the trust. Staff rang the alarm bells when things went wrong, but nobody listened. The new structure should be democratic and accountable. It should include representatives of BBC staff and the licence-fee payers and not just provide three-day-a-week sinecures for establishment figures. It should be able to challenge the BBC's programming and management and provide independent financial scrutiny, for example via the National Audit Office. Whistle-blowers must be allowed to report perceived misdemeanours. The new governing structure would have to be completely independent of government and part of its role would be to maintain that independence – although subjected to scrutiny by select committees and Parliament.
30. Any new governance structure should take the role of a watchdog to ensure the BBC, in terms of its workforce and programming, represents the diversity of its licence-fee payers. It should have access to sanctions if targets are not met.
31. Ofcom needs to take on a greater role in its scrutiny of the BBC. The corporation has a poor record of employing the BME population in front of and behind the camera. In January 2015, the Lords Communications Committee said of the broadcasting industry there "simply weren't enough women". Lord Best, the committee's chairman, said women "are under-represented, both as staff and as experts, in news and current affairs broadcasting". Ofcom should have a beefed-up role in ensuring equality monitoring at the BBC and should have a range of sanctions, but handing the governance of the BBC wholesale to Ofcom would be a mistake. Sharon White, Ofcom's chief executive, said the watchdog could take on the wider regulation of the BBC, but ruled out absorbing the governance role of the BBC Trust, saying she would "draw a line in the sand" over the issue.
32. At its 2014 DM, the NUJ adopted the following policy aimed at ensuring that licence fee payers and the BBC workforce are represented in the governance of the BBC: The BBC Trust [or its successor] should be one-third elected by licence-fee payers, with a further third of its members elected by the BBC workforce, whether journalists, caterers, production and technical staff or cleaners. The BBC Trust [or its successor] should exercise its existing power to appoint non-executive directors to the BBC executive board and accept the nomination of staff members elected by the BBC workforce to make up one-third of the board, with one seat reserved for staff on the remuneration sub-committee.

Should the existing approach of a 10-year Royal Charter and Framework Agreement continue?

33. The service licence for commercial TV is 10 years, so a 10-year Royal Charter makes sense.

Conclusion

It is illogical to believe that reducing the size and scope of the BBC will in any way benefit viewers and listeners in the UK. The reverse is true. Creating a smaller BBC will answer the ideological motives of some politicians and the commercial motives of newspaper owners and television services which charge by subscription. But it will bring great harm to public service broadcasting. It will mean the people of the UK will have reduced choices in their viewing and listening and they will have to pay more for them.

The NUJ has members working in all the UK's broadcast media. We support each of them, in public service and commercial sectors. The existence, size and scope of the BBC in its present form do not threaten our colleagues in the commercial broadcasting sector or in newspapers.

The question is this: if we were to reduce the size and scope of the BBC, which services would be cut? Because, whichever they might be, an individual licence-payer somewhere will be affected and will either lose their programme or online service or find they have to pay for another one from a commercial operator. They will lose and the operator will gain. This is wrong because we believe the interests of the audience should come first.

The BBC belongs to the nation

References:

1. Oliver & Ohlbaum Associates, *Public Service Broadcasting in the Internet Age – Trends in TV Content Investment* (originated-content investment by the four UK PSBs between 2003 and 2013) published 02,07,2015 <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/statement/>

2. *We don't have to have completely happy endings at Downton Abbey*, by Maggie Brown, The Guardian, Sunday, 9 August 2015, <http://www.theguardian.com/media/2015/aug/09/downton-abbey-ending-garety-neame>

3 *Public service broadcasting in the internet age: The Nations of the UK and their regions*, 2 July 2015, http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSBR_natreg.pdf

4 *The Soft Power 30*, Portland, <http://softpower30.portland-communications.com/>

5 *What if There Was no BBC Television? The net impact on UK Viewers*

<http://reutersinstitute.politics.ox.ac.uk/publication/what-if-there-were-no-bbc-television>,
February 2014

6 *The battle for the BBC*, by Charlotte Higgins, Tuesday, 14 July 2015,

<http://www.theguardian.com/media/2015/jul/14/battle-for-the-bbc>: John Whittingdale;
“There are some areas where I think the BBC is way outside the definition of what I call public-service broadcasting, shows where quite obviously they are copying a format which is already available in the market, such as *The Voice* ... Is there a public-service argument for *Strictly*? Debatable.”

Appendix

Only the BBC!

The NUJ's members in the BBC are proud of the corporation's role as a public service broadcaster. This is what they say about just a few of the programmes they believe show the corporation at its best.

Investigative journalism

Panorama's exposure of the abuse of vulnerable adults at Winterbourne View Hospital is an example of the BBC's excellent investigative journalism, despite the many cuts to the news budget. Joe Plomin, producer director of Panorama, said: "No other broadcaster in the world invests as seriously in the sort of undercover investigations I produce – nor would they. It could never make commercial sense. The sort of long-term infiltrations of institutions where all else has failed and where complaints have been ignored would not happen outside of the BBC, at least not in the way we manage them over very long periods. I worry whether salami slicing or outsourcing the BBC could one day have an unintended consequence. Could it mean that I am told of terrible abuse, but am not able to investigate it? And where all agencies have already failed, where complaints have been ignored, what would that mean for the vulnerable who had turned to us?"

At the heart of the community

BBC Radio Lincolnshire has been at the forefront of innovative projects, bringing high-quality arts events to a part of the world often decried as a cultural desert. Lincoln Lip Dub was a community event that could only have been organised by local BBC, which celebrated the historic heart of this cathedral city. It involved creating a film with more than 500 members of the public and 43 community groups, who danced and sang their way through

the city's streets. It has been viewed by about 200,000 people around the world and has played a role in promoting the city to visitors. The radio station also took a major part in city's celebration of the anniversaries of the Magna Carta and the First World War. In the past year, the station provided comprehensive coverage of local and national elections, organising and broadcasting hustings from each constituency; preparing constituency profiles, adding live coverage and reaction from every election count, far outstripping the efforts of commercial radio.

BBC Radio Sheffield's week-long series in March marked 30 years since the end of the miners' strike and assessed what progress former pit communities had made since the mines shut down.

Westminster

BBC Parliament & Democracy Live put the politicians on air unedited and with little or no commentary. Many MPs love that and support it. No commercial broadcaster delivers that level of parliamentary coverage.

The Political Research Unit produces detailed internal briefs on Parliament, political parties, elections etc, for the whole of the BBC. It has been described as the envy of other broadcasters.

Voice – and eyes – of the people

The BBC's user-generated content hub brings together eyewitness accounts from citizens across the globe. It was the tsunami on 26 December 2004 which led the way in this brand of reporting. Since then, events such as the terrorist attack in London on 7 July 2005, the Buncefield fuel depot fire, protests in Iran and Burma, where journalists had been banned, the London riots of 2011 and the Arab Spring, people on the ground have sent their pictures and tweets to the BBC. The journalists on the hub check every image, video or key contact before broadcasting them, to make sure they are genuine.

Cultural identity & community values & faith

Radio Cymru is the only national radio station in Welsh, providing a full range of programmes which no-one else would make, from political discussions to hymn singing. Cymru Fyw is the only national online site in Welsh.

BBC Local Radio's commitment to two hours of faith-based local content each Sunday morning is unrivalled in any other media, giving a vital platform to sharing and exploring an aspect of our community values which is often referenced but seldom investigated.

BBC Radio 3's Choral Evensong and Choral Vespers is the only example in the world of an hour's live sacred classical music performed to the highest standards by a different line-up of top professionals each week. It is broadcast (and repeated) in perfectly-engineered quality - but at staggeringly low cost - for the enjoyment of music lovers from any faith - and none - in its original authentic liturgical context.

BBC Radio 4's Sunday programme is the only example of rigorous, balanced, international, multi-religion and ethics news and current affairs, factual and features journalism in the world.

The Asian Network connects the 3 million UK-Asian population like no other commercial organisation. Especially when it comes to news, the Asian Network covers high-impact stories right from the heart of the Asian community, because we know what matters to our audience. You won't find a newsroom in any other organisation that can do what we do.

Public-interest journalism

As a correspondent, the BBC gives me time to find and develop original stories of public interest. Recent examples include a story about Libyan soldiers who sexually assaulted women in Cambridge and police confusion in three forces over which should attend a motorbike crash on the border of three counties. Both stories were picked up nationally, with extensive coverage.

Joyously highbrow

A History of the World in 100 Objects – only Radio 4 and only the BBC could undertake a project that offers its listeners a history of the world, as told through 100 hundred objects in the British Museum's collection. This unique partnership project between two leading public sector organisations has had 40 million downloads worldwide. It has been described as "perfect radio" (Independent) and "joyously highbrow ... deserves to take its place alongside television classics such as Kenneth Clark's Civilisation and Jacob Bronowski's The Ascent of Man" (Telegraph). Shakespeare's Restless World – a 20-part series, also presented by Neil MacGregor, was a further result of this partnership as was the acclaimed Germany: Memories of a Nation.

BBC Radio 4

A special edition of **All in the Mind**, to mark the programme's 25th anniversary won the Mind mental health radio award in 2014. There were some very powerful and moving stories from listeners about not only their experience of mental health but their

relationships with people around them and how the programme had in many cases changed their lives.

Bookclub is a fantastic opportunity for ordinary people to meet the world's leading authors in an intimate setting to discuss their novels. We often welcome groups of students from schools and sixth form colleges. We also support smaller communities through Outside Broadcasts from small literary festivals – not just the big ones like Hay, Cheltenham and Edinburgh which enjoy the support of major newspapers.

Digital success: I'm working on a series about UK computer pioneers since the 1940s and it is clear that the drive in the 1980s to release the BBC Microcomputer System, and the associated educational programmes, such as Making the Most of the Micro did an enormous amount to start a huge boom in the UK's software industry. Children who learned coding on the Micro went to form companies that created computer games, start software houses and begin the big internet sites we have today. The new BBC **Make It Digital** season in 2015 aims to inspire a new generation of coders by handing over a new piece of software called the Microbit free to every 11-year-old in the UK to help teach them how to code.

The **Radio 4 Appeal** is a unique BBC initiative to support the charity sector. Every week we work in partnership with a charity, giving an invaluable chance, particularly for small charities, to become more widely known and reach new potential donors. The charities are scrutinised so minutely before being given a Radio 4 Appeal that to have achieved this is considered a seal of approval in the charitable world and often leads to further donations.

The Infinite Monkey Cage is the programme that started the boom in combining comedy and science, winning a Sony Gold prize (radio's equivalent of an Oscar). It appeals to young audiences and smashes through the boundary between science and our wider culture.

The Life Scientific - where else but Radio 4 can you find a scientific discussion on weekday prime-time radio (09.00)? It doesn't even have the draw of a big-name presenter. Only the BBC would dare to try such a show. Everybody said it would fail, but it has not just worked but has become hugely popular beyond its target audience and has won a listeners' award.

BBC Radio 3

The BBC Proms is the world's biggest music festival and is shared across the globe via radio, television and multiplatform. In 2015 there were 88 concerts and more than 80 complementary indoor and outdoor events. Well over 300,000 tickets were sold – 37,500 of them to first timers at the Proms and 8,600 to under-18s. **The Wireless Nights Prom**, a 2015 collaboration between Radio 3 and Radio 4, brought a whole new audience to classical music <http://www.bbc.co.uk/events/e5q5v2#b068tsj1>. Presenter Jarvis Cocker weaved story, song and classical music into a unique event to be enjoyed both at the Royal Albert Hall and at home.

It's often claimed that **Breakfast on Radio 3** is "aping" Classic FM, due to its high proportion of shorter, well-known classical pieces. But spend half an hour listening to one, then the other, and you'll hear there's a world of difference, musically, in presentation, and in station sound.

Through the Night on Radio 3 is produced by the BBC and shared with European Broadcast Union broadcast partners across Europe. It's full of unique music and live performances across the world. You cannot hear these performances on CD. The range and diversity of classical music played in Through the Night is enormous. There is no other programme on UK radio like it.

Radio 3's **The Verb** entertains while taking writers and writing seriously. We support talent by investing part of the budget in commissioning new writing. In collaboration with the Arts Council and writing organisations, we mentor new writers from across the North – a region which is under-represented in the national media.

Big themes

Themed days such as Democracy Day <http://www.bbc.co.uk/news/world-30734123> and Freedom 2014 <http://www.bbc.co.uk/news/world-25683135> brought together a range of the BBC's departments and platforms to create these unique events.

BBC training

As well as its breadth of programmes, the BBC also provides world-class training for not only its staff but also for workers the wider creative industries. The BBC Academy works across the BBC and with outside partners such as Creative Skillset. Much is offered online from online courses open to everyone to podcasts and craft skill training videos, in an industry where training opportunities can be rare, let alone free. The BBC Academy also runs entry level schemes, such as apprenticeships, desperately needed to bring in new talent and increase diversity in the industry. It spearheads and runs BBC and industry campaigns to increase diversity on and off screen, with events such as Expert Voices, Women in Radio and BAME Welcome Back for Black, Asian and minority ethnic professionals.



BECTU

BECTU response to the DCMS Green Paper on BBC Charter Review

October 2015

The Broadcasting Entertainment Cinematograph and Theatre Union represents 25,000 workers in the media and entertainment sector, covering film and TV, radio, theatre, and events. Over 4,000 of them work directly for the BBC, with many more employed by service partners who run the BBC's buildings estate, technology, transmitter network, TV playout systems, and many more functions.

Thousands more members work in the independent production sector, providing top-quality programming for the BBC's TV channels.

We believe that the BBC provides work-class services in TV, radio, and online, for an unbeatable price. It is a major contributor to the UK's cultural sector as the largest single commissioner of written work and new musical compositions, and reaches into the community through its network of local radio stations.

The BBC's output is distinct from all its commercial competitors, and, in the field of radio in particular, there is no UK operator who comes near the BBC's breadth and depth of content. In TV, the BBC has a proven track record of offering a mix of quality drama, documentary, comedy, and news which serves a wide UK audience well.

There appears to be no public appetite for a reduction in the BBC's services, nor any withdrawal from producing popular programming, including reality TV and entertainment, which appeals to large audiences.

Our preferred outcome to the Charter renewal debate would be a BBC that continues as the cornerstone of public service broadcasting in the UK, and a continuing Licence Fee funding system that allows the BBC to continue offering the wide range of content that has made it the envy of broadcasters, public and commercial, across the world.

1. How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve?

The BBC has performed well within the statement of the public purposes introduced at the beginning of the current Charter in 2007. It has contributed to civil society, promoted learning, stimulated cultural excellence, represented the UK's communities and put the UK on the world stage, and remained at the cutting edge of distribution technology.

However, we believe that the BBC's public purposes should be extended to cover three specific objectives:

There should be a specific obligation on the BBC to produce a full range of content genres in-house, alongside programmes that may be commissioned from the independent sector, whether in TV or radio.

Developments in the UK's TV production sector have led to many independent producers becoming subsidiaries of broadcasters and other distributors. This demonstrates the business logic of operators running TV channels having a steady supply of programming over which they have ultimate control, and full rights ownership.

The BBC should continue to emulate this model by maintaining sufficient in-house programme making capacities, across all genres, to retain a critical mass of talent and experience which will inform, influence, and create, future output.

Loss of this critical mass, in any programme genre, will in our view be a loss for the entire UK production sector, which often looks to the BBC to set standards of excellence.

The BBC should have targets for delivery of vocational training in all roles involved in programme production and the general broadcasting sector.

For many years the UK has been one of the world leaders in film, TV, and other broadcast content production. It is the second largest exporter of audiovisual product after the US, and much of this success has been due to the provision of first-class training in the sector, coupled with opportunities to learn on the job in the company of work-class professionals.

A key part of this, historically, has been the BBC's contribution to industry training, mostly through workers in the industry spending some part of their careers, mostly at the beginning, working for the BBC, and benefiting from the extensive in-house training that has been offered.

With casualisation of the sector still growing, and fewer permanent jobs or long-duration contracts, workers are having to turn to their own means to obtain the training they need throughout their careers, in an industry which is subject to continual technical change and renewal.

A commitment to continue offering high-quality training to the industry should become one of the BBC's public purposes, and should be factored into its funding.

Employment within the BBC should be secure and properly rewarded.

Casualisation in the radio, TV, and broadcasting sector has had an impact on the demographics of the workforce. New entrants are increasingly being expected to pay for their own training, and work for extended periods either on token wages, or working for nothing as ostensible interns or work-experience placements.

This has narrowed the field of new entrants to those who can afford the many costs of establishing themselves in the industry, while earning little or no pay initially. A second effect has been the reduction in permanent posts within the sector, which has had a particular effect on women workers, who often need a degree of predictability in their working lives due to caring responsibilities, coupled with a need for flexibility on the part of their employer.

The informal nature of engagements in the casualised workforce, as opposed to structured recruitment in more stable employment environments, has led to a fall in the number of entrants from

black and minority ethnic backgrounds, and those with disabilities.

The BBC is one of the few broadcasters with the scale to create permanent jobs, and longer-duration contracts, given the vast amount of continuing activity going on in the organisation. Amongst those broadcasters, only the BBC can be directed to ensure that a significant proportion of its workforce is in stable employment, with adequate reward, and is diverse in a way that reflects the society it serves.

2. Which elements of universality are most important for the BBC?

BECTU believes that the BBC should continue to offer a full range of services, covering all programme genres, to the widest possible audience, free at the point of consumption.

One of the BBC's great strengths is that its range of content from popular Saturday night TV programming, to niche audience offerings away from peak time, ensures that almost the entire population, and therefore the entire licence-paying community, interact with the BBC at some point in an average week.

The breadth of services, and multitude of platforms through which they can be accessed, is crucial to the BBC's contribution to UK culture and civil society, and universality in range and audience is essential.

We do not accept the argument that the BBC should, in some way, rectify market failures by serving only specialist audiences, while leaving programmes with mass appeal to the commercial sector. The BBC has brought genuine innovation to popular programming, and it is an important link to many licence-paying households.

We acknowledge the Green Paper's comment that the BBC may be "underserving" some sections of the audience, and would point to lower-paid and more vulnerable parts of society as examples. But we believe that popular programming can be an entry point to the BBC for these groups, and should not be dropped as part of any strategy to resolve problems of underservice.

3. Should Charter Review formally establish a set of values for the BBC?

The BBC's values should be informed by its public purposes, and other broad objectives as contained in the new Charter, not through any political process. As a public institution it is already expected to have the highest standards of probity and integrity, and already has in place extensive and transparent mechanisms whereby any lapse in those standards can be investigated.

As a broadcaster, the BBC is expected to maintain editorial independence, integrity, and honesty, and already has in its public purposes the objective of accurately representing the UK, its people, culture, and civil society institutions.

As an employer, we have suggested that its public purposes should be extended to include employment of skilled workers across the full range of programme genres, stable and secure jobs for a diverse workforce, and a commitment to play a key role in training for the industry.

A fully-comprehensive list of public purposes for the BBC should be a sufficient definition of how it is expected to function, and its core values should be inferred from those purposes, rather than being separately codified, which will lead to duplication and confusion.

4. Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

In BECTU's view, the BBC's range of services is at risk of contracting, not expanding, due to the pressure of the Licence Fee freeze in the current Charter, and the rising costs that programme-makers and broadcasters face.

If the BBC is to continue as an independent and publicly-funded broadcaster without advertising, the Licence Fee, or similar household levy, appears to be the only effective financing model. If that is the case, the BBC has to be seen to offer a similar range of choice to audiences as the many commercial operators who have grown thanks to the arrival of digital distribution.

It can be argued that the very existence on some UK platforms of hundreds of commercial and other TV and radio channels is proof that the BBC is not crowding out the competition, despite the increase in services it offers.

UK consumption of audiovisual content has expanded faster than in almost any other country in the world, and the market for production and distribution has grown accordingly. It makes sense that the BBC should grow with the market, or otherwise risk being left behind as a minor provider, with limited services, whose brand would be at risk of being lost as competitors launched new channels and services on new and existing platforms.

A slimmed-down BBC would be at greater risk of being crowded out by its commercial rivals, than they would be at risk of losing market share to the BBC.

5. Where does the evidence suggest that the BBC has a positive or negative wider impact on the market?

Looking at the evidence available on the performance and profitability of the BBC's main market competitors, it is hard to argue that they have been damaged by the BBC's presence.

In their most recent trading figures, BSkyB reported profits increased by 16% year-on-year, ITV profits were up by 25%, BT was up by 14%, and Virgin Media saw an increase in operating profit for 2014 of 41%.

These figures refute any claim that the BBC's direct competitors are suffering commercially from its presence in their markets.

In the online world, the BBC's presence has not prevented the rise of many new content providers, whose revenue streams are, in part, dependent on subscription or pay-per-view income from consumers, despite the existence of free content from the BBC. Netflix is an example of an online provider expanding at rapid speed, and claims that the BBC is damaging the prospects of similar operators are not supported by the evidence.

Local newspapers may complain that the BBC's local radio services present unfair competition, but their decline needs to be viewed in context. In the year to August 2015, local publishers experienced falls in circulation mostly ranging from 10-15%, compared to a drop in readership of the national press of just over 10%. This points to a secular decline in consumption of print news across the UK, not only where the BBC has local stations.

Figures for traffic on local newspaper websites contrast with this, suggesting that online consump-

tion of online news, supported by advertising, is increasing rapidly. Trinity Mirror, one of the largest local and regional publishers, reported an increasing web traffic to its sites of more than 90% in the year to August 2015, and other publishers reported that the boost in online traffic had more than cancelled out lost print readership over the period.

It appears that the BBC should not be blamed for the fall in local newspaper print circulation.

6. What role should the BBC have in influencing the future technological landscape including in future radio switchover?

As the single largest player in UK radio, and significant TV operator, the BBC is an obvious party to any future technological developments in the sector. Its research department has historically led the way in breakthrough technology, although cuts in funding, and an increased interest from manufacturers in primary research have reduced its role.

Nevertheless, BBC Research and Development is an important agent in the UK, and world, broadcasting technology sector. Many component parts of digital TV distribution technology, including ever-improving compression systems, owe their existence to work done within the BBC.

One of the BBC's advantages in influencing the technological landscape is that it can combine technical expertise with real-life applications in TV and radio production setting, all within a single organisation.

As an organisation that is still regarded as an authoritative commentator on broadcasting technology the BBC should be encouraged to continue its R&D work, but this must be factored into the BBC's future funding.

On the issue of future radio switchover, the installed base of analogue receivers is far greater than that of analogue TV receivers was when the switch to DTT took place. This poses a major problem for switchover, with more than 20 million households needing to replace up to five or six devices, without the cheap option of an intermediate digital receiver box, as was available in the TV switchover.

Nor, for many listeners, will there be a perceptible improvement in reception quality. Given the BBC's close connection with radio audiences, it should be a partner in the switchover process, not just in decisions about technology, but also in the crucial decision about timing.

7. How well is the BBC serving its national and international audiences?

The BBC is still the UK's largest producer and commissioner of original UK TV and radio content, and has taken significant steps in recent years to ensure that programmes are originated from across the UK, not just in London and the South East of England.

However, the share of programming among the Nations, and the major cities of England, is somewhat uneven, and the decline of BBC programme-making in Birmingham is particularly alarming, given the large conurbation in the region, and a population that includes a significant number of black and minority ethnic households.

At national level, we believe the BBC should do more to ensure portrayal in dramas, and presentation in other programming, of the full diverse range of citizens in the UK, and should take note of the many surveys revealing that BAME groups, as well as older women, feel they are under-repre-

sented.

Internationally, the BBC's service to audiences is emphatically demonstrated by the growing sales of its TV programmes for distribution in foreign territories, together with the continuing growth in listeners to the BBC World Service.

8. Does the BBC have the right genre mix across its services?

Genres in TV that make a significant contribution to the UK's cultural sector include high-end TV drama, wildlife and other long-form documentaries, and high-budget entertainment programming.

These genres test and improve the skills of the UK production workforce, and provide significant employment for the duration of the production process. They are also a proven success with audiences, and the recent fall in levels of high-end production, particularly drama, is regrettable.

There has been a growth in reality-based factual programming, some of which works to high production values, and represents a real employment opportunity for workers in the sector. On the other hand, many reality programmes are produced on very low budgets, do not offer industry workers a chance to acquire new skills they can apply elsewhere, and are not a good opportunity for overseas sales. An actual format may well be sold abroad, but it is unusual for the higher-value, UK-produced, programme to be bought by overseas distributors.

Reality programming may have become an economic necessity for the cash-strapped BBC, since it fills airtime at modest cost, but the BBC's reputation at home and abroad needs to be sustained by quality output, particularly home-produced dramas.

In radio, the BBC is the world's most prolific producer of spoken word programming, and dramas, and the industry that has grown up, inside and outside the BBC, to support this level of activity is unique.

There should be no further reduction in the quantity of high-end radio drama produced by the BBC, and the range and volume of spoken word programming should be maintained, partly to support and encourage the development of writers and performers who will go on to work across the UK cultural sector.

9. Is the BBC's content sufficiently high quality and distinctive from that of other broadcasters? What reforms could improve it?

Research indicates that audience appreciation of the full range of BBC output remains high. It is a significant producer of high-end TV drama, and produces and commissions more original children's programming than any other broadcaster.

Anecdotally, audiences can often perceive a distinction between BBC programmes, and those in similar genres from other producers. This is particularly true in output areas like sport, drama, and national events, where the BBC has a critical mass of talent and experience, and a commitment to the highest production values.

There are two reforms that could improve quality and distinctiveness. Firstly, programme budgets must be restored, in real terms, to the levels prevailing before the 2010 Licence Fee freeze. It is a tribute to the BBC staff and many freelancers producing the output that quality has remained at

Income restored to 2010

the BBC's high level despite funding cuts.

This has come at the cost of too few workers on productions, and too little time to perfect the product. Staff and freelancers have been put under immense pressure to increase productivity through dangerously long working hours and work on days off, and frequently have taken time or cash-saving short-cuts in the production process which undermines quality. This can only be rectified with adequate funding.

Secondly, the distinctiveness of BBC programming will be improved by more frequent portrayal of the UK's diverse population, in terms of gender, ethnicity, and age. Much of the audiovisual industry is concentrated in the South-East of England, and a stronger flavour of communities outside this area will increase audience appreciation, and therefore support for, and engagement with, the BBC.

10. How should the system of content production be improved through reform of quotas or more radical options?

BECTU is opposed to proposals for the removal of a guaranteed level of in-house production, as well as the creation of a wholly-owned Limited subsidiary to compete against commercial rivals for BBC programme commissions in many genres.

We believe that the current system of content supply provided a healthy mix of independent production, with in-house programme-making, while ensuring that the BBC retains a critical mass of production talent in every genre.

Experience suggests that programme ideas being pitched in a fully-commercial environment will tend to be less risk-taking and innovative than those that can be generated in the safer confines of an in-house production department.

This will be especially true if commercially-competitive BBC production unit devises programmes that can be pitched to the commercial market if they are unsuccessful at winning a commission from the BBC.

Efforts within a separated production unit may be directed at genres and programme ideas that will appeal to large audiences, and win many sales overseas, at the expense of niche and specialist programming that does not command such interest, or such high fees.

11. How should we pay for the BBC and how should the licence fee be modernised?

BECTU believes that the Licence Fee, or a similar household levy collected independently from taxes, is the most appropriate, and only workable, funding system for the BBC.

The level of Licence Fee needs to take account of the six-year freeze in the current Charter, and the burden of funding the over-75 licence concession, the World Service, and Welsh channel S4C. We have expressed our concern at the new Licence settlement, reached this summer, before the public debate had really begun over the BBC's future.

Setting a funding level before confirming the scope and scale of the BBC's future activity really does put the cart before the horse, and rules out a Licence Fee which is sufficient to fund the existing range of services on offer, which we believe is the will of most Licence payers.

Alternative funding by direct government subvention would undermine the BBC's independence, and the introduction of advertising would disrupt the rest of the UK broadcasting market.

The introduction of subscription services would contradict one of the founding principles of the UK's historic and successful public service broadcasting sector; namely that services should be free at the point of consumption. Depending on the choices made by a subscription consumer base, it could also dramatically alter the diversity of the BBC's output, with less popular, probably specialist, content disappearing.

Funding the BBC on the basis of public service broadcasters in the USA, funded as they are by pledge drives and telethons, is likely to produce the same disappointingly low levels of income.

By a process of elimination, the Licence Fee, with all its shortcomings, emerges as the best option for funding the BBC.

BECTU supports the principle that users of digital devices who have no TV licence, but stream BBC services, or use the catch-up iPlayer, should be obliged to contribute, and we would welcome the introduction of technology which would make this possible.

12. Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content?

We support the continuation of guaranteed in-house programme-making, and this objective might be supported by a ring-fence around a proportion of income to be used for this purpose. Similarly, our preferred public purpose of training for the industry could benefit from a similar provision.

However, any move to prescribe exactly how the BBC disburses its income would need to be carefully considered, after full consultation with the BBC and any other stakeholders, to avoid unintended consequences.

BECTU does not believe that funding should be made available to other providers. Without a guarantee of in-house programme-making, the BBC's commission spend is already planned to be fully contestable, and any hypothecation of income adds to the risk that critical mass in some production areas could be lost if funding is diverted to the commercial sector.

13. Has the BBC been doing enough to deliver value for money? How could it go further?

In the experience of our members, the BBC has been in cost-cutting mode for almost 15 years, and we strongly refute the Green Paper's implication that there are still inefficiencies that need to be dealt with.

Our members have been producing ever-increasing levels of output, despite thousands of job losses, changes to terms and conditions, and reduced staffing levels.

With the exception of executive pay, where we believe too little has been done to moderate salaries and bonuses, we can see no areas where further shaving of costs can be done, and indeed have argued for the restoration of adequate Licence funding to relieve the many problems caused by the squeeze on budgets.

Any further cuts in real funding levels will inevitably lead to the BBC considering the closure of some services, since "salami slicing" has gone as far as it can go.

14. How should the BBC's commercial operations, including BBC worldwide, be reformed?

In BECTU's view, BBC Worldwide makes a major contribution to the BBC's income with profits from commercial exploitation of content, and should be allowed to continue doing so. It is also a major investor in BBC production, and has partially made up the shortfall in Licence funding in recent time.

We would strongly resist any move to sell off all or part of BBC Worldwide, since this would deprive the BBC of an important income stream, and undermine its public purpose of showing the UK to the rest of the world.

15. How should the current model of governance and regulation for the BBC be reformed?

The current governance model is problematic, with the BBC Trust sometimes playing the role of a disconnected public advocate, and on other occasions attempting to micro-manage BBC activities. There is a strong argument for change.

If this is to be a single management board, regulated by Ofcom as seems popular at present, we would make two points.

Firstly, any new board must have adequate representation from licence payers, stakeholders in the cultural sector, and staff and other workers who help to produce and distribute BBC content.

Secondly, we have reservations about Ofcom being appointed as the final regulator. Its roots are in the commercial broadcasting sector, although there has long been an overlap with public sector broadcasting, and we would be concerned about its ability to properly reflect the views of Licence payers, and the national and regional interests of UK citizens who use BBC services.

16. How should Public Value Tests and Service Licences be reformed and who should have responsibility for making these decisions?

We support the current framework, but believe that Licence Fee payers and those who work for and with the BBC should have a greater say in decisions about changes to BBC services.

17. How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling?

We believe that the current processes are adequate, taking account of the enormous volume of output the BBC generates.

18. How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

BECTU believes that Parliament should have a greater say over the regulation and funding of the BBC, while acknowledging that its independence from government is paramount.

We have particular concerns that the last two renegotiations of the Licence Fee happened behind closed doors, with no public input whatsoever. For an institution that is funded directly by the public, and should be run in their interests, this method of determining funding levels is unacceptable.

19. Should the existing approach of a 10 year Royal Charter and Framework Agreement continue?

BECTU supports the concept of long-duration Charter periods, to offer predictability and stability to the BBC, and would also support the extension of the next Charter from 10 to 11 years to separate debate about the BBC's future from the cycle of General Elections. This should enable a calm and measured debate about the organisation, at a time when significant change may be necessary.

Any further enquiries about BECTU's position on the BBC Charter should be directed to Tony Lennon: tlennon@bectu.org.uk 020 7346 0900

T.L.20150928

Siarter y BBC - Ymchwiliad y Pwyllgor Cymunedau

Ymateb Cymdeithas yr Iaith Gymraeg

1. Cyflwyniad

1.1. Mae Cymdeithas yr Iaith Gymraeg yn fudiad sydd wedi bod yn ymgyrchu'n ddi-drais dros y Gymraeg a holl gymunedau Cymraeg ers dros hanner ganrif.

1.2. Credwn fod presenoldeb y Gymraeg yn y cyfryngau yn hollbwysig i bawb yng Nghymru a bod gan bawb yng Nghymru, boed yn siaradwyr Cymraeg neu beidio, hawliau i'r Gymraeg. Hynny yw, nid yn unig hawliau i'w defnyddio a'i dysgu, ond hefyd i'w clywed a'i gweld. Felly, mae presenoldeb yr iaith ar y teledu, radio, y we a phob cyfrwng arall yn allweddol i'n gweledigaeth ni fel mudiad.

2. Crynodeb

2.1 **Dylid sefydlu darlledwr aml-lwyfan Cymraeg newydd** a fyddai'n creu cynnwys er mwyn cynyddu defnydd y Gymraeg - yn enwedig ymysg pobl ifanc - gan weithredu ar-lein yn bennaf, ond ar radio ac ar y teledu yn ogystal; gan gynorthwyo gwasanaethau S4C a Radio Cymru a rhyddhau'r darlledwyr presennol o'r baich o geisio gwasanaethu'r gynulleidfa gyfan. Er bu twf aruthrol yn nifer y gwasanaethau Saesneg eu hiaith dros y blynyddoedd - sydd wedi eu darparu gan y BBC ac eraill - ni fu twf cyfatebol yn y gwasanaethau Cymraeg. Am resymau ymarferol ac oherwydd yr angen am blwraliaeth, awgrymwn y gallai Awdurdod S4C fod yn gyfrifol am y gwasanaeth newydd hwn.

2.2 **Buddsoddi Rhagor yn S4C** - Mae S4C yn hynod o bwysig fel darlledwr annibynnol, ac mae'r trefniant ariannol presennol yn peryglu ei annibyniaeth, ei gynaliadwyedd a'i ffyniant. Wedi i'r darlledwr dderbyn toriadau difrifol dros y blynyddoedd sy'n peryglu ei bodolaeth, mae angen cynnydd yn ei gyllideb. Mae hefyd angen fformiwla ariannu statudol ar gyfer y sianel fel bod sicrwydd hir dymor iddi. Heb y sicrwydd hwn, gellid dadlau bod S4C yn cael ei arwain at anffawd ar bwrpas; nid yw'n deg i unrhyw fusnes i weithio am gyfnod hir heb fanylion cyllido dealladwy, ac felly mae'n rhaid bod y tegwch yn nod i'r cyfnod nesaf sydd mor allweddol. Mae S4C yn gwneud cyfraniad hynod o bwysig i fywiogrwydd yr iaith Gymraeg, sy'n iaith o dan fygythiad, ac felly yn sefydliad sydd angen ei ddiogelu er lles yr iaith a holl ddiwylliannau Cymru.

2.3 **Diogelu ac Ehangu Gwasanaethau Cymraeg y BBC** - Mae gwasanaethau Cymraeg y BBC - BBC Cymru Fyw a BBC Radio Cymru - yn hynod o bwysig, gwasanaethau na fyddai'n cael eu darparu gan y farchnad agored oni bai am drwydded y darlledwyr cyhoeddus. Rydyn ni'n falch o weld twf sylweddol yn y niferoedd sy'n defnyddio gwasanaeth ar-lein Cymraeg y BBC, BBC Cymru Fyw, sef yr union fath o wasanaeth na fyddai'n cael ei ddarparu. Gresynwn fod cwtogiad wedi bod i Radio Cymru o ran ei oriau darlledu.

2.4 **Datganoli Darlledu** - nid yw'r strwythurau rheoleiddio presennol yn addas i Gymru. Mae'r BBC yn sefydliad sydd, yn strwythurol, heb addasu i ddatganoli. Credwn y dylid datganoli darlledu yn ei gyfanrwydd i Gymru gyda setliad ariannol digonol i ehangu'r gwasanaethau Cymraeg a chynyddu cyllideb S4C.

2.5 **Ardoll i ychwanegu at yr adnoddau ar gyfer darlledu Cymraeg** - er mwyn ariannu sicrhau rhagor o wasanaethau Cymraeg a hynny'n aml-lwyfan. Rydyn ni wedi cyhoeddi cynigion ar gyfer codi ardoll ar elw cwmnïau fel Sky a Google ynghyd â hysbysebion

3. Ymateb i gynigion Papur Gwyrdd Llywodraeth Prydain

3.1. Cytunwn gyda Llywodraeth Prydain bod y tirlun cyfryngol wedi newid yn sylweddol, ond tra bod cynnydd yn nifer y platfformau Saesneg eu hiaith, ni fu twf cyfatebol yn y gwasanaethau Cymraeg eu hiaith.

3.2. Gofynnir "*Beth ddylai ei faint a'i gwmpas fod yng ngoleuni'r nodau hynny ac i ba raddau mae'n effeithio ar eraill ym meysydd teledu, radio ac ar-lein?*". Mae'n hollbwysig bod Llywodraeth Prydain yn sylweddoli nad yw'r dadleuon ynghylch 'crowding out' - neu gor-boblogi - yn berthnasol i'r Gymraeg fel y gellid dadlau eu bod i'r sector Saesneg. Nid oes perygl y bydd gweithredoedd y BBC yn gwthio allan chwaraewyr eraill yn y maes darlledu Cymraeg. Fodd bynnag, rydym yn credu mai ehangu gwasanaethau S4C yw'r ffordd i wella'r sefyllfa yn hytrach na dibynnu ar y BBC yn unig.

3.3. Mae'r Papur Gwyrdd yn dadlau bod perygl bod y BBC yn troi yn rhy 'fasnachol' ei allbwn ac yn canolbwyntio gormod ar niferoedd gwylwyr, ond wedyn yn beirniadu darlledu mewn ieithoedd lleiafrifoledig oherwydd nad oes llawer o wylwyr. Nid oes modd i'r Llywodraeth amddiffyn y safbwyntiau hyn, gan eu bod yn gwrth-ddweud eu gilydd. Yr hyn sydd ei hangen yw darlledu cyhoeddus sy'n ddigon cryf i wrthsefyll tueddiadau "masnachol," ac yn rhoi lle canolog i gynnwys yn y Gymraeg ac ieithoedd lleiafrifoledig eraill.

3.4. Cytunwn fod angen i'r BBC addasu er mwyn cynrychioli holl wledydd ac ieithoedd yr ynysoedd hyn yn well. Yn y pen draw, yr unig ffordd o wneud hyn yw datganoli darlledu a ffederaleiddio'r BBC.

3.5 Cyfran o ffi'r drwydded i S4C

3.5.1. Os ydy Llywodraeth Prydain am barhau i ariannu S4C drwy'r ffi drwydded, cytunwn y byddai'n well i'r swm o arian o'r ffi drwydded fynd yn syth at S4C yn hytrach na thrwy'r BBC gan y byddai hynny'n helpu sicrhau annibyniaeth S4C. Mae ymgais penaethiaid y BBC yn Llundain i geisio cwtogi ar gyllideb S4C yn dangos nad oes modd ymddiried ynddynt i warchod S4C. Mae hynny'n golygu bod angen sicrwydd ariannol a llif ariannol i S4C sy'n gwbl annibynnol o'r BBC. Fodd bynnag, credwn yn gryf y dylai unrhyw newid o'r fath ddod ar yr un pryd â sefydlu fformiwla ariannu mewn statud.

3.6. Rheoleiddio i Gymru

3.6.1. Credwn y dylid rheoleiddio darlledu yn ei gyfanrwydd yng Nghymru yn hytrach nag edrych ar opsiynau ar lefel Brydeinig. Mae gan Gymru un cynrychiolydd ar Ymddiriedolaeth y BBC, ond nid yw gweithredoedd y BBC yn adlewyrchu anghenion Cymru o hyd. Ymhelaethir ar yr angen am ddatganoli darlledu yn adran 8 o'r ddogfen hon.

3.7 Sefyllfa darlledu Cymraeg - gwerth am arian a ffigyrau gwyllo

3.7.1. Gwrthwynebwn yn llwyr honiad Papur Gwyrdd Llywodraeth Prydain bod "*cyfanswm y gynulleidfa [Gymraeg ac ieithoedd lleiafrifol] a gyrhaeddir wedi bod yn gostwng yn ystod blynyddoedd diwethaf, yn enwedig yng Nghymru*" a bod costau cynhyrchu radio Cymraeg yn "*codi cwestiynau ynghylch gwerth am arian.*" Eto, mae'n amlygu yr anghysondeb sydd wrth galon y Papur Gwyrdd sef, ar yr un llaw, cwyno bod darlledu cyhoeddus yn gwasgu allan y sector breifat, ond ar yr un pryd, yn codi cwestiynau am werth am arian os oes allbwn na fyddai'r farchnad yn eu cyflenwi. Ymhellach, mae'n anwybyddu'r ffaith bod y BBC wedi gofyn am doriadau llawer mwy gan Radio Cymru o gymharu â Radio 4.

3.7.2. Clywn tro ar ôl tro am gael "gwerth ein harian" o'n darlledwyr cyhoeddus. Yn sgil y toriadau a wnaed o 2010 ymlaen, cwtogwyd y nifer o staff a gyflogwyd gan S4C o 220 i 129. Serch hynny, ac er ni ddylid barnu darlledwr mewn iaith lleiafrifoldeg yn ôl ffigyrau gwyllo, ar draws gwledydd Prydain

dangosodd adroddiad blynyddol diweddaraf S4C cynnydd net yn nifer y gwylwyr, gyda defnydd ar-lein S4C i fyny 31%.

3.7.3. Roedd cost yr awr holl oriau darlledu S4C yn ystod 2014/15 yn £10,709. Mae hyn yn parhau'n gystadleuol ac yn cynrychioli gostyngiad o 35% ers 2009. Mae cost yr awr rhaglenni a gomisiynir gan S4C oddi wrth y cwmnïau cynhyrchu nawr yn sefyll ar £32,203 o'i gymharu â £52,752 yn 2009. Trwy weithio mewn partneriaeth â'r sector cynhyrchu mae S4C wedi sicrhau arbedion sylweddol yng nghost cynnwys yn y blynyddoedd diwethaf. Er hynny, mae'r Sianel yn dweud ei bod yn raddol yn cyrraedd sefyllfa ble mae'n debygol na all y gost gael ei lleihau ymhellach yn y dyfodol heb gynydd pellach yn y lefel o ailddarlledu rhaglenni.

3.7.4. Yn 2014/15, gwariwyd bron i 80% ar gynnwys, 16% ar gefnogi'r cynnwys ac ychydig o dan 4% ar orbenion, ffigyrau gwell na'r hyn a gynigir gan y BBC. Mae darparu gwerth am arian hefyd yn golygu bod buddsoddiad S4C yn y diwydiannau creadigol yng Nghymru yn cael yr effaith economaidd fwyaf. Mae'r buddsoddiad arwyddocaol a wneir gan S4C, yn ei dro, yn creu mwy o swyddi yn y cwmnïau ac o fewn y gadwyn gyflenwi mewn ardaloedd ar draws Cymru. Mae ymchwil annibynnol yn dangos yn ystod 2014/15, fod:

- pob £1 sy'n cael ei fuddsoddi gan S4C yn y diwydiannau creadigol yng Nghymru yn mwy na dyblu yn ei werth i'r economi (£2.09);
- buddsoddiad S4C i'r economi yng Nghymru a'r DG yn £82m;
- cyfanswm effaith economaidd S4C ar draws y DG yn 2014/15 yn £170m

3.7.5. O ran effaith y sianel ar yr iaith – does neb arall yn darparu'r ystod o gynnwys a rhaglenni Cymraeg â S4C – o raglenni plant i raglenni dysgwyr, o chwaraeon i ddrama i raglenni ffeithiol, adloniant a materion cyfoes. Fyddai'r ystod yma o gynnwys ddim yn bodoli heb S4C ac mae sicrhau cynnydd yng nghyllideb y sianel ac annibyniaeth i'r gwasanaeth yn greiddiol iawn i hyn.

3.7.6. Yn unol ag addewid Llywodraeth Prydain, dylai fod adolygiad trylwyr i benderfynu be sy'n ddigonol ac nid yn fypwyl, a chredwn fod hyn yn adlewyrchu'r consensws sydd yng Nghymru ac yn y diwydiannau creadigol.

4. S4C

4.1. Cynyddu'r Gyllideb, Dim Toriadau Pellach

4.1.2. Cred Cymdeithas yr Iaith Gymraeg bod llymder yn bolisi ideolegol sydd ddim yn gwneud synnwyr economaidd, ac, yn bwysicach, ei fod yn hynod o niweidiol i'n cymunedau a'r Gymraeg ac yn gorfodi pobl fregus a llai pwerus i dalu am gamgymeriadau'r cyfoethog.

4.1.3. Yn ôl yn 2010, gwnaed penderfyniad ynghylch ariannu S4C heb unrhyw ymgynghori â phobl Cymru na Chynulliad Cenedlaethol Cymru. Gwnaed toriad o 93% i'r grant gan Lywodraeth Prydain i'r sianel, a hyd yn oed o ystyried cyfraniad ariannol drwy'r ffi drwydded, bu toriad o tua 40% i gyllideb y sianel dros y pum mlynedd diwethaf.

4.1.4 Fel dywedodd Gweinidog Diwylliant Llywodraeth Catalonia mewn tystiolaeth o flaen y Cynulliad Cenedlaethol yn 2010: "*nid yw rhyddfrydiaeth ieithyddol, fel rhyddfrydiaeth economaidd, yn amhleidiol... pan fydd dwy iaith yn cyd-fodoli mewn un gwlad, mae galw am weithredu cyhoeddus i amddiffyn yr un gwannach. Fel arall, fe'i gwthir, yn y lle cyntaf, i'r cyrion ac, yn y tymor hir, i ddifodiant.*"

4.1.5 Methiant y farchnad yw un o'r rhesymau sefydlwyd S4C yn y lle gyntaf. Cyn bodolaeth ein hunig sianel teledu Cymraeg, bu rhaid i raglenni Cymraeg gystadlu gyda rhaglenni Saesneg am arian.

Pryderwn fod tensiynau'n codi fwyfwy rhwng darlledu yn y Gymraeg a'r Saesneg wrth roi cyfrifoldeb ariannu yn nwylo'r BBC. Credwn felly bod angen fformiwla ariannu mewn statud ar gyfer S4C.

4.2. Fformiwla Ariannu mewn statud

4.2.1 Mae'r ffordd yr ariennir S4C ar hyn o bryd yn atal y Sianel rhag cynllunio ymlaen llaw. Bydd rhan o'i chyllideb yn cael ei phenderfynu drwy'r adolygiad gwariant, ond bydd y rhan o'i hariannu drwy'r ffi drwydded yn ddibynnol ar gasgliadau adnewyddiad Siarter y BBC. Mae Prif Weithredwr y sianel wedi datgan yn glir bod y sefyllfa yn ei hatal rhag cynllunio ymlaen llaw ac yn amharu'n ddifrifol ar ei gallu i lwyddo.

4.2.2. Yn ôl yn 2010, cytunodd y Pwyllgor Materion Cymreig¹ bod angen fformiwla ariannu statudol i'r sianel. Dywedasant: *"we believe that it is essential that there is a long term funding formula enacted in primary legislation."*

4.2.3. Credwn felly bod angen deddfu er mwyn sefydlu sicrwydd ariannol tymor hir i'r sianel, fel arall ni fydd modd iddi ffynnu.

4.3 Ehangu gwaith S4C

4.3.1. Nid sianel gyffredin yw S4C, ond darlledwr a sefydlwyd gan ymgyrch dorfol gyda nifer o bobl yn aberthu eu rhyddid i ddod â hi i fodolaeth. Tra bod y cyfryngau Saesneg dros y 20 mlynedd diwethaf wedi tyfu'n sylweddol, mae siaradwyr Cymraeg ar draws ynysoedd Prydain yn parhau i orfod dibynnu ar un sianel Gymraeg yn unig.

4.3.2. Rydym yn galw am S4C newydd sydd yn addas i'r oes cyd-gyfeiriant a datblygiadau technolegol newydd. Bydd angen sicrwydd ariannol a chynnydd yng nghyllideb y sianel er mwyn cyrraedd y nod hwn. Un enghraifft o'r methiant oherwydd y toriadau difrifol a newidiadau strwythurol yw'r ffaith nad oes gan S4C gwasanaeth clirlun - mae hynny'n rhwystro'r sianel rhag llwyddo; er enghraifft, mae llai o blant a phobl ifanc yng Nghymru yn gwyllo ein timau rygbi cenedlaethol ar y sianel oherwydd bod gan yr un gemau fersiwn HD ar ddarlledwyr eraill. Mae annheg i S4C bod gan bob darlledwr cenedlaethol arall yn y DU clirlun, ac mae'n tanseilio defnydd y Gymraeg yn ogystal.

4.3.3 Credwn ymhellach y gallai S4C fod yn allweddol er mwyn datblygu gwasanaeth Cymraeg aml-lwyfan newydd a esbonir isod.

5. Darlledwr Aml-lwyfan Cymraeg Newydd

5.1. Pan fyddwn yn ceisio esbonio'r ymgyrch i sefydlu 'darlledwr aml-lwyfan' newydd, mae rhai pobl yn camddeall y syniad. Byddai'r darparwydd newydd yn creu ac yn dosbarthu cynnwys, ond mae'n fwy na darlledwr, gan y byddai'n cael ei sefydlu i ddosbarthu cynnwys ar bob math o lwyfan - o'r radio a'r teledu i'r we a dyfeisiadau symudol - ac yn barod am oes cydgyfeiriant lle mae ffynonellau adloniant a newyddion yn dechrau dod ynghyd.

5.2. Credwn y dylid defnyddio'r buddsoddiad ychwanegol a ddaw drwy ardoll newydd er mwyn gwella darlledu yn Gymraeg yn gyffredinol, gan gynnwys S4C a Radio Cymru, ond hefyd er mwyn sefydlu gwasanaeth newydd a fyddai'n ymateb i'r newidiadau mawrion ar y gweill yn y cyfryngau, gan ryddhau Radio Cymru ac S4C o'r baich o orfod darparu ar gyfer yr holl gynulleidfa Gymraeg. Mae creu ecosystem gyfryngol amrywiol yn hanfodol i ddyfodol y Gymraeg ac mae buddsoddiad sylweddol mewn cyfryngau digidol yn hollbwysig er mwyn sicrhau bod y Gymraeg yn briod iaith pob cyfrwng.

5.3. Ni ddylid meddwl yn nhermau mor gul ag ail orsaf radio neu sianel deledu Gymraeg. Mae potensial i ddarparwydd newydd, amlgyfryngol, gyflawni llawer mwy. Byddai strwythur gwahanol yn adlewyrchu'r angen am wasanaeth sy'n amlgyfryngol o'r cychwyn, gan ddefnyddio llwyfannau newydd i gyrraedd y gynulleidfa ehangaf bosibl.

5.4. Byddai'n llesol i S4C, Radio Cymru, y BBC ac, yn bwysicach, i'r Gymraeg a'i chymunedau, petai darparwydd amlgyfryngol newydd o'r fath yn cael ei sefydlu. Byddai'n ehangu'r gynulleidfa sy'n gwranddo, yn gwyllo ac yn defnyddio'u Cymraeg. Gallai ddarparu rhwydwaith cenedlaethol Cymraeg gan fanteisio ar gydfyfeiriant technolegol i gynnig llwyfan i brosiectau bro a chymunedol. Yn fwy na darlledwr un-ffordd traddodiadol, ei amcan fyddai cryfhau'r Gymraeg a'i chymunedau. Nid darlledwr er ei les ei hunan, ond er lles yr iaith, sydd ei angen.

5.5. Bwriad y Gymdeithas yw canolbwyntio ar geisio sefydlu darlledwr newydd a allai ehangu'r gynulleidfa Gymraeg a rhyddhau sianel deledu S4C, Radio Cymru (a'r BBC yn ehangach) rhag ceisio gwasanaethu'r holl gynulleidfa Gymraeg a phob grŵp oedran, a'r problemau mae hynny'n ei achosi. Byddai hyn yn caniatáu i sianel deledu S4C a Radio Cymru ganolbwyntio ar gynulleidfa darged fwy penodol, ond hefyd yn sbarduno creadigrwydd gyda'r her o gystadleuaeth. O ganlyniad, credwn y byddai creu darparwydd newydd annibynnol yn cryfhau darlledu Cymraeg yn ei gyfanrwydd.

5.6. Yn anffodus, nid yw'r BBC yn gweld cryfhau'r Gymraeg a'i chymunedau fel rhan o'i swyddogaeth na'i ddiben, ac ni fyddai'r BBC yn gallu gwireddu amcanion angenrheidiol y gwasanaeth newydd, ond dylai fod gan y gorfforaeth ran i'w chwarae wrth gynorthwyo a hwyluso'r gwaith o sefydlu darparwydd newydd. Dylai'r BBC gynnig adnoddau a chymorth i sefydlu menter newydd o'r fath, ac annog partneriaid i weithio mewn ffordd debyg. Byddai hynny'n llesol i'r Gymraeg a phlwrailaeth cyfryngau Cymru ond hefyd yn rhyddhau'r gorfforaeth i ddarparu gwasanaeth Cymraeg mwy pwrpasol. Dylai'r BBC gynnig yr opsiynau a gynigwyd ganddynt yn 2008 i ITV ac eraill i'r darparwydd Cymraeg newydd yn ogystal â darparwyr bro eraill megis Radio Beca.

5.7. Gallai cynigion o'r fath i ddarlledwr aml-gyfryngol fod o gymorth mawr wrth ei sefydlu o'r newydd a'i gynnal. Yn ogystal, credwn y dylai'r BBC gynnig adnoddau eraill i'r darparwydd newydd a darlledwyr bro Cymraeg, megis gwasanaethau darlledu a throsglwyddyddion.

5.8. Prif ddiben y gwasanaeth fyddai hybu a hyrwyddo'r Gymraeg, gan anelu at gynulleidfa iau. Mae angen darpariaeth a fydd yn chwarae rhan flaenllaw wrth hybu defnydd o'r Gymraeg ymysg pobl yn eu harddegau ac yn eu hugeiniau cynnar, lle gwelwyd y cwmp mwyaf o ran defnydd o'r Gymraeg yn y cyfrifiad diwethaf. Gallai'r darlledwr aml-lwyfan newydd hwn roi hwb i'r defnydd o'r Gymraeg ymysg pobl ifanc yn enwedig. Nid yw'r darparwyr presennol yn ddigonol er mwyn cryfhau'r Gymraeg a'i chymunedau. Mae angen sefydlu endid newydd felly a fydd yn rhoi hybu'r Gymraeg wrth galon ei waith.

5.9. Nid oes amau bod patrymau defnydd y cyfryngau wedi newid yn sylweddol dros y blynyddoedd diweddar. Os yw'r Gymraeg i ffynnu yn yr oes aml-lwyfan a chyd-gyfeiriant, mae angen sefydlu gwasanaeth newydd er mwyn sicrhau bod pobl yn cael gweld, clywed a mwynhau'r Gymraeg ar y platfformau newydd hyn.

5.10. Mae Awdurdod S4C yn gorff all fod yn gyfrifol am redeg gwasanaeth newydd o'r fath yma oherwydd ei statws cyfreithiol fel corff annibynnol. Credwn ymhellach y byddai creu gwasanaeth newydd i greu cynnwys yn llawer iawn gwell fel un annibynnol o'r BBC, sydd eisoes yn dominyddu darlledu yng Nghymru ac yn y Gymraeg yn enwedig. Mae angen atal monopoli rhag datblygu yng Nghymru gan yr un darlledwr cyhoeddus Cymraeg.

6. Gwasanaethau Cymraeg y BBC

6.1. Radio Cymru - Hoffem ddatgan yn glir bod Radio Cymru yn wasanaeth pwysig iawn ac y byddwn ni'n gwneud popeth yn ein gallu i amddiffyn yr unig orsaf radio genedlaethol Gymraeg, gan ei bod yn chwarae rhan hanfodol yn y gwaith o gynnal y Gymraeg. Mae Radio Cymru yn unigryw gan mai hi yw'r unig orsaf radio genedlaethol Cymraeg ei hiaith tra bo nifer fawr o wasanaethau Saesneg cyfatebol. Gwelwn fod yr orsaf eisoes yn dioddef diffyg adnoddau – mae'n darlledu llai o oriau y dydd na Radio Wales, er enghraifft. Mae angen ehangu'r gwasanaethau ar bob llwyfan er mwyn eu cryfhau ac mae angen i reolwyr y BBC fod yn llawer iawn mwy uchelgeisiol yn hynny o beth, yn hytrach na rheoli dirywiad yn unig. Gellid gwneud llawer mwy ar-lein i gefnogi rhaglenni, i farchnata'n fwy effeithiol, ac i greu cynnwys gwreiddiol.

6.2. Pwysigrwydd BBC Cymru Fyw a gwasanaethau ar-lein yn Gymraeg - Dylid buddsoddi rhagor mewn gwasanaethau ar-lein y BBC yn Gymraeg. Mae'r ddarpariaeth Saesneg yn llawer mwy sylweddol na'r hyn sydd ar gael yn Gymraeg, ac nid oes gwasanaeth chwaraeon ar-lein digonol ar gael yn Gymraeg. Nid yw'r ddadl bosib ynghylch dyblygu darpariaeth ar-lein gan ddarparwyr eraill - sy'n codi yng nghyswllt gwasanaethau Saesneg ar-lein y BBC - yn berthnasol o gwbl pan ddaw at ddarpariaeth Cymraeg felly.

6.3. Prif-ffrydio'r Gymraeg ar draws rhwydwaith y BBC - Credwn fod diffyg presenoldeb y Gymraeg ar wasanaethau Saesneg y BBC. Dylai fod lleiafswm o ran y ganran o gerddoriaeth Gymraeg y mae'n rhaid i Radio Wales ei chwarae, a dyletswyddau eraill ar holl blatfformau'r BBC o ran darparu gwasanaethau yn Gymraeg, gan gynnwys darpariaeth ar gyfer dysgwyr. Nid lle Radio Cymru yw darparu ar gyfer dysgwyr, ond cyfrifoldeb gwasanaethau eraill y BBC.

6.4. Presenoldeb a Chefnogaeth i ddigwyddiadau Cymraeg eu hiaith - Mae'r BBC yn chwarae rôl bwysig wrth ddarlledu nifer o ddigwyddiadau Cymraeg eu hiaith. Mae'n hollbwysig bod hynny'n parhau, gan gynnwys darllediadau llawn o Eisteddfod yr Urdd a'r Eisteddfod Genedlaethol. Gresynwn nad oes pabell gan y BBC yn Eisteddfod yr Urdd sy'n agored i'r cyhoedd. Credwn y dylai fod gan y BBC bresenoldeb gwell yn Eisteddfod yr Urdd a hynny'n gwbl ar wahân i bresenoldeb S4C yn yr ŵyl.

6.5. Datblygu Gwasanaethau Newydd - Dylai'r BBC sicrhau bod unrhyw fentrau newydd y mae'r gorfforaeth yn ymgymryd â nhw yn prif-ffrydio'r Gymraeg.

6.6. Oriau am ddim i S4C - Mae o leiaf 10 awr yr wythnos wedi ei addo i S4C gan BBC Cymru. Mae gwerth hyn yn gyfateb i £18m o raglenni y flwyddyn ac mae'n bwysig bod hynny'n parhau.

7. Ariannu Darlledu Cyhoeddus

7.1. Ardoll newydd er mwyn ehangu darlledu Cymraeg

7.1.1. Rydym yn argymhell codi ardoll ar gwmnïau darlledu a thelathrebu, a hefyd ar hysbysebwy, er mwyn cyllido darlledu cyhoeddus yn y Gymraeg ac er mwyn sefydlu gwasanaeth amlgyfryngol newydd. Gellid ystyried codi ardoll ar lefel Gymreig, Brydeinig neu Ewropeaidd, gyda gweithgor yn cael ei sefydlu i osod seiliau i'r darparwydd newydd. Amlinellir rhagor o fanylion am y syniad yn ein papur polisi "Ariannu Darlledu Cymraeg"² a lansiwyd ym mis Awst 2014.

7.1.2. Mae darlledwyr cyhoeddus yng ngwledydd Prydain wedi dioddef toriadau mawr yn eu cyllid yn ystod y pum mlynedd diwethaf. Yn ystod yr un cyfnod, ac er gwaethaf y dirwasgiad, mae darlledwyr preifat, megis British Sky Broadcasting (Sky) ac ITV, wedi gweld cynnydd mawr yn eu helw. Mae llwyfannau ar-lein, megis Google a Facebook, hefyd yn parhau i weld cynnydd mawr yn eu trosiant

blynyddol, ac yn defnyddio strwythurau busnes cymhleth er mwyn osgoi talu trethi llawn i'r llywodraeth.

7.1.3. Mae trosiant BSKyB wedi cynyddu o £5.4 biliwn yn 2009 i £7.2 biliwn yn 2013, cynnydd o 33%. Mae'r cwmni yn cael elw o £1.3 biliwn yn flynyddol (2013) o gymharu ag £813 miliwn yn 2009, sef cynnydd o £487 miliwn (60%) yn flynyddol. Mae ITV hefyd wedi gweld cynnydd mawr yn ei elw yn ystod y pum mlynedd yn arwain at 2013. Yn 2009, trosiant y cwmni oedd £1.9 biliwn. Gwelwyd cynnydd blynyddol cyson, gan gyrraedd £2.4 biliwn yn 2013. Mae'r cwmni wedi gweld cynnydd enfawr (278%) yn ei elw felly, o £196 miliwn yn 2009 i £546 miliwn yn 2013. Yn 2013, gwelodd cwmni Google gynnydd yn ei incwm yng ngwledydd Prydain i £3.4 biliwn (sy'n cynnydd o 15.5% ar 2012). O gymharu, casglwyd £3.65 biliwn trwy ffi drwydded y BBC yn ystod yr un adeg. Mae hyn yn awgrymu bod incwm Google yng ngwledydd Prydain yn gyfuwch â'r arian a gasglwyd trwy'r ffi drwydded yn 2014. Mae'r rhan fwyaf o gyllid Google yn dod trwy hysbysebion - 96% yn 2011 ac, er gwaethaf ei enillion sylweddol, dim ond £11.2m o dreth gorfforaethol a dalwyd gan Google yn 2012.

7.1.4. Mae gan system o ardollau botensial i godi symiau sylweddol ychwanegol er mwyn ariannu darlledu cyhoeddus. Ni fyddai'r Deyrnas Unedig yn torri tir newydd yn hyn o beth. Mae ardollau o'r fath yn bodoli mewn gwledydd ar draws y byd, ac yn fecanwaith sefydledig ar gyfer cyllido cynnwys a gwasanaethau cyfryngol. Ar lefel Brydeinig, gallai cyfuniad o'r trethi neu'r ardollau hyn godi, ar radd gymharol isel, sef 1% neu lai, ymhell dros £200 miliwn y flwyddyn, gan greu incwm o ymhell dros £10 miliwn y flwyddyn ar lefel Gymreig.

7.1.5. Fel y gwelwyd yn ystod y blynyddoedd diwethaf, rhoddodd newidiadau deddfwriaethol rwydd hant i Lywodraeth y Deyrnas Unedig a'r BBC gwtogi ar ariannu darlledu Cymraeg. Pa ddull bynnag o ariannu a ddewisir er mwyn sicrhau bod y Gymraeg yn gallu ffynnu yn y cyfryngau dros y blynyddoedd i ddod, credwn fod angen deddfwriaeth sylfaenol er mwyn sicrhau sefydlogrwydd ac annibyniaeth i S4C ac i ddarlledu yn Gymraeg yn gyffredinol.

7.2. Rôl y Ffi Drwydded

7.2.1 Er i ni ymgyrchu yn erbyn toriadau i grant Llywodraeth Prydain i S4C, tra nad oes ffynonellau ariannol eraill, dylid sicrhau bod y ffi drwydded yn cefnogi S4C er mwyn cynyddu'r gyllideb bresennol.

7.2.2. Credwn y gellid ystyried trosglwyddo'r cyfrifoldeb dros y ffi drwydded i awdurdod S4C yng Nghymru er mwyn sicrhau nad oes modd i'r BBC ymyrryd ag annibyniaeth y darlledwr. Yn sicr, mae angen fformiwla ariannu mewn statud sy'n golygu bod modd i S4C cynllunio ymlaen yn hyderus a chan wybod bod cyllideb y sianel yn mynd i gynyddu gyda chwyddiant.

7.3. Ffyrdd eraill o ychwanegu at gyllid darlledu Cymraeg

7.3.1. Credwn ymhellach y gellid ystyried mesurau eraill i alluogi ehangu darlledu Cymraeg

- **Breintiau darlledu yn rhad ac am ddim i ddarlledwyr Cymraeg** - yn ddiweddar, diddymwyd sylwebaeth Gymraeg ar gemau pêl-droed tîm Cymru gan Sky, felly nid oes modd gwylio y gemau yn fyw yn Gymraeg mwyach. Gan nad oes awydd gan Sky ddarlledu'r gemau yn Gymraeg, dylai S4C gael darlledu'r gemau am ddim er mwyn bodloni hawl sylfaenol pobl Cymru i wyllo'r gem yn fyw yn Gymraeg. Gellid edrych ar ragor o ddigwyddiadau tebyg na darlledir yn Gymraeg ar hyn o bryd, y byddai ehangu darpariaeth S4C heb gostau uniongyrchol ychwanegol i'r pwrs cyhoeddus.
- **Darlledwyr preifat i gyfrannu oriau am ddim** - mae'r BBC eisoes yn cyfrannu 10 awr o oriau darlledu am ddim i S4C, ond credwn y dylid edrych at ddarlledwyr sy'n gwneud elw

sylweddol megis Sky a ITV i ddod o dan ddyletswydd i ddarparu cynnwys am ddim i S4C yn ogystal. Byddai hyn yn dilyn model debycach i'r model a ddefnyddiwyd i sefydlu S4C yn yr 1980au ac yn creu yr angen iddynt ymwneud â'r sianel y gall arwain at fanteision masnachol i bawb yn y pendraw.

8. Datganoli Darlledu

8.1. Bu consensws ar draws cymdeithas sifil nad oedd y toriadau a newidiadau strwythurol i S4C a orfodwyd ar y sianel yn 2010 o fudd i'r Gymraeg na Chymru yn ehangach. Cafodd y cynlluniau ar gyfer S4C eu beirniadu gan arweinwyr y pedair prif blaid yng Nghymru, y Pwyllgor Materion Cymreig, degau o undebau a mudiadau iaith a degau o filoedd o bobl a lofnodont ddeiseb, mynychu raliâu ac anfon cwynion at wleidyddion. Yn hytrach na brwydro yn erbyn y cynlluniau, ceisiodd y darlledwyr weithio o fewn cyfyngiadau'r cynlluniau annoeth a gytunwyd rhwng Ymddiriedolaeth y BBC yn Llundain ac Ysgrifennydd Diwylliant y DU, Jeremy Hunt, ar y funud olaf ym Mis Hydref 2010. Yn hynny o beth, anwybyddodd Llywodraeth San Steffan a'r darlledwyr llais unedig Cymru.

8.2. Bu braidd dim ymgynghoriad ag S4C na gwleidyddion o Gymru yn ystod y broses gynllunio i gwtogi ar gyllideb y sianel. Ymhellach, bu'r cytundeb newydd rhwng S4C, y BBC a DCMS yn *fait accompli* wedi ei orfodi ar bobl Cymru heb drafodaeth ddemocrataidd am ddyfodol S4C. Mater o siom oedd parodrwydd Awdurdod S4C i gydweithio mewn gorfodi cytundeb o'r fath. Eto, yn gynharach eleni, ymddengys bod y BBC a'r Llywodraeth yn Llundain wedi dod i gytundeb am setliad ariannol i S4C heb ymgynghori â phobl Cymru o gwbl.

8.3. Yn dilyn y profiad hwnnw, lansiom ymgyrch dros ddatganoli darlledu ychydig o flynyddoedd yn ôl, cawsom gefnogaeth gref gan nifer fawr o fudiadau ac unigolion megis Merched y Wawr, UCAC, arweinwyr sawl cyngor sir a nifer o wleidyddion o'r pedair prif blaid yng Nghymru.

8.4. Gellir gweld yn glir effeithiau negyddol y sefyllfa bresennol yng nghyd-destun radio lleol, lle mae allbwn Cymraeg wedi dirywio yn sylweddol oherwydd diffyg rheoleiddio. Mae hanes Radio Ceredigion a Radio Sir Gâr yn enghreifftiau o'r hyn sydd yn digwydd. Mae hefyd wedi amlygu tueddiad y farchnad i danseilio mentrau Cymraeg eu hiaith, gan nad yw'r gyfraith yn amddiffyn natur ieithyddol y mentrau hyn nac yn rhoi cymorth positif i annog a thyfu cynnwys radio Cymraeg.

8.5. Mae profiad diweddar Radio Ceredigion yn amlinellu'r broblem i'r dim. Er gwaethaf gwrthwynebiad cryf gan y cyhoedd i gwtogi allbwn Cymraeg yr orsaf, fe lwyddodd perchnogion Radio Ceredigion i newid eu hamodau iaith a lleihau'r nifer o oriau a ddarlledir yn Gymraeg ar yr orsaf. Ar Fai 10fed 2011, gwnaeth perchnogion Radio Ceredigion, Town and Country Broadcasting, gais i Ofcom i adael iddynt ddarlledu llai o Gymraeg. Cynhaliodd Ofcom ymgynghoriad ar y cais o 10 Mai tan 3 Mehefin 2011. Ond, oherwydd gwrthwynebiad cryf gan y cyhoedd, gwrthododd Ofcom y cais. Fodd bynnag, ar Fedi 6ed 2011, cyhoeddodd Ofcom y byddai trwydded Radio Ceredigion yn cael ei hysbysebu'n agored ym mhen y mis yn caniatáu i'r un cwmni ceisio am yr un drwydded heb unrhyw amodau Cymraeg. Datganwyd y byddai trwydded Ceredigion yn cael ei ail hysbysebu'n llawn ar 4 Hydref 2011. Enillodd Town and Country Broadcasting y cytundeb, ac mae nawr yn darlledu llawer llai o oriau Cymraeg, sy'n groes i amcanion Llywodraeth Cymru i hyrwyddo'r Gymraeg.

8.6. Nodwyd hefyd gan Gomisiwn Silk bod y rhan fwyaf o bobl Cymru eisiau datganoli darlledu i Gymru.

8.7. Argymhellwn y dylid:

- Datganoli grym dros ddarlledu a thelathrebu i'r Cynulliad Cenedlaethol er mwyn sicrhau bod yr arbenigedd a'r gallu i wneud y penderfyniadau cywir dros ddyfodol darlledu yng Nghymru;

- Ffederaleiddio'r BBC - - mae'n hanfodol bod datganoli grym yn digwydd o fewn y BBC gyda system ffederal fel y dewis gorau, er mwyn sicrhau tegwch a chydbwysedd, gydag ymddiriedolaeth BBC Cymru wedi ei phenodi gan y Cynulliad Cenedlaethol;
- Trosglwyddo'r hawl i drwyddedu gwasanaethau radio a theledu i'r Cynulliad Cenedlaethol, gan gynnwys radio a theledu lleol, a thrwydded newydd ar lefel Gymreig i'r trydydd sianel deledu masnachol;
- Rhoi grym i'r Cynulliad Cenedlaethol osod amodau Cymraeg ar drwyddedau radio a theledu lleol;
- Dylid datganoli cyllideb S4C i'r Cynulliad Cenedlaethol a datganoli'r pwerau deddfwriaethol er mwyn i'r Cynulliad sefydlu fformiwla ariannu i S4C er mwyn diogelu dyfodol y sianel yn y tymor hir;
- Galluogi'r Cynulliad Cenedlaethol ehangu cylch gwaith S4C i gynnwys darparu gwasanaethau Cymraeg ar bob cyfrwng, yn hytrach na gwasanaeth teledu yn unig;
- Ehangu pwerau'r Cynulliad Cenedlaethol er mwyn iddynt osod dyletswydd i ddarparu gwasanaethau Cymraeg eu hiaith ym maes darlledu oherwydd y cydgyfeiriant technolegol o safbwynt darparu gwasanaethau.

9. Casgliadau

9.1. Mae sefyllfa'r Gymraeg yn fregus ac mae gan S4C a'r BBC swyddogaethau pwysig i'w chryfhau dros y blynyddoedd i ddod.

9.2. Mae angen S4C sy'n gwbl annibynnol o'r BBC, sydd ag adnoddau ychwanegol a fformiwla ariannu mewn statud. Mae angen ehangu gwasanaethau ar-lein a radio Cymraeg y BBC yn ogystal.

9.3. Noda Papur Gwyrdd Llywodraeth Prydain y bu twf aruthrol yn nifer o wasanaethau Saesneg y BBC. Gresynwn nad oes cydnabyddiaeth na fu twf cyfatebol yng ngwasanaethau Cymraeg y gorfforaeth. Er mwyn gwneud yn iawn am hynny ac er mwyn dod â'r Gymraeg i mewn i'r oes cydgyfeiriant, mae angen darlledwr aml-lwyfan Cymraeg newydd sydd, am resymau ymarferol a'r angen am blwraliaeth, yn atebol i Awdurdod S4C.

Grŵp Digidol, Cymdeithas yr Iaith Gymraeg

Hydref 2015

Darllodwr Amblatfform Cymraeg

Newydd

Papur Trafod Cymdeithas yr Iaith Gymraeg, Hydref 2015



Cyflwyniad

Yn y ddogfen yma, cyflwynir ein gweledigaeth ar gyfer darllodwr Cymraeg newydd, gan gynnwys argymhellion penodol ynghylch amcanion a strwythur y gwasanaeth o fewn cyd-destun modelau a phrosiectau tebyg sy'n bodoli eisoes.

Prif nodau'r gwasanaeth newydd fydd:

- Creu cynnwys gwreiddiol o'r safon uchaf
- Gweithredu arlein yn bennaf, ond hefyd ar radio ac ar deledu
- Gosod fframwaith a thechnoleg dosbarthu effeithiol ac arloesol ar gyfer ffonau symudol, tabledi, setiau teledu clyfar, consolau gemau ac ati
- Cynnig platfform i leisiau newydd ac amgen ar y cyrion, er mwyn adlewyrchu ystod ehangach o bobl a bywyd cyfredol yng Nghymru
- Cynyddu defnydd y Gymraeg, yn enwedig ymysg pobl ifanc
- Cynorthwyo ac ategu gwasanaethau S4C a Radio Cymru
- Rhyddhau S4C a Radio Cymru o'r baich o geisio gwasanaethu'r gynulleidfa gyfan

Pam bod angen gwasanaeth newydd?

Dros y degawdau diwethaf, tra bu twf aruthrol yn nifer y sianeli teledu a gorsafoedd radio Saesneg eu hiaith, mae'r gwasanaethau Cymraeg wedi aros yn eu hunfan, gydag un sianel deledu, un orsaf radio, a gwasanaethau eraill sy'n eilradd o gymharu â'r gwasanaethau Saesneg cyfatebol. Yn aml, beirniadir S4C a Radio Cymru am geisio, a methu, plesio'r holl gynulleidfa Gymraeg.

Mae dyfodol S4C eisoes yn fregus. Drwy newidiadau yn y Ddeddf Cyrff Cyhoeddus, diddymwyd y fformiwla ariannu statudol a roddai sicrwydd ynghylch yr arian a roddir i'r sianel. Hyd yn oed wedi ystyried y cyfraniad o ffi drwydded y BBC, roedd y toriadau i S4C yn gyfystyr â 40%, ffigwr y dywedwyd y byddai'n gwneud y gwasanaeth yn anghynladwy. Ar ben hynny, cyhoeddwyd dros yr haf bod disgwyl i'r BBC, sydd nawr yn gyfrifol am gyfran helaeth o gyllid S4C, gwneud arbedion o 20% er mwyn dalu am drwyddedau i bobl dros 75. Yn ôl Ysgrifennydd y DCMS John Whittingdale, mae'n "rhesymol" bod S4C gwneud arbedion tebyg.

Ar drothwy 2016, prin fod modd gwadu bod newidiadau enfawr yn y ffordd y mae cynulleidfa oedd, yn enwedig pobl ifanc 16-24 oed, yn gwyllo ac yn gwrandao ar gynnyrch cyfryngol. Mae'r ffin rhwng sianel deledu draddodiadol a'r we yn brysur ddiflannu. Mae patrymau gwyllo wedi newid, ac yn parhau i newid ar gyfradd aruthrol. Yn ôl Ofcom (2015), mae'r ganran o bobl 16-24 oed sy'n gwyllo

teledu neu ffilm arlein o leiaf unwaith yr wythnos wedi cyrraedd bron i 40%, gyda'r ffigwr yn neidio i 65% o bobl yn yr un grŵp oedran yn gwyllo clipiau fideo byr ar y we. Mae'r grŵp oedran 16-24 hefyd yn treulio mwy o amser arlein (27.6 awr yr wythnos) nag unrhyw grŵp oedran arall. Mae'r ystadegau yma wedi gweld cynnydd blynyddol ers 2007. Gweler tueddiadau tebyg yn y nifer o bobl 16-24 oed sy'n gwrando ar, neu'n lawrlwytho, cerddoriaeth a chynnyrch clywedol arlein yn wythnosol hefyd. Yn ychwanegol, gwelwyd twf cyson yn y nifer o bobl ifanc sy'n defnyddio eu ffonau clyfar i wyllo a gwrando ar gynnwys trwy apiau pwrpasol. Rydym yn falch y bu twf yn nifer gwylwyr S4C, yn ôl adroddiad blynyddol y Sianel eleni, gyda thwf mawr yn nifer y gwylwyr arlein. Ymhellach, gwelwyd cynnydd sylweddol, o 10%, yn nifer gwylwyr y sianel ar draws gweddill y Deyrnas Gyfunol. Ond, yn sgil yr holl ystadegau uchod, mae'n synhwyrol i weld gwasanaeth Gymraeg newydd yn cael ei gynllunio fel endid amlblatfform o'r cychwyn, er mwyn osgoi'r trafferthion sy'n gysylltiedig â throsglwyddo neu ehangu strwythurau a chynnwys teledu neu radio traddodiadol i blatfformau eraill.

Twf Cyfryngau Ewrop – Cymru ar ei hôl hi

Ers sefydlu Radio Cymru yn 1977 ac S4C yn 1982, mae darlledu Cymraeg wedi aros yn ei hunfan, yn wahanol i ieithoedd lleiafrifoledig eraill Ewrop. Nid yw'r ddarpariaeth Gymraeg wedi ehangu ac felly nid yw canran sylweddol o'r gynulleidfa posib yn cael ei wasanaethu.

Yng Ngwlad y Basg, sefydlwyd y cwmni darlledu cyhoeddus EITB (Euskal Irrati Telebista) yn 1982, sef yr un flwyddyn ag S4C. Maent erbyn hyn yn gyfrifol am ddwy sianel deledu gyfan gwbl yn yr iaith Fasgeg a 2 sianel arall sy'n darlledu'n rhannol yn Fasgeg. O dan ei hadain hefyd, mae yna 2 orsaf radio sy'n gyfan gwbl yn y Fasgeg, gydag un arall yn rhannol Fasgeg. Anelir y brif sianel deledu iaith Fasgeg (ETB1) at gynulleidfa gyffredinol, tra bod yr ail sianel (ETB3) yn targedu cynulleidfa ifanc. Bwriad y sianeli eraill sy'n rhannol Fasgeg yw lledaenu newyddion, diwylliant a iaith Gwlad y Basg i gynulleidfaoedd rhyngwladol ar draws Ewrop a Gogledd America. Yn yr un modd, mae'r brif orsaf radio Basgeg ei hiaith (Euskadi Irratia) yn darlledu cynnwys ar gyfer cynulleidfa cyffredinol, tra bod yr ail orsaf (Euskadi Gazeta) yn targedu pobl ifanc.

Gweler sefyllfa debyg yng Ngalisia. Mae'r gorfforaeth ddarlledu gyhoeddus CRTVG (a sefydlwyd dwy flynedd ar ôl S4C, ym 1984) yn gyfrifol am 4 orsaf deledu Galisie (2 daearol a 2 lloeren), a cheir hefyd tair gorsaf radio genedlaethol yn y Galisie trwy Radio Galega, sydd o dan adain CRTVG. Mae'r sianeli a gorsafoedd yn targedu cynulleidfaoedd amrywiol, gan gynnwys cynulleidfaoedd cyffredinol, pobl ifanc a chynulleidfaoedd tramor/rhyngwladol.

Mae'n bwysig nodi fod nifer y sianeli a gorsafoedd yma wedi datblygu dros ddegawdau ers dyfodiad y corfforaethau yn yr 80au. Nid yw S4C, na darlledu Cymraeg, wedi datblygu yn yr un ffordd. Yng Ngwlad y Basg a Galisia, mae yna ddarpariaeth ar wahân ar gyfer cynulleidfa gyffredinol a chynulleidfa ifanc. Ar hyn o bryd, er eu hymdrechion, nid yw S4C na Radio Cymru yn gwasanaethu pobl Cymru yn yr un ffordd. Darlledir iaith a diwylliant Fasgeg a Galisie yn rhyngwladol, gyda strwythur ag amcanion penodol. Er bod S4C ar gael trwy Clic ac iPlayer y BBC, nid yw'r sianel yn adnabod a chyrraedd cynulleidfaoedd ifanc a rhyngwladol yn yr un ffordd. Gwelir angen felly i ryddhau S4C a Radio Cymru o'r baich o orfod ceisio (a methu'n anochel) gwasanaethu'r holl

gynulleidfa Gymraeg a phob grŵp oedran.

Ceir enghreifftiau o brosiectau cyfryngol arlein mewn ieithoedd lleiafrifol a lleiafrifoledig eraill Ewrop. Yng Ngalisia, dechreuwyd EuFalo.tv yn 2011, fel prosiect dogfen gydweithredol. Cynhyrchwyd cynnwys gwreiddiol gan griw o newyddiadurwyr proffesiynol ac unigolion a grwpiau amatur. Ymhlith eu hamcanion roedd cenhadaeth ieithyddol, er mwyn rhoi llais i'r di-lais nad oedd y cyfryngau traddodiadol yn rhoi lle iddynt. Anelir hefyd at arbrofi yn dechnolegol er mwyn cynhyrchu cynnwys mewn ffyrdd nad oedd yn draddodiadol.

Mae Brezhoweb (Llydaw) yn sianel deledu ar y we sy'n annibynnol yn yr ystyr nad yw'n rhan o gorfforaeth deledu. Serch hynny, mae Brezhonweb yn ceisio efelychu sianeli teledu trwy ariannu a rhoi llwyfan i ystod fechan o raglenni sydd wedi eu hamserlennu'n ofalus. Maent yn cynhyrchu a darlledu cynnwys gwreiddiol yn ogystal â ffilmiau, rhaglenni a chartwnau wedi eu trosleisio i'r Llydaweg.

Yn 2012, sefydlwyd Sianel 62 fel sianel deledu Cymraeg ar y we. Darlledwyd rhwng 1.5 a 2 awr o gynnwys bob wythnos, gan gynnwys deunydd gwreiddiol a hynny gan gynhyrchwyr proffesiynol ac amatur. Denwyd dros 1,000 o wylwyr i'r darllediad gyntaf, gyda chyrhaeddiad rhyngwladol eang dros y cyfnod darlledu. Mae Sianel 62 yn parhau i gynhyrchu'n achlysurol ac yn llwyddo i gyrraedd miloedd o wylwyr yn rheolaidd.

Diffyg sicrwydd cyllid digonol (ac felly o adnoddau) yw'r brif rwystr i ffyniant y prosiectau yma i gyd, boed yn amatur neu'n broffesiynol.

Yn ogystal â'r enghreifftiau uchod, mae Prif Weinidog yr Alban ac RTÉ yn Iwerddon yn ddiweddar wedi amlinellu cynlluniau ar gyfer rhagor o wasanaethau yn eu gwledydd nhw, ac felly dylai fod gwasanaeth(au) newydd yng Nghymru ac yn Gymraeg hefyd.

Strwythur y Gwasanaeth Newydd

Ein cred yw y dylai gwasanaeth newydd weithredu ar draws platfformau – yn bennaf ar y we ond gan gynnwys teledu a radio. Ni ddylid meddwl yn nhermau mor gul ag ail orsaf radio neu sianel deledu Gymraeg. S4C yw'r unig gorff proffesiynol sylweddol gyda strwythur rheoli a chynhyrchu soffistigedig yn y Gymraeg. Mae'n naturiol felly i weld y gwasanaeth newydd o dan ei goruchwyliaeth. Serch hynny, credwn fod sefydlu corff annibynnol hefyd yn opsiwn, a gellid fod yn atebol i S4C fel rheoleiddiwr. Gall corff newydd gynllunio gwasanaeth sy'n addas at y diben ar gyfer hynodweddau technolegol y we ag arferion gwyllo a gwranddo cynulleidfaoedd y gymdeithas gyfoes. Dylai'r BBC, S4C, ITV a gwasanaethau eraill gynnig arbenigedd ac adnoddau i'r gwasanaeth newydd, ar ffurf hyfforddiant, llifau gwaith, cynnwys a chynhyrchu. Mae'r BBC ac ITV eisoes wedi cynnig cefnogaeth o'r fath i radio lleol ac i gynhyrchwyr newyddion – mae'n rhesymol i gymryd y bydd y corfforaethau yma hefyd yn ymfalchïo yn y cyfle i ddarparu cymorth tebyg i ddarparwr cenedlaethol newydd felly.

Credwn ymhellach y byddai gwasanaeth newydd i greu cynnwys yn llawer iawn gwell fel un annibynnol o'r BBC, sydd eisoes yn dominyddu darlledu yng Nghymru ac yn y Gymraeg yn enwedig. Mae angen atal monopoli rhag datblygu yng Nghymru gan yr un darlledwr cyhoeddus Cymraeg. Ymhellach, mae'r enghreifftiau uchod o Wlad y Basg a Galisia yn awgrymu mai trwy gorff sy'n gweithredu trwy gyfrwng yr iaith lleiafrifoledig y daw twf mewn gwasanaethau, yn hytrach na thrwy ddarlledwr gwladwriaeth-gyfan fel y mae'r BBC ar lefel Prydain. Os mai corff newydd annibynnol neu S4C sy'n gyfrifol am y gwasanaeth newydd, gellir sicrhau blaenoriaethu materion Cymru a'r Gymraeg.

Dylid seilio strwythur gwasanaeth newydd ar fframwaith o gynnwys gwreiddiol newydd, gan ddarlledu rhwng 7 yr hwyr a chanol nos bob dydd, er mwyn targedu pobl ifanc. Dylai'r cynnwys gwreiddiol adlewyrchu lleisiau cyfoes ymhlith y grwp oedran 16-24 oed, gyda phwyslais ar ddarparu adloniant a gwybodaeth. Mae angen hefyd diwallu'r hawl sylfaenol i bobl dderbyn newyddion yn Gymraeg bob dydd a thrwy bob cyfrwng, felly dylai fod gan y darlledwr amlblatfform newydd wasanaeth newyddion sy'n annibynnol o'r BBC. Gyda buddsoddiad ychwanegol, mae'n bosib gall Golwg360, sydd eisoes wedi ceisio ehangu ei ohebiaeth i gynnwys eitemau clywedol, gyflawni'r rôl yma.

Er mai cynnwys gwreiddiol fydd gonglfain y darparydd newydd, bydd rhaid hefyd ystyried yr opsiynau i fanteisio ac ehangu ar gynyrch safonol a fframweithiau sy'n bodoli eisoes. Gellir rhannu rhaglenni naws ifanc presennol S4C ar y platfform newydd, e.e. Ochr1, Rownd a Rownd, a Hacio. Gellir ymestyn defnydd a chyrhaeddiad deunydd trwy adnabod nodweddion unigryw y rhaglenni yma a'u hail-becynnu ar gyfer llwyfannau eraill. Yn ogystal â rhaglen deledu weledol, gellid darlledu podlediad o Ochr1 (e.e.) ar y radio a'i gynnig fel lawrlwythiad trwy iTunes neu GooglePlay. Bu rhaid hefyd ymchwilio i'r posibiliad o drefnu eithriad i hawliau darlledu ffilmiau a rhaglenni ieithoedd tramor i'r gwasanaeth newydd fel darlledwr iaith lleiafrifol, gan isdeitlo neu drosleisio i'r Gymraeg fel y bo'n briodol.

Ym mis Awst 2014, cyhoeddodd Cymdeithas yr Iaith bapur oedd yn cynnwys opsiynau amgen er mwyn ariannu darlledu Cymraeg. Ymhlith yr opsiynau, argymhellwyd codi ardoll ar elw cwmnïau cyfryngol a thelathrebu mawr (megis Google, Sky, Virgin Media, EE, TalkTalk) sydd wedi parhau i weld cynnydd enfawr yn eu trosiant trwy gydol y dirwasgiad. Yn seiliedig ar y ffigyrau yn y papur hwnnw, dangoswyd y posibiliad real o godi £10 miliwn ychwanegol y flwyddyn i ddarlledu cyhoeddus Cymraeg, gan gynnwys sefydlu gwasanaeth newydd a hefyd chwistrelliad ariannol ychwanegol i S4C. Gan gymryd bod costau cynhyrchu ar y we yn rhatach na chostau cynhyrchu teledu traddodiadol, awgrymir cost gychwynnol o £10 miliwn er mwyn sefydlu'r gwasanaeth newydd yn y flwyddyn ariannol gyntaf, gyda £5 miliwn yn flynyddol ar ôl hynny. Dylai swm o'r fath sicrhau cynllunio a chynhyrchu safonol a phroffesiynol. Awgrymir hefyd na ddylai'r gwasanaeth newydd gael ei lansio tan fod cyfnod cynllunio manwl wedi ei gwblhau, er mwyn sicrhau'r dechreuad mwyaf cadarn ac effeithiol.

Casgliad

Mae angen i ddarlledu Cymraeg fod yn uchelgeisiol ac arloesol, a hynny o ran ei gweledigaeth, cyllido, fformat a thechnoleg. Mae'n ddigon bosib na fyddai'n ddelfrydol efelychu unrhyw fodel sy'n bodoli eisoes – yn hytrach, rhaid ystyried creu model newydd. Mae'r gymhariaeth â'r sefyllfa yng Ngwlad y Basg ac yn Galisia yn amlygu sefyllfa grebachlyd darlledu Cymraeg. Mae'r enghreifftiau o brosiectau darlledu amgen o Galisia a Llydaw yn dangos bod awydd i arloesi yn y gwledydd hynny, a hynny mewn sefyllfa debyg i'r hyn rydym yn ei wynebu yng Nghymru, sef diffyg buddsoddiad yn y manau cywir a ffynonellau cyllido dibynadwy. Gyda chyllid digonol a chynllunio manwl, gall wasanaeth newydd Cymraeg osod model digynsail ar gyfer darlledu amlblatfform byd-eang.

Yn rhydd o hualau disgwyliadau'r gynulleidfa draddodiadol, a thrwy ddathlu creadigrwydd, arbrofi a risg, bydd gan y gwasanaeth newydd cyfle i ysbrydoli ac ymgysylltu â chynulleidfa ifanc sydd, ar hyn o bryd, heb raglenni digonol sy'n berthnasol iddynt, heb synau na delweddau ystyrion o fywyd cyfoes yng Nghymru, heb gynrychiolaeth na lleisiau cyfarwydd sy'n siarad gyda nhw a throstyn nhw. Bydd gwasanaeth newydd yn magu hyder a balchder yn yr iaith Gymraeg, yn meithrin uchelgais a hunaniaeth gryfach ymysg y genhedlaeth ifanc, ac yn helpu sicrhau'r holl fuddiannau mae gwlad a phobl hyderus yn ei fwynhau.

Hydref 2015

Grŵp Dyfodol Digidol Cymdeithas yr Iaith Gymraeg

BCR 15

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol

Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Welsh Government

Response from: Welsh Government



Christine Chapman AM
Chair
Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

4 November 2015

Dear Christine

Since my appearance before the Committee on 16 September there have been a number of developments to report in relation to the Welsh Government's input to the BBC Charter Renewal process.

During recent months, Welsh Ministers and officials have liaised closely with the UK Government, to ensure that the Welsh Government is fully involved in the Charter Renewal discussions from the outset. I can confirm that the Memorandum of Understanding has now been signed by all parties – the Welsh Government, the UK Government, the BBC Trust and the BBC Executive. This enshrines the Welsh Government's formal, consultative role in the current and future Charter reviews, in full parity with arrangements in Scotland and Northern Ireland. The signed Memorandum of Understanding is attached.

As previously explained to the Committee, because of the timing of the Charter review process a decision was taken to develop an initial Memorandum that would formalise the Welsh Government's role now. It also commits all signatories to work with the National Assembly for Wales to develop a second Memorandum, which will include the National Assembly as a signatory and supersede the first. It will retain commitments from the first Memorandum and formalise both the National Assembly's role in ongoing scrutiny of the BBC and the related duties that will be placed on the BBC - to provide annual reports and statements of accounts to the Welsh Government and the National Assembly for Wales and to appear regularly before the relevant Assembly committee(s). These will be comparable to those already included in the Scottish Memorandum.

Welsh Government officials are already discussing this with officials from the Presiding Officer's office and DCMS. This second Memorandum of

Understanding should therefore be agreed and in place well before the next BBC reporting round in 2016.

In October the Welsh Government provided a detailed response to the UK Government's consultation paper about the future of the BBC, which was launched on 16 July. I am aware that DCMS received over 192,000 responses to this consultation. Our response is attached for your information.

Although the Welsh Government has a formal role in the Charter Review, the response provided an opportunity, early on in the process, to set out our observations on a number of the key issues under consideration in the consultation document, in a Welsh context.

Our response focused primarily on:

- the services which the BBC, as the leading Public Service Broadcaster in the UK, should be delivering for Wales;
- the need for it to be properly mandated and resourced to deliver them, and;
- the need to strengthen arrangements for accountability to, and scrutiny by, the nations and regions, including Wales.

In our response, we noted that following extensive devolution of powers to the devolved governments there has been no evaluation or assessment of whether current public service obligations remain fit-for-purpose. Over the same time period those obligations have been allowed to erode, largely for commercial reasons. We stated that such a review is now urgently needed and called for it to be conducted in parallel with the Charter review, to inform targets for delivery of services in the nations and regions in the new Charter, linked to a renewed set of public purposes and values.

Following the submission of our response, the First Minister wrote to the Secretary of State for Culture, Media and Sport on 19 October to reinforce some of these key points about the future of Public Service Broadcasting in Wales, both in English and Welsh. He stressed the urgent need for a review and called for it to focus very clearly on the BBC's public purposes in Wales, particularly in respect of its delivery to Welsh audiences and its portrayal of Wales.

The First Minister suggested that the review should consider changes arising from devolution and a changing UK, promoting and sustaining the Welsh language and culture, representation of Welsh people and life and current market failures in relation to Public Service Broadcasting in Wales.

Such a review would need to consider S4C, which despite its independence from the BBC has clear cultural, commercial and educational synergies. The First Minister made it clear that he was not suggesting that there should be any weakening of S4C's independence - in fact, to help secure S4C's strategic and financial independence, he had written the previous week to the

Secretary of State for Culture, Media and Sport calling for the UK Government to urgently commission the independent review of S4C which had been promised during the current spending review period. This was also reflected in our response to the BBC Charter Review consultation.

The First Minister concluded that the review should form the basis of a new Charter “contract” for Wales. This would set out a clear definition of what Wales needs and what the BBC has a duty to deliver in the decade ahead, both to audiences in Wales and about Wales to the rest of the world.

I look forward to providing a further update on these issues during my appearance before the Committee on 18 November.

Yours ever

A handwritten signature in black ink, appearing to read 'Ken Skates', with a stylized flourish extending to the right.

Ken Skates AC / AM

Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

MEMORANDUM OF UNDERSTANDING: BBC CHARTER REVIEW/WELSH GOVERNMENT

Preamble

Following the final agreement of the Memorandum of Understanding between the UK Government, Scottish Government, Scottish Parliament and the BBC (see 'Background'), the UK Government is hereby seeking to establish parity for the Welsh Government in respect of a formal consultative role in the process of Charter Review and the ongoing scrutiny of the BBC

Parties

- The Department for Culture, Media and Sport (The Department)
- The BBC¹
- The Welsh Government

Commitments:

1. Charter Review

The BBC is established by Royal Charter. The Charter sets out how the BBC is constituted, its public purposes, and the respective roles and composition of the BBC Trust and the Executive Board. The current Royal Charter expires at the end of 31 December 2016.

The terms of the formal consultative role for the Welsh Government in the process of reviewing the BBC's Charter shall be as follows:

- The Department will consult the Welsh Government on the draft terms of reference for the Charter Review in advance of their publication.
- The Welsh Government will lay the final terms of reference for the Charter Review before the National Assembly for Wales.
- The Department will consult the Welsh Government through the process of reviewing the Charter.
- The Welsh Government will lay the draft Charter and Framework Agreement before the National Assembly for Wales, and should the Assembly deem it appropriate, schedule a 'take note' debate on the content of the draft Charter and Framework Agreement².

¹ In this Memorandum of Understanding - "the BBC" means the British Broadcasting Corporation; "the Executive" means the Executive Board of the BBC; and "the Trust" means the BBC Trust; and any reference to "the BBC" (without qualification) includes a reference to both the Trust and the Executive, so far as makes sense in the context. ² This would ensure parity with the processes in the UK Parliament for the last Charter Review in 2006. See the 'take note' debate in the House of Lords, 16 June 2006.

- The Department will consult the Welsh Government before recommending to Her Majesty in Council that the draft Charter is granted.

2. Annual reports and accounts, and appearing before committees

As part of 'Powers for a Purpose: Towards a lasting devolution settlement for Wales' in February 2015³, the UK Government indicated that it would '*...seek a commitment from the BBC and S4C that they should send their annual reports and accounts for laying in the Assembly*'.

Prior to the publication of the BBC's annual report and accounts for 2015/16 the signatories will work to agree a revised Memorandum of Understanding, to supersede this one, which would (subject to agreement⁴) include commitments in the following areas, to establish parity across the devolved Governments in relation to annual reports and accounts, and appearing before committees:

- A commitment from the BBC to send its annual report and accounts to the Welsh Government and a commitment from the Welsh Government to lay these before the National Assembly for Wales; and
- A commitment from the BBC to appear before the National Assembly for Wales committees on matters relating to Wales, on the same basis as it does in the UK Parliament

3. Next Charter

Subject to a Royal Charter for the continuation of the BBC being granted, the consultative processes relating to Charter Review set out above, and such commitments as are agreed in relation to the BBC's Annual Reports and Accounts, and appearing before committees referred to above will be enshrined in that Charter and in all subsequent Charters unless otherwise set in statute elsewhere.

<http://www.publications.parliament.uk/pa/ld200506/ldhansrd/v0060616/text/60616-01.htm>); and the Commons debate on 10 July (see: <http://www.parliament.the-stationary-office.co.uk/pa/cm/cmvote/80710v01.htm>).

³[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408587/47683_CM9020_ENGLISH.p](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408587/47683_CM9020_ENGLISH.pdf)
df

⁴ Including with the National Assembly for Wales

4. Signatures

 <p>[For and on behalf of the Department]</p>	
 <p>[For and on behalf of the BBC Executive]</p>	 <p>[For and on behalf of the BBC Trust]</p>

5. Background

Following the referendum on the independence of Scotland on 18 September 2014, the Smith Commission Agreement, published on 27 November 2014⁵, made several proposals specific to the British Broadcasting Corporation (BBC). As set out in paragraph 36 of the Agreement:

There will be a formal consultative role for the Scottish Government and the Scottish Parliament in the process of reviewing the BBC's Charter.

The UK Government's Command paper, 'Scotland in the United Kingdom: An enduring settlement'⁶, published in January 2015, set out at paragraphs 5.2.1 – 5.2.3 how paragraph 36 of the Smith Commission Agreement would be enacted by a Memorandum of Understanding (MoU), stating;

5.2.1 Paragraph 36 of the Smith Commission Agreement, which relates to the relationship between the British Broadcasting Corporation (BBC) and the Scottish Government and Scottish Parliament, will be enacted by Memorandum of Understanding (MoU). This MoU, entered into by the UK Government, Scottish Government, Scottish Parliament and the BBC, will fulfil the Agreement's proposal by setting out commitments that guarantee a full consultative role for the Scottish Government and Scottish Parliament in the review of the Royal Charter and the ongoing scrutiny of the BBC.

5.2.2 The commitments outlined in the MoU will be:

- A commitment on the UK Government to consult with the Scottish Government and Scottish Parliament before recommending that any Royal Charter on the BBC is granted, and detail concerning the terms of engagement throughout the review process;*
- A commitment from the BBC to send its annual report and accounts to the Scottish Government and a commitment from the Scottish Government to lay these before the Scottish Parliament;*
- A commitment from the BBC to appear before Scottish Parliament committees on matters relating to Scotland; and*
- A commitment to enshrine all the above in the next Charter.*

5.2.3 Setting this out in an MoU, rather than draft clauses, ensures that the BBC's integrity and independence is secured by keeping its governance and constitutional arrangements off the statute books. Importantly, delivering this commitment by MoU will ensure that the Scottish Government and Scottish Parliament are able to have a

⁵ <https://www.smith-commission.scot/smith-commission-report/>

⁶ <https://www.gov.uk/government/publications/scotland-in-the-united-kingdom-an-enduring-settlement>

consultative role in time for the next Charter Review, which is due to commence after the 2015 General Election; any draft clauses in this respect, setting out a formal role for the Scottish Government, would necessarily come into force too late to guarantee such an involvement. Furthermore, the process, timing and scope of the review of the BBC's Charter are not set out in statute.

This Memorandum of Understanding establishes parity for the Welsh Government in respect of a formal consultative role in the process of Charter Review and commits all signatories to ensuring parity in respect of the ongoing scrutiny of the BBC.

Welsh Government's response to the consultation on the BBC Charter Review

Introduction

The Welsh Government welcomes the opportunity to respond to this public consultation on the BBC Charter Review.

In recent months, Welsh Ministers and officials have liaised closely with the UK Government, to ensure that the Welsh Government is fully involved in the Charter Renewal discussions from the outset. We have signed a Memorandum of Understanding with the UK Government and the BBC, giving the Welsh Government a formal, consultative role in the Charter review, in full parity with arrangements in Scotland and Northern Ireland. The signatories are committed to working with the National Assembly, to develop a further Memorandum that will enshrine the Assembly's ongoing role in the scrutiny and accountability of the BBC in Wales.

Although the Welsh Government has a formal role in the Charter Review, we are pleased to take this opportunity, early on in that process, to set out our observations on a number of the key issues under consideration in the consultation document, in a Welsh context. Our responses to some questions will be more detailed than others; at this stage we intend to focus primarily on:

- the services which the BBC, as the leading Public Service Broadcaster in the UK, should be delivering for Wales;
- the need for it to be properly mandated and resourced to deliver them, and;
- the need to strengthen arrangements for accountability to, and scrutiny by, the nations and regions, including Wales.

It is vital that the new Charter fully reflects the interests of the people of Wales and the current and changing devolved settlement. Wales is a nation in its own right with a unique culture and language. Its bilingual ethos and its nature and history are distinct within the UK; they need to be safeguarded and celebrated.

As reflected in the statement jointly signed by three party leaders in the National Assembly for Wales on 10 July 2015¹, there is significant concern about the challenges facing BBC Cymru Wales and S4C due to funding pressures. This was also reflected in Plenary debate on broadcasting in the National Assembly for Wales on 23 September 2015².

¹ <http://gov.wales/docs/drah/publications/150909-cross-party-statement-en.pdf>

² <http://www.cynulliad.cymru/cy/bus-home/pages/rop.aspx?meetingid=3429&assembly=4&c=Record%20of%20Proceedings#237962>

The Welsh Government and the National Assembly for Wales expect the BBC to stand by its own public statements that the deal announced on 6 July 2015 between itself and the UK Government in relation to the licence fee will be cash neutral for the BBC and will not affect services. The cross-party statement noted assurances from the BBC's management that this 'cash flat' deal will not therefore, impact on budgets at either BBC Cymru Wales or at S4C. We also expect the UK Government to honour the terms of that agreement and not impose further budget cuts or top-slicing of licence fee revenues on the BBC.

The statement expressed concern that neither the Welsh Government nor the National Assembly were consulted before this deal was reached and that it is undemocratic that the UK Government and the BBC made decisions behind closed doors and outside of the BBC Charter renewal process.

Why the BBC? Mission, purpose and values

Q1 How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve?

The BBC continues to have a crucial role as a Public Service Broadcaster, despite the multichannel world in which we now live and digital developments which have enabled new ways of delivering public service content across the UK.

The role of the BBC is even more important in Wales considering the weakness of the print media. There is limited coverage of Welsh public life and society in UK newspapers and on UK broadcast services, which comprise the main media outlets in Wales. The portrayal of Wales in UK media does not reflect the cultural diversity and richness of the nation.

Effective democracy relies on informed decisions by citizens. Wales has limited news coverage and too few voices, leaving most people dependent on UK news outlets that lack coverage of Wales. Although there is evidence that there have been improvements in the coverage of devolved political issues in Wales since the King Report, there is still room for improvement. The news media provide insufficient or inadequate coverage of Welsh issues and events. Most Welsh people have no easy access to the information and context needed to evaluate the success or otherwise of Wales' institutions.

As reflected in Ofcom's recent review of public service broadcasting, the BBC, as the cornerstone of public service broadcasting, provides the majority of PSB investment and output in Wales. The BBC dominates English-language programmes made specifically for Wales, producing 592 hours in 2013 compared with ITV Cymru Wales' 331 hours. The Welsh Government is naturally concerned that between 2011 and 2013 there was a decline of 101 hours in BBC non-network nations programming, with non-news declining most. However, we recognise that the BBC is still providing the bulk of non-

news non-network programming in Wales, providing 222 hours in 2013 in contrast to 34 hours by ITV Cymru Wales. It is also the most significant provider of non-network television news in Wales and, by a smaller margin, of current affairs programming.

In recent years, the BBC's investment in Wales has reduced, at a time when its investment in Scotland, Northern Ireland and key English regions has increased. Wales has seen a reduction in BBC expenditure and a corresponding fall in GVA from £292 million in 2009/10 to £288 million in 2011/12, while GVA in Scotland increased from £355 million to £410 million and in Northern Ireland from £138 million to £151 million³. It is vital that this is remedied during the next Charter period, with a clearer, stronger remit to deliver for Wales and the other nations.

All of the existing public purposes described in the consultation document are relevant to Wales. It is the view of the Welsh Government that public purposes encompassing citizenship and civil society, education and learning, creativity and cultural excellence, the nations, regions and communities of the UK, the UK's place in the world and the public benefit of emerging communications technologies and services align well with a balanced approach to delivering against Lord Reith's original remit for a Public Service Broadcaster – to 'inform, educate and entertain'.

We do not share the view that these purposes are too broad, nor that they should be reformed to exclude certain activities that some might consider inappropriate for the BBC, for whatever reason. Instead, acknowledging the more competitive and varied environment which now exists, we would be content for more detailed and specific descriptions to be developed of the subjects and activities that should be prioritised under each public purpose - but these should not be considered exhaustive, nor prohibitive by omission.

The evolution of technologies, services and markets over the last Charter period demonstrates that it would be foolish to assume now that we can accurately predict which of the BBC's current activities and services will be most valued by licence fee payers over the next ten years, which may become redundant, which might develop into services best suited to the commercial marketplace, or which yet to be developed services may come to be as important to the BBC's portfolio of services as iPlayer undeniably is today.

Naturally, the fourth purpose *Representing the UK, its Nations, Regions and Communities* is one that is of special interest to us and we will provide detailed information on this under question 7.

Q2 Which elements of universality are most important for the BBC ?

³ Source: *The Economic Value of the BBC*, published by the BBC on January 15th 2013 – <http://www.bbc.co.uk/blogs/aboutthebbc/entries/65a7abeb-7e74-3b2f-858e-72786cbc5790>

It is of course true that more and more options have become available over the last Charter period for audiences to watch, read and listen to content; indeed, the BBC has played a key role in the development and promotion of some of these. However, in many cases it is as yet unclear which of these services will mature and stand the test of time and which may fall by the wayside. This evolution in the delivery of content does not mean that the BBC's remit should now be more narrowly focussed on particular or underserved audiences – certainly it would be wrong to incorporate such restrictions into a binding Charter that will be set in stone for a number of years, whilst lives across the UK may be affected by as yet unknowable technological or social change.

The assumption in the consultation document, that the BBC's current approach is to provide programmes and services for all audiences, and on an equal basis, across every platform, seems fundamentally flawed. It is the BBC's job to serve everyone in the UK. However, we would accept that - at a UK level – the BBC does look to identify areas where special attention may be required, plus those where programming and services already exist in sufficient quantity and quality that it would add little value by providing more of the same (notwithstanding the genuine need for the BBC to provide some popular programming with mass appeal, in order to maintain the profile it needs to be effective in its role as the UK's leading Public Service Broadcaster). There is a real issue about inadequate provision of content for the nations and regions, which we will return to later, but that is more about lack of funding than it is about recognising the gap in provision (which the BBC has acknowledged in successive management reports).

These judgements will be required throughout the next Charter period, considering the situation at the time. Of course, it can be argued that the BBC's judgement hasn't always been correct in the past and we would agree that there is room for improvement in both decision making and content regulation. However, in our view the BBC plays a leading role in ensuring universality of provision across the marketplace and in driving up quality across the board, precisely because it has a clear remit to ensure that public service content is available to all.

Q3 Should Charter Review formally establish a set of values for the BBC?

We would support the development of a set of values for the BBC and we agree that the thematic list of potential values at Table 2 in the consultation document is a good starting point. All of these could be included in a new Charter, subject to further development. Issues of independence and impartiality will be explored further in our answers to later questions in this response.

However, in relation to the proposed value that the BBC should be 'diverse / representative', although we support more work to deliver against the priorities described in Box 1 in the consultation document, we are disappointed that no acknowledgment is made of the cultural diversity of the

nations and regions of the UK. Just as the BBC's public purposes include representation of the nations, regions and communities of the UK, so should the scope of the BBC's diversity strategy as applied to its workforce on and off screen. Any value developed to describe how the BBC will be diverse and representative in future should make this clear.

In our response to Q9 below we will discuss the potential for a clear set of values, in conjunction with the BBC's public purposes, to drive the quality, distinctiveness and diversity of the BBC's output.

What the BBC does: scale and scope

Q4 Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

The BBC's focus on proportionate delivery of content and services that 'inform, educate and entertain', taking full account of its position in the marketplace and the activities of other broadcasters, provides balance to the BBC's output which, generally speaking, we do not believe is crowding out commercial competition. In fact there are areas where the BBC needs to do more, including programming for and about the nations and regions.

That being said, the Welsh Government is fully aware of the importance of ensuring plurality of English language television in Wales in news and also general programming aimed at Welsh viewers. Therefore ITV Cymru Wales continues to have a vital role to play as an alternative to the BBC for news and non-news programming.

Q5 Where does the evidence suggest the BBC has a positive or negative wider impact on the market?

We accept the argument that the BBC, as an independent Public Service Broadcaster with national reach and a stable, long-term source of funding, has a positive impact in raising standards across the marketplace. We acknowledge the concerns expressed in the consultation document about the perceived impact of its activities on competition in news provision, radio, online services and print media. These should be carefully monitored, but on balance we believe that the development by the BBC of innovative, positively received services in most of these areas has had a significant, net positive effect on the quality and availability of services. In those areas where the BBC has itself identified that it should play a part in helping to improve market conditions - notably local news provision in print - it has already developed proposals to do so which we will watch with interest, as this is a particular issue in Wales.

In our view the BBC's remit should not be curtailed via the new Charter to restrict its operations in some areas as a matter of principle. See also our comments on universality under Q2. However, It is important to stress that the BBC's potential to enhance the lives of citizens in the nations and regions has already been diminished by previous cuts (e.g., as a result of Delivering Quality First') and is likely to be eroded further by the impact of budget announcements in recent months. This must be addressed in the next Charter period; services for the nations and regions need to be strengthened, not subjected to further financial pressures.

Q6 What role should the BBC have in influencing future technological landscape including in future radio switchover?

The BBC should continue to be a key driver of technological developments and change, where these can improve availability, choice and ease of access to public service content and can encourage participation in culture, democracy and society. There are some regulatory issues to consider which we have articulated previously - these apply to all PSBs who may be developing services for new platforms, not just the BBC.

In the Welsh Government's response to Ofcom's consultation on its Public Service Broadcasting review in 2015, we agreed that a steady evolution is taking place in the global broadcasting market, providing new options for delivery and consumption of content. These are gaining traction with both broadcasters (who are diversifying their offer in terms of broadcast channels available and delivery of content via other platforms; e.g., VOD, online) and with viewers, for whom linear broadcasting remains important but who are increasingly taking advantage of the flexibility afforded by delivery over new platforms.

Universality and discoverability of PSB content remains important and these principles should be broadened and protected, so as to be relevant to a more connected world. We agree with Ofcom's assessment that an incremental change to the definition and regulation of universality is the most sensible approach, as various new service offers across multiple platforms mature. If broadcasters see value, whether financial or strategic, in moving the delivery of some PSB content away from linear programming on established PSB channels, then they should provide a sound business case to Ofcom for consideration - but this must show how the broadcasters or their delivery partners on other platforms will ensure that this PSB content is both discoverable and promotable to key audiences, whether they are across the UK or in specific Nations and regions.

From a regulatory perspective, consideration of such an approach would go hand in hand with Ofcom's suggestion that regulation by organisation rather than channel may be more appropriate in future. We agree that Ofcom should consider this in more detail and we stand ready to engage in discussions on this, which we said might sensibly proceed in parallel with the Charter Review. The BBC would seem to be the ideal candidate for early consideration of such

an approach, given its primacy as a deliverer of PSB content in the UK and the increasing diversification of its service portfolio.

The Welsh Government has consistently stressed that we would not be in favour of digital switchover for radio until there is a guarantee of at least 97% coverage for DAB throughout Wales. We welcomed the UK Government's announcement in December 2013 that it will continue to invest (with the BBC and commercial radio operators) in support of digital radio roll out. We recognise that there have been improvements in DAB coverage in Wales in recent years. We welcome the fact that the BBC is rolling out its national DAB network to a further 162 transmitter sites across the UK by the end of 2015. This programme will increase the coverage of its DAB network in Wales from 86% to 92% of homes.

The DAB service in Wales should not be worse than Welsh AM/FM radio coverage at present and should be available in areas where currently the national radio stations can only be received on the AM spectrum. This is particularly important in view of the fact that people in Wales listen to more hours of radio per week than the UK average, with 49 % of the total listening hours being to BBC network stations.

The Welsh Government continues to be concerned that even when the proposed criteria are met on a UK basis, there would almost certainly be a significantly lower level of DAB penetration in Wales. DAB needs to provide an enhanced service if listeners in all parts of the UK are to be persuaded of its merits.

We also have concerns about the availability of services across all platforms in a predominantly rural country like Wales. We were encouraged that BBC One Wales has been available on HD since 2013. There is an urgent need to resolve the comparable challenge surrounding the future of regional opt out programmes on BBC2. The considerable number of viewers who enjoy BBC2's programmes, including its rugby coverage in Wales, find it very difficult to accept that coverage is not also available in HD.

Q7 How well is the BBC serving its national and international audiences?

National

BBC Cymru Wales

Television

It is vital that the new Charter ensures sufficient funding for BBC Cymru Wales, for news and non-news programming in both Welsh and English. Outside of news and current affairs we are very concerned with the funding allocated to non-news English-language programming for Wales. The funding BBC Cymru Wales receives is currently insufficient to be able to provide English-language programming as well as delivering its Welsh language

output, especially in light of the plurality which already exists in provision of Welsh language content via S4C.

There was much interest in the speech by the BBC's Director General Lord Hall on 7 September, and in the paper which the BBC subsequently published, envisioning a more open BBC providing services which can be tailored for who you are and where you live.

We were pleased that the BBC has strengthened its commitment to reflecting the full diversity of life across the UK including Wales - and especially that it is committed to investing in drama and comedy programming that better reflects the nations and regions. BBC network drama is a great success story for Wales and the capacity and expertise we have developed here means we are well placed to deliver content for Wales as well.

Proposals to reconfigure news coverage to meet the changing needs of audiences in Scotland, Wales and Northern Ireland are welcome - as are the BBC's recognition of the impact that online news has had on the newspaper industry and its proposals to invest in local reporting capacity and share journalism resources which would be available to other news providers. We welcome the fact that the BBC will explore various options with a number of stakeholders, including the Governments of the devolved nations.

The BBC's commitment to further development of Welsh language services is welcome, as is its recognition that the provision of English-language programming for Wales has declined at a faster rate than in any other nation and must be addressed in the next Charter period.

Of course, Lord Hall raised a number of these issues when he spoke in Cardiff last year, but we have yet to see any significant improvements.

There are also some areas of real concern.

On 17 August the First Minister wrote to Lord Hall to highlight the growing gulf in funding between Wales and other parts of the UK, adding that an additional £30m is needed to ensure programming that truly reflects the lives of people in Wales.

In the context of the cuts that BBC Cymru Wales has absorbed over the last ten years, the Welsh Government believes that an additional £30 million is required specifically for English-language programming, bringing the total budget to £50m. This would allow Welsh audiences to have a credible national television station that could provide quality content in English, including drama, comedy and also potentially network contributions.

It is important to stress that our call for additional funding for English-language programming should not be top sliced from the funding allocated to S4C (or from the £20m BBC Cymru Wales receives for Welsh language programming). We are fully aware of the important role that BBC Cymru Wales plays in providing Welsh language content and of course this should continue.

Worryingly, the proposals published by the BBC fall far short of this. We would question how the BBC can deliver on the commitments made to invest in and improve services to the nations - including digital news, education and entertainment services for each Nation - when it has ruled out any net increase in spending and has committed to protecting funding for the nations only to the extent that it will be “cut less than other areas”. We accept that the BBC finds itself in a difficult situation due to cuts in its budget, but these proposals simply raise further questions over its future output in Wales.

The Welsh Government has been clear in discussions with the BBC Executive in Cardiff and in London that the development of Cardiff as an increasingly important centre for network productions provides no justification for reducing the BBC’s investment in local services. There should be a clear commitment to safeguarding and strengthening the core services which are aimed at Welsh viewers and listeners – in both languages, but especially in English, where there has been a notable reduction (17%) over the last few years, including news and non-news programming. We appreciate that BBC Cymru Wales has decided to prioritise spending in its news and current affairs output. However, it is lamentable that BBC Cymru Wales no longer produces any English language drama or comedy specifically for Welsh audiences – especially given its enhanced reputation for high-end TV productions, in the UK and internationally, thanks to the success of Doctor Who, Casualty, Wizards vs Aliens and more.

The BBC’s corporate vision should encompass the contribution which the BBC in Wales can make to the Corporation’s creative output for the UK as a whole. Developing BBC Cymru Wales as a major production centre for drama, with the support of the Welsh Government, has highlighted the possibilities in this area. The success of productions mentioned above, amongst others, underlines the fact that Wales has real potential as a production location. However, whilst we value the BBC’s drama presence here and the benefits it brings, it is not as secure as it would be if the BBC also had a commissioning base in Wales. This is something we hope to explore further.

We welcome the intention to strengthen network production in Wales and the other nations within the UK. This will bring creative as well as economic benefits for the BBC as a whole. We welcomed the BBC’s commitment to meeting the target of 17% for television programmes for the nations earlier than 2016. Our expectation is that that at the very least 5% of network production should originate in Wales, from a mix of in-house and independent productions – and this should represent a floor rather than a ceiling for Welsh creativity.

The Welsh Government remains committed to working in partnership with the BBC as it continues to build on its successes in Wales, to maximise the economic and cultural opportunities that will arise from the further development of drama and network production business in Wales.

Radio

As with the importance of BBC Cymru Wales' television output, we recognise the continuing roles of both Radio Wales and Radio Cymru in providing essential services for the citizens of Wales.

These radio stations have a vital role in ensuring that the citizens of Wales receive comprehensive coverage of the key policy decisions made by the Welsh Government. We also welcome the commitment across both services towards combining local and international news coverage. This underlines the distinctive nature of the news services provided by both national radio services and value of the service provided to listeners.

As a Government we are concerned that the range of non-news programming generally is narrowing. We therefore welcome the fact that Radio Wales and Radio Cymru continue to provide a comprehensive range of non-news programming. Indeed we see the breadth of programming provided across both services as central aspects of the public service they provide. In our view that breadth should be maintained and, whenever possible, strengthened.

Radio has a crucial contribution to make in providing a platform for Welsh talent to be identified and developed. This applies to the music content featured on both services and, equally, to writers and actors. Radio has a particular strength in allowing people to tell their own stories. The BBC has a long and continuing tradition of providing excellent sporting coverage on radio.

It is essential that both national radio services in Wales continue to strive to reflect as wide as possible a picture of life in Wales. Even as new digital platforms proliferate, we do not underestimate the particularly valuable role played by radio in this respect. Radio Cymru and Radio Wales continue to provide listeners with a range of programming increasingly denied to television viewers in Wales. The experience of television shows how quickly that situation can change.

As with television, we are concerned that Wales continues to be particularly under-represented on the main UK radio networks. Very little of the BBC's commissioning for UK network radio appears to come from Wales. We would like to see a greater contribution to the radio network being commissioned from BBC Wales; the BBC should set more stretching targets in this regard.

Whilst both national radio services in Wales have important roles to play as sources of information and entertainment, Radio Cymru plays an additional role via the contribution it makes in ensuring that the Welsh language continues to thrive. In this regard, its role is more than just a broadcaster. Therefore we are extremely disappointed that the consultation document highlights the following, questioning the value of indigenous language services in purely financial terms without any regard for their cultural or social importance:

“... these services come at a cost; cost per hour of indigenous language radio content in Scotland and Wales is considerably higher than cost per hour for English speaking content which raises concerns about value for money.”

We welcome the strengthened partnership which has developed over recent years between Radio Cymru and S4C. There continues to be only one Welsh language radio service and one Welsh language television service. It is therefore essential that the partnership between these two services should be as imaginative and productive as possible

S4C

It is vital that S4C has sufficient funding, as well as editorial and managerial independence, for it to maintain its ability to serve the Welsh audience and continue to play a crucial role in supporting both the Welsh language and the creative industries in Wales.

In over 30 years of operation, S4C has played a leading role in promoting and safeguarding the Welsh language. It has a key, ongoing role to play in ensuring that the language continues to thrive. It helps to establish and enliven Welsh as part of everyday life in Wales, and its services for children and young people make an important contribution to increasing their use of Welsh. Through its factual, historical and cultural programmes, S4C enriches Welsh society. It has an important part to play in delivering the vision set out in the Welsh Government's Welsh Language Strategy.

Our creative industries are a Welsh success story and make a vital contribution to our economy. S4C's commissioning policy has greatly contributed to the growth in the independent media sector in Wales, in both English and Welsh. Wales now has a number of highly successful independent production companies that are creating content for many channels and networks, but S4C has been central to their initial development.

Therefore we were very concerned to hear the comments of the Secretary of State for Culture, Media and Sport in July 2015 when he said it was "reasonable" S4C should make "the same kind of efficiency savings" being asked of the BBC.

Since the Comprehensive Spending Review in 2010 the Welsh Government has consistently expressed its ongoing concern to the UK Government about the impact that further funding cuts will have on S4C.

S4C has found itself in a very different position since the 2010 Spending Review. Now, 90% of S4C's funding comes from the licence fee. We welcome the fact that this funding has been guaranteed until the end of the current licence fee settlement in 2017, however S4C has not yet received confirmation of the expected DCMS contribution for 2016-17. It is vital that this is agreed as soon as possible.

Funding for the channel has reduced by 36% since 2010; it is inevitable that this will impact on the output available to viewers. We have consistently stated that there should be no further cuts to S4C's budget. All formal agreements regarding S4C funding will expire during the next two years. This uncertainty regarding future funding makes forward planning very difficult, both for S4C and the independent production companies who are key suppliers to S4C in Wales. We remain very concerned about S4C's financial position and we will continue to raise this with the UK Government. The Secretary of State for Culture, Media and Sport has a statutory duty, as outlined in the Public Bodies Act 2001, to ensure that S4C receives sufficient funding.

The Welsh Government welcomed the announcement in 2013 that a six-year agreement had been reached between the BBC Trust and the S4C Authority on the future funding, governance and accountability of S4C. The agreement also, importantly, protects the editorial and managerial independence of S4C. We are encouraged by the greater collaboration between the BBC and S4C - and also that the Operating Agreement is much wider than the funding and accountability arrangements, extending to a creative partnership at all levels within the BBC and S4C.

It is vital that S4C and the BBC work together to develop a sustainable future for Welsh language broadcasting. Because of the crucial importance of S4C's role, we also believe that the partnership should be subject to an independent review, agreed by all parties in the National Assembly for Wales. The commitment to seek agreement for such a review is outlined in our Programme for Government.

International

Although the BBC's priority should remain its mission, as a Public Service Broadcaster, to deliver services that 'inform, educate and entertain' people across the UK, the success of BBC Worldwide has been an important driver of employment and career development opportunities for the workforce in the nations and regions, including Wales. This positive impact is felt by the BBC itself and also by the independent producers of BBC-commissioned content who, through BBC Worldwide, can access the scale and reach of the BBC's global marketing. Their growth allows them to better compete for non-BBC commissions as well. In addition, BBC Worldwide provides revenue which the BBC can reinvest in content and services in the UK, although this should be seen as supplementary to - not a replacement for - core funding from the licence fee.

We will come back to proposals for changes to the BBC's approach to commissioning productions later in this response, as these would undoubtedly have an impact on opportunities for the independent production sector in Wales to work with the BBC in the future.

Q8 Does the BBC have the right genre mix across its services?

Please refer to our comments about the BBC's approach to delivering a balanced portfolio of content under Q2 on universality. Additionally, we have already discussed the importance of the BBC providing appropriate news and non news coverage in Wales, in Welsh and English, in our response to Q7.

Given the gap in provision of English-language services in Wales, which has long been acknowledged by the BBC, it is vital that appropriate funding is found to allow BBC Cymru Wales to deliver an appropriate genre mix of programming for Wales in the forthcoming Charter period, in both Welsh and English – without impacting upon BBC Cymru Wales' existing budget for Welsh-language programming or appropriate funding for S4C.

Q9 Is the BBC's content sufficiently high quality and distinctive from that of other broadcasters? What reforms could improve it?

Please refer to our comments under Q2 and Q4 about the BBC's approach to delivering a high-quality portfolio of content, taking account of the activities of other broadcasters but mindful of the need for it to retain its profile with audiences across the UK in order to remain effective as its leading Public Service Broadcaster. In general we are content that the BBC looks to provide high quality and distinctive content - and that where it provides content in genres which are also served by other broadcasters there is a good reason for doing so and one effect of the BBC's activity is usually to drive up quality across the marketplace.

In our response to Q2 we agreed that a clear set of values should be developed for the BBC. These values, together with a renewed commitment to the BBC's public purposes, should inform the creation of content development guidelines which would apply across the BBC's full range of services. These guidelines would ensure that the BBC's key statements of ideals and intent are given due consideration by commissioners and producers of BBC content and should further enhance the quality, distinctiveness and diversity of the BBC's output. They should be reviewed periodically during the Charter period, as services evolve, to ensure ongoing fitness for purpose.

Q10 How should the system of content production be improved through reform of quotas or more radical options?

We are pleased DCMS has agreed that how the BBC's content is commissioned and produced, including in the nations and regions, will be a key consideration during the Charter Review. Looking at the way the BBC determines how - and where - it spends £2.4 billion on content is a vital element of this process.

In policy and in practice, the BBC must take a more representative approach to commissioning and production from and for the nations and regions. As a Public Service Broadcaster, there is an onus upon the BBC to identify and

develop talent across all areas of production and to support, develop and deliver production across all of the nations and regions of the UK.

The Welsh Government has cautiously agreed with Ofcom that some consideration be given to the relationship between the PSBs and the independent production sector, given the consolidation and acquisition that is occurring. However, we would be wary of any quota changes that could allow the production of in-house content by the BBC and the other PSBs - and the commissioning of independent PSB content - to move away from the nations and regions and back towards London and the South-East.

Evidence is provided in the consultation paper that more should be done to ensure more and fairer distribution of production activity away from London and into the nations and regions, citing the economic benefits and the positive impact on skills development for the sector. With this in mind, any changes to quota levels - whether they might be for independent productions, productions in the nations and regions or the extent of the Window Of Creative Competition (WOCC) – must protect and enhance the steady movement towards increasing production in the nations and regions. Similarly, any changes to the current Terms of Trade, which set out how the BBC and other broadcasters work with independent producers, must protect the interests of both people and creative businesses in the nations and regions.

Based on the level of detail provided in the consultation document, we are not persuaded that a significant scaling back of BBC in-house production would be beneficial overall. We are not surprised that the BBC's in-house production team has only won a minority of WOCC commissions during the current Charter period. Presumably the majority of these were for one off or single series productions, where independent production companies would have the flexibility and lower overheads to compete well, whilst longer-term or repeat commissions, which the BBC might already be delivering internally and which it would have the scale and infrastructure to deliver most effectively, were excluded from the WOCC. If this is the case then the WOCC outcome does not demonstrate that the BBC's in-house productions are bad value for money for the licence fee payer in comparison to independent production companies; rather it serves to demonstrate that there should be appropriate opportunities for both over the next Charter period.

It might be the case that some minor scaling back of in-house productions could deliver benefits, but more evidence is required before a conclusion can be reached – including, crucially, evidence about the potential impact any such scaling back might have on the BBC's production hubs in the nations and regions, such as Roath Lock studios in Cardiff Bay.

We are particularly concerned by the detail of the BBC Studios proposal, as set out in the consultation document. The Welsh Government is not in favour of the removal of quotas for independent production or production in the nations and regions, as set out above; in fact these should be reconsidered and strengthened further.

We share the concerns set out in the consultation document that the transformation of BBC's production operations into a commercial subsidiary could significantly distort the market, affect the competitiveness of the independent production sector (including companies in the nations and regions) and give rise to serious State Aid concerns. Finally, this proposal brings with it the prospect of the BBC using licence fee revenue to develop proposals for productions commissioned by commercial broadcasters, with no guarantee of success. In our view, as a matter of principle, licence fee revenue should be invested in the BBC's content and services for the benefit of UK citizens, not directed elsewhere - and certainly not on a commercial risk basis without a guaranteed return for the licence fee payer.

The Welsh Government therefore takes the view that the quota system should be retained, although we are content that further consideration be given to whether the quotas themselves might be changed, and the BBC Studios proposal should not be taken forward.

BBC Funding

Q11 How should we pay for the BBC and how should the licence fee be modernised?

Given our comments under Q2 about the importance of universal access to the BBC's content and services, we would be opposed to any form of subscription based model for future funding. This would make it more difficult for some people to access the full range of public service content. The three pillars of Lord Reith's remit for Public Service Broadcasters to 'inform, educate and entertain' are rightly given equal weight, so the idea that we should differentiate between 'core' and 'premium' BBC services - and pay for the latter via a subscription to top the licence fee - is entirely at odds with the concept of universal delivery of public service content.

Accepting that other models such as revenue from advertising and general taxation are not appropriate, this leaves the licence fee or a household levy as the only two, realistic options which could be considered over the longer term. On balance we believe that retaining the licence fee is the most sensible option for the next Charter period. We would agree that the iPlayer loophole should be closed and will be happy to discuss the options for how this might be done in more detail in the coming months. An appropriately designed household levy might be appropriate in the longer term, but given the time needed to develop and legislate for this it would be impractical for the forthcoming Charter period.

Q12 Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content?

Our answers to Q2, Q4 and Q9 above are relevant here.

As we have already emphasised, protecting and enhancing the funding available to BBC Cymru Wales and S4C, for the delivery of programming for Wales in Welsh and English, is crucial.

We have also already stated our view, as a matter of principle, that licence fee revenue should be invested in the BBC's content and services for the benefit of UK citizens, not directed elsewhere. As discussed above, we do not believe the BBC is crowding out commercial competition, so a redirection of licence fee funding to other broadcasters is neither needed nor justified. We also noted that where the BBC provides content in genres which are also served by other broadcasters there is a good reason for doing so and its activity generally drives up quality. Redirection of licence fee revenue via any form of contestable funding would dilute the positive impact of the BBC's activity across the marketplace and, even more importantly, would weaken the BBC's ability to deliver its primary mission as the UK's leading Public Service Broadcaster. Further, it would be difficult to administer and we entirely accept the argument that the additional burden of accountability that would be placed on other broadcasters who might consider competing for this public funding would result in very low levels of demand outside the BBC.

Q13 Has the BBC been doing enough to deliver value for money? How could it go further?

The requirement for BBC Cymru Wales to find budget savings of 16% over the four years from 2011 as part of the Delivering Quality First proposals represented a potentially disproportionate threat to the BBC's local services in Wales. The Welsh Government remains very concerned about budget reductions to BBC Cymru Wales. It is also vital that a national service, whether on television or radio, should extend beyond news and current affairs. The BBC has always played a crucial role in reflecting and reinforcing the culture of Wales, in both the English and Welsh languages. It is crucial that the BBC continues to produce and provide high-quality political coverage, despite concerns about the impact of budget cuts on BBC Cymru Wales' political output.

Therefore, any further efficiency savings should not be at the expense of Wales or other nations and regions which have been similarly impacted.

We accept that the examples cited in the consultation document of BBC projects which have not delivered good value for money for licence payers are valid. We also note recent comments by the Chair of the BBC Trust that the National Audit Office (NAO) is now in a position where it has full access to the information it needs to conduct high-quality reviews⁴. The fact that the NAO is in a stronger position to assess and articulate the financial impact of the BBC's activities should encourage a renewed focus on value for money;

⁴ During the BBC Trust event "Tomorrow's BBC: Who Governs?", at the University of Westminster in London on 1 October 2015.

equally, a renewed and better defined set of public purposes and values should enable the BBC to make improved value for money decisions. This would be further enhanced by clearer lines of managerial and regulatory authority, a stronger sense of genuine independence from Government, improved accountability to the public and greater scrutiny of the BBC by elected representatives across the UK. We will return to these themes in Q15 to Q20.

Q14 How should the BBC's commercial operations, including BBC Worldwide, be reformed?

We have already discussed BBC Worldwide and the BBC's commercial activities at some length in our responses to Q7 (where we look at international activity) and Q10. Beyond those remarks we would add that, at present, we are not convinced that full or part privatisation of BBC Worldwide would be appropriate. The borrowing restrictions that its status as a public body places upon BBC Worldwide may limit its ability to further develop some overseas markets. However, despite this it has achieved considerable success, without undue risk to the BBC's public funding. More importantly, consideration of the real value to UK licence fee payers of the BBC's public service output should not be driven solely, or primarily, by its retail value in international markets. As a Public Service Broadcaster, the BBC's purpose is not to make money - it is to inform, educate and entertain the citizens of the UK.

BBC governance and regulation

A combined response is provided below to the following four questions. We understand that Sir David Clementi will consider responses to this section of the consultation as one of the early stages of his independent review of the BBC's governance arrangements. The Welsh Government, representing the interests of the people of Wales, would be pleased to discuss the points made below with Sir David and his team.

Q15 How should the current model of governance and regulation for the BBC be reformed?

Q16 How should Public Value Tests and Service Licences be reformed and who should have the responsibility for making these decisions?

Q17 How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling?

Q18 How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

Of the options for reform which are presented in the consultation document (i.e., reform of the BBC Trust, the creation of a unitary BBC board with a standalone regulator or a unitary board with Ofcom fulfilling the regulatory role) we would favour the option of a unitary board and a standalone regulator (the so-called 'OfBeeb' model). We accept that the current Trust plus Executive model, although well intentioned, does not deliver clear enough lines of responsibility and accountability and that there is a fundamental tension in requiring the Trust to act as a regulatory body while remaining part of the BBC. There is a case for change, but this is not without risks and must be handled carefully, making the most of the assets already in place rather than simply discarding them and starting afresh without due consideration.

We agree that moving regulation to an external body, fully separated in both structure and title from the BBC, would remove much of the criticism levelled at the BBC Trust about the conflict of being both regulator and cheerleader. To be clear, we would reiterate our position that no contestable funding pot should be top-sliced from the licence fee, so the new regulator would have no role in awarding contestable funding, to the BBC or to other broadcasters.

We also agree that key strategic and operational responsibilities should be brought together in a unitary board, with very clear lines of accountability and a strong non-executive membership that can ensure the interests of the British public are properly represented. However, unlike arrangements in the current Executive Board - whose Chairman can either be a non-executive or the Director General, but in practice has always been the Director General - the Chairman of the unitary board should always be a non-executive member. It is vital that the Chairman represents – and is seen to represent - the interests of licence fee payers, above the corporate interests of the BBC itself, as the new board would effectively take over from the Trust as the sovereign voice and decision making body of the BBC.

We acknowledge that a single purpose regulator can be difficult to set up in a way that does not lead to it being either overly dependent on or confrontational with the organisation it regulates. However, in our view there should be no need to start from scratch. Although the BBC Trust would be formally wound up if this model is taken forward, with its strategic decision making functions transferred to the unitary board, much could surely be retained in terms of people, organisational structures and physical or intellectual assets and repurposed as part of the new regulator. Although it would have a different, clearly defined role and be separate from the BBC itself, the experience of staff who have lived through the failures and (more recent) successes of BBC governance under the current arrangements would undoubtedly inform a smoother and more cost effective transition into the new structures than entirely discarding all vestiges of the Trust.

Additionally, we share Ofcom's own concerns, as articulated by its Chief Executive Sharon White during her keynote address in September this year to the Royal Television Society convention in Cambridge, about the appropriateness of Ofcom taking on decision making related to the scope of content at the BBC and about the upscaling of Ofcom's operations that would

be required if it were to take on significant additional responsibilities in relation to BBC regulation. We also share the concern set out in the consultation document that this could result in Ofcom becoming too powerful, expanding its already large remit and expenditure. A standalone regulator would be best placed to perform the oversight and regulatory functions which currently reside with the Trust, without being distracted by wider responsibilities.

If the specific model we have described above were adopted, including a non-executive Chairman for the unitary board, then we would be comfortable for decisions relating to new services to reside with the BBC board. As now, Ofcom would lead on market impact assessments, which would inform the board's consideration of the public value of a given proposal, where appropriate taking a view of the BBC as a whole and the role that service should play within it.

Ofcom is not well placed to adjudicate on public value tests for the BBC because of the way it is funded. Ofcom receives fees from the commercial broadcasters for regulating broadcasting and communications networks plus grant-in-aid from the Government. As such it would have to continually fight the perception that it might instinctively seek to level the playing field in order to protect the commercial broadcasters which provide its revenue, irrespective of the strength of any public value case for a new BBC service. It would also have to overcome concerns that it is not independent enough of Government to regulate an independent BBC. This would be unfair and distracting for Ofcom and potentially dangerous for the BBC itself.

We agree that the unitary board should engage in research about audience views and ensure even greater transparency and effectiveness in complaint handling. However, the opportunity now exists to develop a far-reaching strategy for greater, cross-platform engagement with the public – and as technology evolves further this could become even richer and more straightforward. There remains a central role for audience or broadcasting councils across the UK as part of this strategy and it is important that Wales and the other nations are fully represented. The Chairs of the audience or broadcasting councils should be non-executive members of the unitary board, so that they have a voice in decision making at the most senior level. The fact that the views of current audience councils can be entirely ignored by the BBC Trust if it so chooses is a key drawback of the existing arrangements.

We welcomed the references in the St David's Day Command Paper to increasing the accountability of broadcasters in Wales. The Welsh Government has regularly referred to the importance of improving the accountability of UK broadcasting institutions to the National Assembly and to Welsh viewers and listeners. We are therefore pleased that Memoranda of Understanding have been signed with the devolved Governments in Wales, Scotland and Northern Ireland to formalise their roles in this and future Charter reviews, and that comparable Memoranda are being finalised which will enshrine ongoing roles for the devolved Parliaments or Assemblies in the nations in the scrutiny and accountability of the BBC.

Any changes to the governance or regulatory arrangements of the BBC should also fully reflect the reality of devolved government in the UK. As such, the board of the new regulator should include a member responsible for representing the interests of each of the devolved nations, including Wales; the relevant devolved Government should lead on the appointment of their national representative.

It is important to reiterate here our strong view that the mechanism via which the recently announced licence fee settlement was imposed upon the BBC – following discussions between the BBC and the UK Government behind closed doors, without any consultation with the devolved Governments - was entirely unsatisfactory. As a result this Charter review is being undertaken after the most fundamental decision which could impact upon the potential scale and scope of what the BBC might achieve has already been taken.

Under current arrangements the UK Government is effectively free to dictate terms to the BBC without any Parliamentary scrutiny or public consultation. A debate is required in Westminster, but no vote. The devolved institutions across the UK play no part whatsoever. This must change. In future, given the UK-wide remit of the BBC and its specific aims in the nations and regions, any such proposals by the UK Government must be subject to public consultation, scrutiny by committee in Westminster and the devolved institutions and – crucially - must be approved via a vote in Parliament and each of the devolved Parliaments or Assemblies in the nations.

Q19 Should the existing approach of a 10-year Royal Charter and Framework Agreement continue?

We agree that a ten year approach to the BBC's Royal Charter should be the minimum applicable. We do not accept that a shorter timescale, say five years, is appropriate. Charter review is a costly and time-consuming exercise, so significant justification would be required to increase the frequency of reviews. We recognise that technological, social and market developments are fast moving, but the supposed risk that BBC's Royal Charter could become obsolete before it is due to be reviewed would only be realised if the Charter was either too restrictive in the first place or the BBC and / or the wider market in which it operates were inadequately regulated. As long as these factors are given due consideration before the new Charter is finalised and throughout its operation then that risk will be minimised as far as possible.

We do accept that there are grounds to consider a change to the length of the BBC's Royal Charter, to break the link between Charter reviews and the UK's electoral cycle. Some stakeholders have called for future Charters to be granted for eleven years, so that the review process is decoupled from the agenda of successive, incoming Governments. This would reaffirm the BBC's independence from Government, concerns about which are very much at the centre of the current debate, although they are not acknowledged directly in

the consultation document. As such, we would agree that this proposal should be given further consideration.

Conclusion

Over the next few years there are key decisions to be taken relating to broadcasting and regulatory arrangements in the UK and in Wales, including the renewal of the BBC Charter and further consideration of the findings of the Silk Commission on Devolution in Wales, the St David's Day announcement and the Smith Commission in Scotland.

There is little doubt that the broadcasting structures currently in place will change in the future. As a Government, we will continue to monitor developments and to be proactive in this debate, to ensure that any changes protect and serve the best interests of people and businesses in Wales. The significance of broadcasting to our emerging devolved life is such that new arrangements have to be found, within the existing constitutional settlement, that allow the interests of Wales to be debated, understood and argued for.

In relation to the BBC Charter, a number of the issues discussed in this response are also relevant to the other devolved nations. Earlier this year the Welsh Government wrote to the relevant Ministers in Scotland and Northern Ireland the North of Ireland seeking a meeting to discuss broadcasting issues, including the Charter review. On 4 August that meeting was held in Glasgow. During the meeting we agreed to work together to ensure that the BBC Charter review process reflects and prioritises our shared interests.

The Welsh Government welcomed the fact that Ofcom conducted a further review of Public Service Broadcasting. However, that work will inform an ongoing debate about what public service obligations should be in the future.

The role of the principal Public Service Broadcaster must be informed by a clear understanding of the needs of the people in the nations and regions of the UK. However, following extensive devolution of powers to the devolved governments, there has been no evaluation or assessment of whether current public service obligations remain fit-for-purpose. Over the same time period those obligations have been allowed to erode, largely for commercial reasons. This assessment is now urgently needed and should be done in parallel with the Charter review, to inform any targets for delivery of services in the nations and regions that might be included in the new Charter, linked to a renewed set of public purposes and values.

The Welsh Government will continue to play a full and active role in the Charter review, to ensure that the new Charter fully reflects the interests of the people of Wales and the current and changing devolved settlement. We will use our formal seat at the table to stand up for the services the Welsh people deserve.

BCR 16

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: Pact

Response from: Pact

Introduction

- 1) Pact is the trade association that represents the commercial interests of the independent television, film, digital and children's & animation production sector in the UK.
- 2) Pact has around 500 members across the UK, including in the nations and regions, with around 20 companies based in Wales with a combined turnover of over £37m. Pact members make programmes for a range of broadcasters in the UK and internationally, including for BBC, BBC Cymru Wales, Channel 4 and S4C in both the English and Welsh languages.
- 3) The UK independent television sector is one of the biggest in the world. Independent television sector revenues have grown from £1.3 billion in 2005 to around 2.9 billion in 2014.¹
- 4) UK TV exports are also a success story; with international revenues from the sale of UK TV programmes and associated activities at £1,207m in 2014/15.
- 5) The BBC Drama hub is based in Cardiff which helps attract and retain talent in Wales, however the BBC Out of London spend is skewed towards BBC in house and is not being invested in the independent production sector based in Wales.
- 6) Pact's vision for an independent sector in Wales is one that is diverse and sustainable and continues to secure investment in both Welsh and English language programming into the future. In order to achieve this, broadcasters including the BBC should be open to working with and commissioning from a range of Indies, including new entrants to the market.
- 7) For further information, please contact Pact's Head of Nations & Children's, Rosina Robson, at rosina@pact.co.uk or on 020 7380 8248.

¹ Pact Census Independent Production Sector Financial Census and Survey 2014, by Oliver & Ohlbaum Associates Limited

Inquiry questions

Pact is pleased to respond to the Welsh Assembly Committee inquiry into BBC Charter Renewal. Pact members in Wales supply content to broadcasters in the UK and internationally including BBC, Channel 4 and S4C, across a range of genres including drama, factual and children's programming. This content is supplied for both local and UK network programming in both English and Welsh.

The main issue for the independent production sector in Wales is the small proportion of BBC network spend in Wales targeted at the Indie sector; BBC Wales estimate that only around £2m of the £56m spent on commissioning in Wales is allocated to the Indie sector. Clearly, there is room for growth in terms of investing in the Indie sector in Wales as there is currently an over emphasis on BBC in-house. This will help build a diverse and sustainable sector into the future.

- **The future provision of the BBC's services in Wales, in both the English and Welsh languages;**
- **The BBC's current and future funding, governance and accountability arrangements as they relate to Wales;**
- **S4C's future, including its funding, operating and governance arrangements, and the services it provides;**
- **How Wales's interests are being represented during the renewal process.**

Pact responds to those key areas where the Committee has invited comments:

1. The future provision of the BBC's services in Wales, in both the English and Welsh languages;

1.1 It is clear that both the BBC Wales in-house and Welsh Indies continue to make a positive contribution to the BBC's UK television output including popular titles such as Doctor Who (although the majority of the production team are not locally based), Casualty, Crimewatch, Hinterland and children's programming such as Ludus and Grandpa in my pocket.

1.2 According to Ofcom, Wales fares slightly better than the other nations in terms of audience reach and that viewer appreciation is slightly better than other areas of the UK. As the Committee is probably aware, 20% of the population in Wales speak Welsh (and English) whereas 80% of the population don't speak Welsh, only English. We should seek to maintain and build on this audience reach into the future and ensure that further budget cuts do not impact on Welsh or English speaking viewers².

1.3 As with the independent production sector in other nations, the TV sector plays a key role in the wider creative industries in Wales and is probably one of the most commercially successful creative sectors both in the UK and overseas. Any impact on the TV sector, either positive or negative, inevitably has a knock on effect on the film sector, games, digital, special effects and on and off-screen talent.

1.4 Deloitte published a report on the BBC's impact on the UK economy in 2011/12 which demonstrated the value generated for the UK economy and specifically in Wales. Due to

² Ofcom Communications Market Report, Wales (2015)

a slight reduction in BBC expenditure the corresponding GVA (Gross Value Added) fell from £292m (2009/10) to £276m (2011/12), (based on expenditure of £154m in 2011/12). It is clear that the BBC has a positive impact in Wales.

- 1.5 Analysis by Arad Research in 2014/15 also concluded that; for every £1 invested by S4C in the economies of Wales and the UK created a total value of £2.09. According to the study, S4C's investment of £83m generated a total economic impact of £170m across the UK.
- 1.6 It is important that we seek to maintain BBC investment in Wales and develop a sector which is important to the future health of the Wales economy, job creation and long term creative sector talent development.

Current challenges to independent production

- 1.7 Pact has also responded to the DCMS Green Paper on BBC Charter Renewal expressing our serious concerns about competition and State Aid issues which we do not consider are adequately addressed in the BBC's proposal for BBC Studios.
- 1.8 The level of scrutiny and regulation which would be required in order to enable the establishment of BBC Studios would go far beyond the existing framework which is required in order to govern the Window of Creative Competition (WoCC) where BBC and independent production companies compete for commissions. BBC Studios would have a significant impact on the supply chain for the whole of the broadcasting sector, both in the UK and internationally. The mechanisms for ensuring transparency and fairness must therefore go far beyond the existing compliance framework.
- 1.9 We are extremely concerned that with the BBC's proposal on BBC Studios, details are still lacking about how the regulation of the new commercial entity will work.
- 1.10 It is crucial that BBC Studios is treated in exactly the same way as all of its commercial competitors by the BBC public entity. Any difference in terms of preferential commissioning terms or information would constitute a breach of State Aid and could have serious effects on the market. There must be full transparency and regulatory oversight on this issue.
- 1.11 Pact will be responding in full to the BBC Trust consultation on BBC Studios including as to how it is envisaged that BBC Studios will interact with local and network commissioning in the nations and regions.
- 1.12 Pact is also concerned about the recent review ordered into Terms of Trade by the Secretary of State for Culture Media and Sport and the devastating impact that this could have on the sector in the UK and Wales if Terms of Trade are withdrawn. The Communications Act 2003 introducing Terms of Trade is an effective and flexible piece of legislation which has allowed producers to own and exploit their rights at home and overseas. Pact is concerned about the potential to unravel this industry success story which has developed over the last ten years having a positive impact on the Welsh economy also.

2. The BBC's current and future funding, governance and accountability arrangements as they relate to Wales

Current and future funding

2.1 Pact is aware that the BBC in Wales has already made savings through the BBC Delivering Quality First (DQF) plan, making cumulative efficiencies since April 2012.

2.2 The reality is that BBC Cymru Wales has had to deal with a real terms cut of 16% of funding spread over five years. We also recognise that S4C has faced a real terms cut of 36% in funding since 2010 and that their funding from the DCMS has been ring fenced for the next two years but not confirmed beyond 2016/17³.

2.3 Since 2006/7, BBC Wales' budget for English language TV programmes has fallen 18% from £24.6m to £20.2m in 2012/13. We are aware from discussions that that this spend has reduced further in 2014-15. The Institute of Welsh Affairs (IWA) report that spend on English language TV in Wales (in real terms at 2014 prices) declined by 30%. The decline in English language programming has been more pronounced even than Welsh language programming.

2.4 Tony Hall, BBC Director General has recognised this issue and acknowledged in a speech in April 2014 that English language programming had been eroded and that a decision to deal with the cuts by prioritising news, current affairs and political coverage had been at the expense of areas such as comedy, entertainment and culture.

2.5 Pact is clear that maintaining both investment in Welsh and English language programming in Wales is crucial for the full diversity of audiences in Wales being represented and their lives reflected on screen. Content made in Wales also has value across the UK and internationally in terms of TV exports. We know that TV exports from Wales do well even compared to the independent production sectors in the other nations.

2.6 Further cuts have already been announced by the BBC at a national level which will inevitably impact on BBC Cymru Wales. We call on these cuts to be organised in a way that will as far as possible not impact on content budgets in Wales. Pact calls for the current nations and regions quotas to be maintained into the next Charter settlement.

2.7 We are aware that levels of investment in content are already tight but express the importance of maintaining the well established Out of London quotas for network programming in Wales through the BBC (5% of 17% nations target by 2016).

Governance and accountability arrangements in Wales

2.8 Pact believes that the current broadcasting governance and accountability arrangements in Wales and across the UK are broadly fit for purpose.

2.9 There is a separate consultation around the future of the BBC and governance, on which Pact does not have a strong view, except to say that any governance structures should have fairness, transparency and accountability as a core principle. Ofcom should

³ IWA Wales Media Audit: Current Media Provision in Wales: Television (October 2015)

continue to play a role in Wales by linking with Ofcom in London and across the other nations.

2.10 Pact is not in favour of the proposals mooted by the Devolved Assemblies to create a more federal system of governance within the BBC. As a publicly funded UK institution, we believe that it is right and proper that the UK Government and Parliament are responsible for setting the licence fee and the BBC Charter. Beyond this, the BBC should remain independent from all Parliamentary interference.

2.11 We do not think that there is the same strength of appetite in Wales for devolution of broadcasting as in Scotland for example. However, we continue to welcome oversight by the Devolved Assemblies/Parliament, including the Welsh Assembly having oversight of the BBC Annual Report and play a constructive role in continuing to query how the broadcaster quotas are being spent in Wales.

3. S4C's future, including its funding, operating and governance arrangements, and the services it provides;

3.1 Pact supports the maintenance of funding for S4C into the future and maintains that it is an important part of the broadcasting ecology in Wales and should be guaranteed for longer term sustainability.

3.2 Pact notes that the overall spend on programming for S4C was £91.5m in 2012/14. BBC contributed £76m to the funding of S4C in 2013/14 falling year on year to £74.5m in 2016/17. DCMS also continues to provide funding of £6.7m to S4C. The remaining 2% of funding comes from S4C's advertising revenue and commercial activities.

3.3 S4C Annual Report states that every £1 invested by S4C in the economy generates total added value of £2.09. Pact underlines that the investment in S4C returns a good investment into the economy and to Welsh speakers who make up around 20% of the population in Wales.

4. How Wales's interests are being represented during the renewal process.

4.1 Pact is taking the opportunity whenever it can, to represent the interests of producers in Wales and the other nations during the Charter Renewal process. Pact recently submitted a full response to the DCMS (Department for Culture, Media and Sport) Green Paper on BBC Charter Renewal and is currently drafting a response to the BBC Trust review of the BBC Studios proposals.

4.2 Pact is keen that the interests of both the English and Welsh speaking audience and producers are catered for in any settlement. It is important for life in Wales to be fully reflected on screen that investment to both English and Welsh language programming is maintained in a sustainable way into the future.

BCR 17

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee

Ymchwiliad i'r Adolygiad o Siarter y BBC

Inquiry into the BBC Charter Review

Ymateb gan: BBC

Response from: BBC



**Submission to the National Assembly Communities,
Equality and Local Government Committee**

BBC evidence to the inquiry into the BBC Charter Review

November 2015

Introduction

We are pleased to submit this evidence paper to the National Assembly for Wales's Inquiry into the BBC Charter Review.

The BBC plays a significant part in Wales' democratic and cultural life in both languages, and this contribution is deeply valued by audiences. The services provided by the corporation reach 98% of the Welsh public each week and are actively chosen by the Welsh public about 7 million times each day. As market pressures intensify, it is clear that the BBC's role in Wales' national discourse is becoming more, not less, important.

The BBC is determined to build on this remarkable and long-standing relationship with audiences in Wales at a time of significant challenge and opportunity.

The media landscape is moving so quickly it is vital that we think afresh about the challenge of serving younger audiences and how we reflect the realities of a changing UK. It is clear that audiences also want us to work harder to reflect Welsh lives and stories on-screen and we intend to meet this creative challenge head-on. We are also determined to work more openly with partners across Wales to realise the nation's creative and cultural potential.

Section A of this paper outlines the current range of BBC programming and services in Wales, their impact with audiences and the economic benefits derived from this investment in output. Section B outlines our proposals in the nations for the next Charter period. Finally, Section C addresses a number of specific issues raised by the Committee's Terms of Reference, including the reduction in English language programming over recent years.

Section A – Overview of BBC programmes and services

I. Serving Wales

The BBC is the most trusted and valued broadcaster in Wales. Our mission in Wales is to help audiences discover and make sense of the nation, and to champion the brightest talent and boldest ideas for Welsh and UK audiences. We aim to do this on a canvas big enough to make a difference, not just to our audiences, but to Wales itself.

BBC Wales employs approximately 1,300 staff at six centres across Wales (in Cardiff, Swansea, Carmarthen, Aberystwyth, Bangor and Wrexham). Our main headquarters in Llandaff, Cardiff, is expected to move to Central Square in the city centre in 2019. The BBC's largest drama production centre in the UK is based at Roath Lock in Cardiff Bay, while the BBC National Orchestra of Wales is based at Hoddinott Hall in the Wales Millennium Centre.

BBC Wales is committed to reflecting and reporting Wales in both languages – and across all platforms and devices. The BBC provides value to audiences in Wales in two main ways: through *national* programmes and services made for audiences in Wales (e.g. BBC Radio Wales, Radio Cymru, *Wales Today* and our programme contribution for S4C), and through *network* programmes and services which are broadcast across the UK (e.g. Radio 4 and BBC Four). In recent years, Wales has become a major producer of BBC network programming for TV and radio, including *Doctor Who*, *Sherlock*, *Merlin*, *Crimewatch* and *BBC Young Musician of the Year*. This network investment in Wales totals around £59.1m each year.

The BBC performs consistently well in Wales, attracting higher audiences and appreciation for its output than the UK average. This is true both for network services and for content produced specifically for audiences in Wales. The proportion of the population reached each week by the BBC's portfolio of television and radio services is higher in Wales than elsewhere in the UK. And in addition to reaching more people, those reached also watch and listen to BBC content more than the UK overall – 75 minutes more per week, on average.

2. Overview of BBC Performance in Wales 2014/15

- The general impression of the BBC among audiences is higher in Wales than in any of the UK's other three nations.
- In 2014/15, BBC Wales' English language television programmes for audiences in Wales reached over 900,000 viewers each week (or 32% of the adult population).¹

¹ Based upon 15 minute reach

- BBC Wales' news services across radio, television and online reach 65% of adults in Wales each week.
- In 2014/15, BBC *Wales Today* news bulletins were seen by approximately 1.5m viewers in Wales each week.²
- In 2014/15, BBC Wales' mobile and online services were accessed by 3.5m browsers per week on average.
- In 2014/15, BBC Radio Wales reached 400,000 listeners each week (16% of adults) while BBC Radio Cymru attracted over 100,000 (33% of fluent Welsh speakers).
- In 2014/15, BBC programming produced for S4C reached 130,000 viewers each week on average.

3. Overview of services for Wales

The BBC provides value to audiences in Wales in two main ways: through programmes and services made in and for Wales specifically; and through the delivery of BBC services that are broadcast across the UK.

3.1 National services for audiences in Wales

The BBC broadcasts a range of services and programming to meet the distinctive needs of audiences in Wales, including BBC Radio Wales, BBC Radio Cymru, a range of interactive content and dedicated television output such as *BBC Wales Today* and *Scrum V* on BBC One Wales and BBC Two Wales.

In addition, the BBC also produces programming for S4C, funded by the licence fee. This programming includes the *Newyddion* news service and the weeknight drama *Pobol y Cwm*.

The BBC's services and programming specifically for Wales are highly valued and overall performance is strong. The BBC's television programmes specifically for audiences in Wales reach 900,000 viewers each week (32% of the population) and the average appreciation for these programmes is higher than the average across all BBC TV output in the same genre. Radio Wales reaches around 400,000 listeners each week (16% of adults) and Radio Cymru over 100,000 (33% of fluent Welsh speakers). The BBC's output for S4C reaches 130,000 viewers each week.

² Based upon 3 minute reach

Table 1: Performance of BBC services specifically for audiences in Wales (2014/15)

	Average weekly reach (%)	Quality	Average time spent per viewer/listener per week (hh:mm)
BBC TV Opts (inc news)	31.7	81.9	n/a
BBC Radio Wales	16.2	83.0	9:21
BBC Radio Cymru	4.6	78.1	10:47
BBC Cymru on S4C	4.6	n/a	n/a

3.1.1 English language television (or ‘opts’)

Each year, the BBC broadcasts approximately 600 hours of English language TV programming made for audiences in Wales on BBC One Wales and BBC Two Wales. In 2014/15, the total cost of this output was £20.8m.

BBC One Wales offers news, current affairs and general programming for Wales as an integral part of the UK-wide channel proposition. This national programming for Wales displaces network output seen elsewhere across the UK. The strategy for BBC One Wales is to provide a range of engaging, relevant and high impact programming for audiences in Wales. Since 2013, BBC One Wales has been a HD channel.

BBC Two Wales typically schedules more specialist or targeted public service programming for audiences in Wales, including arts, politics and sport, including live Guinness Pro12 domestic rugby coverage, typically broadcast on Friday evenings in peaktime. In the next Licence Fee period, BBC Two Wales will become a HD channel.

This investment across BBC One Wales and BBC Two Wales produced the following output:

Table 2: English language originated television output by genre 2014/15

Genre	Hours
Drama, Comedy, Entertainment, Music, Arts	20
News and Current Affairs	386
Sport	150
Education, Factual and Religion	60
Total	616
Total £m	£20.8m

These programmes are produced by in-house teams and the independent sector – with independent companies producing a guaranteed minimum of 35% of non-news hours each year.

The reduction in English language television programming has been the subject of considerable scrutiny over recent years. Content investment has fallen by around 30% in real terms since 2006/07 as a result of successive savings programmes over the last decade (see Section C).

Despite the challenging financial context and the savings delivered over the last seven years, audience figures for English language television programmes in recent years reached their highest in a decade across news and general programming.

Our programming seeks to reflect the diverse and modern Wales with our opts performing well across a range of measures. Appreciation indices (AIs) for BBC Wales' non-news programming – including *Rhod Gilbert's Work Experience*, *Weatherman Walking* and *Hinterland* - are ahead of the average BBC1/2 AI in Wales with their average share performance higher than the displaced network shows.

In recent years, output has been configured around major seasons of programming in order to maximise their impact – including *Real Valleys*, *Real North Wales* and *Live Longer Wales*.

The programming broadcast to mark the Dylan Thomas anniversary attracted over 800,000 viewers and brought the very best Welsh talent to the screen, including Michael Sheen, Tom Jones and Sian Phillips in a dramatisation of *Under Milk Wood*. The breadth of the season was remarkable. *Ugly Lovely Swansea: A Poet on the Estate* saw the dub-poet Benjamin Zephaniah challenge and inspire the people of the city's Townhill estate to honour their bard through poetry and performance, while *A Poet in New York*, written by Andrew Davies and starring Tom Hollander, explored the final days of Dylan.

3.1.2 BBC Radio Wales

BBC Radio Wales' remit is to provide a radio service for people interested in the life, culture and affairs of Wales. It broadcasts for approx. 20 hours per day and reaches around 400,000 listeners per week. The cost of this output in 2014/15 was £10.6 million.

At present, the BBC guarantees that a minimum of 10% of Radio Wales output³ is produced by the independent sector. Since 2012/13, a further 10% of content has been placed in the Window of Creative Competition between the independent sector and in-house production.

In 2014/15, 25.5% of the eligible hours were supplied by the independent sector.

³The 10% independent sector target for both Radio Wales and Radio Cymru excludes news programmes and news and sport bulletins

Table 3: Radio Wales Originated output breakdown 2014/15

Programming	Hours
News and Current Affairs	2,184
General programming	4.894
Total	7,078
total £m	£10.6m

The station performs an indispensable service: it sets the national news agenda through its flagship *Good Morning Wales* programme, offers an opportunity for audience interaction through its *Morning Call* programme and celebrates Wales' rich culture.

Some of the creative highlights during the last year have included a series of programmes to mark the centenary of the First World War and a unique collaboration between Mike Peters from The Alarm and the BBC National Orchestra of Wales. Sport is also at the heart of the station's remit with live coverage of the Six Nations, the Rugby World Cup and Welsh football's progress to Euro 2016.

3.1.3 BBC Radio Cymru

BBC Radio Cymru's remit is to provide a radio service for people interested in understanding the life, culture and affairs of Wales in the Welsh language. The service is on air for up to 19 hours each day. The total cost of this output in 2014/15 was £10.0m.

In common with Radio Wales, at least 10% of output is produced by the independent sector and a Window of Creative Competition offering up to 10% of the eligible hours was introduced in 2012/13.

In 2014/15, 19.2% of the eligible hours were supplied by the independent sector.

Radio Cymru has a deep and historic connection with Welsh speaking communities – and is highly valued for its mix of news, culture, entertainment and topical discussion. However, the challenge of reaching younger Welsh speakers, often with lower levels of fluency, is an issue confronting all Welsh language media services.

Radio Cymru reaches over 100,000 listeners each week, around a third of fluent Welsh speakers, among whom Radio Cymru has more hours of listening than any other radio station. In an average week, over a million hours of Radio Cymru content is heard.

In 2013, Radio Cymru undertook the largest audience consultation in its history, *Sgwrs Radio Cymru* (The Radio Cymru Conversation) in light of ongoing audience challenges. Based on over 1,000 responses, the service has adapted to the conclusions of *Y Sgwrs* by offering a far greater diversity of content.

Table 4: Radio Cymru Originated output breakdown 2014/15

Programming	Hours
News and Current Affairs	1,306
General programming	4,948
Total	6,254
Total £m	£10.0m

3.1.4 BBC Cymru Wales programming on S4C

BBC programming is at the heart of S4C's schedule. We have a statutory obligation to provide at least 10 hours a week of programming to the channel. 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. In 2014/15, the total cost of the BBC's programmes was £19.7m. This investment produced the following output:

Table 5: Originated BBC Wales hours on S4C by genre 2014/15

Genre	Hours
Drama, Comedy, Entertainment, Music, Arts	185
News and Current Affairs	271
Sport	99
Education, Factual and Religion	7
Childrens	2
Total	564
Total £m	£19.7m

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.

In addition, BBC Wales 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. In 2014, the BBC worked closely with S4C to introduce the channel to BBC iPlayer, transforming the prominence and availability of on-demand Welsh language programming. To date, it has delivered an additional 80,000 viewing sessions per week across approximately 1,200 iPlayer enabled devices.

As well as the programming supplied by BBC Wales, S4C also receives approximately £75m per annum in direct funding from the BBC Trust (this is provided under an Operating Agreement established between the BBC Trust and S4C Authority). This new arrangement began in April 2013, following the 2010 Licence Fee agreement between the BBC and UK Government.

3.1.5 BBC's online and learning services

Our dedicated online and mobile services for Wales deliver the BBC's public purposes through a focus on online news, sport, learning and information about how to find our content, particularly on digital platforms such as iPlayer.

BBC iPlayer provides access to BBC Radio Wales, BBC Radio Cymru and television programming made in and for Wales. The cost of Wales-specific online content, in both languages, in 2014/15 was £3.9m

The BBC's learning services are a core part of our online offer to the audience in Wales. Bitesize is the foundation-stone of this learning portfolio with a very high reach amongst its target audience but particularly so amongst those preparing for GCSE exams. In the next Charter period, we are committed to develop a fully tailored Bitesize service for Wales which meets the requirements of a devolved curriculum in both languages.

3.2 Pan-UK BBC services

The BBC's UK-wide network services (like BBC One, Radio 4, CBBC or BBC Three) provide significant value to audiences in Wales and contribute the majority of their consumption of the BBC. Network services like BBC One do not just deliver value to audiences, they also provide direct economic investment as a steadily rising proportion of programmes for the BBC's UK-wide services are made in Wales.

The BBC performs consistently well in Wales, attracting higher audiences and appreciation than the UK average. This is true both for network content and for content produced specifically for audiences in Wales.

The proportion of the population reached each week by the BBC's television and radio services is higher in Wales compared with the UK on average. This is especially true for BBC radio, where reach is consistently much higher in Wales compared with the UK average. In addition to reaching more people, those reached also watch and listen to BBC content more than the UK overall – 75 minutes more per week on average. The general appreciation of the BBC is also higher in Wales than in any of the UK's other three nations, with programme appreciation being a little higher in Wales for BBC TV and BBC radio.

Table 6: Pan-BBC performance in Wales, 2014/15

	Average weekly reach (%)		Quality		Average time spent per viewer/listener per week (hh:mm)	
	UK	Wales	UK	Wales	UK	Wales
All BBC	97	98	6.97	7.08 (GI)	18:10	19:25
All BBC TV	82	85	81.1	81.6 (AI)	10:15	12:00
All BBC Radio	65	76	80.3	82.8 (AI)	15:40	16:25

4. BBC network production in Wales

Over the last decade, the BBC has sought to decentralise its network production activity to help grow the creative economy outside London and spread the benefits of Licence Fee expenditure.

We set out two clear targets: that 50% of network TV expenditure should be invested outside London, and that 17% should be spent in the devolved nations (broadly in line with their combined population size). We have already met both targets earlier than forecast. In many senses, Wales has led the way - securing 7.8% of network television spend in 2014/15 (£59.1m), compared to a 4.9% population share.

Over recent years, BBC Wales has developed an international reputation in drama production, now focused at Roath Lock studios in Cardiff Bay where *Casualty*, *Doctor Who* and *Pobol y Cwm* are all produced. The 175,000 square foot complex has nine HD studios and operates at full capacity. The *Doctor Who Experience* exhibition, run by BBC Worldwide, is a stone's throw away from the studios.

As a direct result of the increased investment by the BBC in drama production in Wales, a critical mass of craft talent has been established with a broad range of skills and experience. As the drama production economy is largely based on freelance expertise, this has meant that independent companies – as well as BBC Wales in-house teams – can develop some of the most ambitious and high profile projects in British television safe in the knowledge that the skills are available to produce them in Wales.

Ten years since the launch of *Doctor Who*, Wales now has four drama studio complexes - at Pinewood (Wentloog), Dragon Studios (near Bridgend), Bay Studios (Swansea) as well as Roath Lock. As output continues to grow, the BBC in Wales is working closely with organisations such as Cyfle and Creative Skillset Cymru to develop skills in key areas of programme making.

As well as drama, BBC Wales is also a significant base for network factual and music production. High profile programmes include *Crimewatch*, *Bargain Hunt*, *Call Centre*, *BBC Cardiff Singer of the World*, *Young Musician* and a wide-ranging contribution to the *One Show*. The growth of in-house network production has also been complemented by a significant increase in independently-produced network productions from Wales, such as *Sherlock*, *Atlantis*, *A Poet in New York*, *Hinterland/Y Gwyll* and *Only Connect*.

These developments have helped fuel the development of Wales' creative economy – contributing to a 52% increase in the number of people working in the creative industries between 2005 and 2014 to 47,700. Turnover across the sector has increased by 17.5% in the same period.

In September 2015, the BBC published plans to transform the majority of its in-house production teams – including those in Wales - into BBC Studios, a wholly-owned subsidiary of the BBC Group.

BBC Studios would operate in the market, producing programmes for the BBC and other broadcasters in the UK and internationally, and returning all profits to the BBC Group. It would be committed to supporting the BBC's public service mission and values, and would keep programme-making at the heart of the BBC.

As part of these plans, the BBC is also proposing to remove its overall in-house guarantee of 50%, meaning that external producers would be able to compete for a much greater proportion of BBC network commissioning spend. The BBC believes this proposal is the best way to keep delivering fantastic creative programmes for audiences and long-term value for licence fee payers.

It is proposed that all network production teams within BBC Wales would become part of BBC Studios, and we are consulting with stakeholders before deciding whether local TV production teams in Wales should also be included. You can read more on these plans here:

http://downloads.bbc.co.uk/aboutthebbc/reports/pdf/bbc_studios_2015.pdf

5. The economic impact of the BBC

'A BBC of scale and scope with a stable funding mechanism that does not compete with commercial sources (i.e. advertising and subscription) lies at the heart of a successful UK creative economy.'

'The BBC remains the cornerstone of the PSB system and is the key driver of investment across the system.'

Public Service Broadcasting in the Internet Age: Ofcom's Third Review of Public Service Broadcasting: July 2015, p.3

5.1 Economic impact across UK

The BBC invested around £2.2 billion directly in the creative industries in 2013/14. This included c.£1.2 billion outside the BBC, with around £450 million invested in small and micro-sized creative businesses. The BBC supported over 2,500 creative suppliers, around 86% of which were small or micro-sized.

A further £1.5bn was invested outside of the creative industries in the UK; much of this spend was in the digital and high-tech industries on activities which support content creation and content distribution.

The BBC promotes Britain's Intellectual Property and image around the world: 56% of overseas businesses agree they are more likely to do business with the UK because of what they know about the BBC.⁴

The BBC is able to provide the risk capital for British ideas and creativity: it receives around 22% of broadcast TV revenues but is responsible for around 42% of investment in original content.

However the competitive challenges for the BBC are intensifying, with the growth of huge digital players whose income dwarfs the BBC's: BBC revenue for 2013 was £5.1bn, compared to Sky's £7.2bn, Google's \$59.8bn, Microsoft's \$77.9bn and Apple's \$170.9bn.

An August 2015 report by PricewaterhouseCoopers looked at the impact which changes to the BBC licence fee revenue would have on the organisation, on the industry and on the creative economy. The report noted that for every £1 increase in licence fee income, an additional 60 pence of economic value would be generated.⁵

Conversely, a recent Enders Analysis report indicated that for every £1 cut in BBC TV funding, total content investment would go down by at least 35p and first-run UK content investment by at least 49p.⁶

5.2 Economic impact in Wales

The estimated Licence Fee revenue raised in Wales is £186m⁷ of which £154m is spent on the delivery of content produced by either BBC Wales or by independent production partners.

⁴http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbc_report_economic_return_global_footprint_2013.pdf

⁵ <http://downloads.bbc.co.uk/aboutthebbc/reports/pdf/bbclfpwc2015.pdf>

⁶ Enders Analysis: BBC TV - Impact on investment in UK content: September 2015

⁷ Source: Income estimates, TVL. Estimates are based on the assumption of full licence fee payment.

60% of BBC Wales' spend is targeted at dedicated services for Wales with the remaining 40% spent on network TV content for UK audiences.

Every two years, the BBC measures the economic impact of its activities in the UK. In 2013 - the last time such an assessment was undertaken - the BBC and Deloitte estimated that the Gross Value Added (GVA) of the BBC's activities in Wales was £276 million. This means that for every pound spent by the BBC in Wales its effect is nearly doubled.⁸

The economic benefits of BBC Wales continue to stretch far and wide, delivering real value to digital and creative businesses across the UK.

BBC investment in creative activity in Wales is injected into the local economy via local companies and freelancers working closely with the BBC. This helps to sustain jobs in these companies. Meanwhile these companies themselves (and their employees) buy further goods and services, creating a positive 'multiplier' effect of economic benefits for the economy.

In 2014-15, BBC Wales' direct spend with external suppliers and producers totalled approximately £50m:

Table 7: External Spend by BBC Wales, 2014/15

2014-15 external spend	Value (£m)
Indies	16.4
Artist Contributors and Copyright	17.7
External Programme Facilities	13.6
Performing Groups	0.8
Total	48.5

⁸http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbc_economic_impact_2013.pdf

Section B - The BBC's Charter proposals for the devolved nations

In September 2015, the BBC Executive published a wide-ranging set of proposals for the next Charter, including plans to enhance current programming and services for the devolved nations as part of its *British Bold Creative* plan. There are five major areas of focus in the nations.

I. Strengthening BBC News in the nations

As the pace of devolution quickens – and as the UK changes more quickly than in recent history – we will need to adapt our services to ensure they fully reflect and report the increasingly divergent politics of the UK. The BBC, in principle, should neither lead nor lag behind constitutional change in the United Kingdom.

Our priority is to ensure we arm all citizens in all four nations of the UK with the information they need to make sense of their world and help hold those in power to account.

In a more devolved UK, news in some parts of the country simply does not apply to others. The politics and economics of the country is becoming more varied, the business of reporting it more complicated.

The BBC has a responsibility to ensure it is informing the audience in the most effective and relevant way. We believe the time has come to strike a better balance between the delivery of pan-UK news and news tailored to the distinctive needs and agenda of the devolved nations of the UK.

As a start, we will deliver a different BBC News homepage in each nation. We will personalise our news services to reflect personal passions and interests in every part of the UK.

But we may need to go further. We want to consult audiences across the country on whether we currently have the right balance between the UK-wide and nations news bulletins on television. Our news services today are very popular and widely used by audiences, including the much-debated *Six O'Clock News*.

But after devolution, the Scottish referendum and in a world where large aspects of public policy are devolved in the nations, there is now a much stronger case for providing a different balance in how we serve audiences with the most relevant BBC News and current affairs on TV. We look forward to exploring the various options with our partners, stakeholders and audiences through the process of Charter Review.

2. Reflecting the diversity of the nations on network services

Across the nations and regions of the UK, we know that the public want us to do more to portray the full diversity of life across the UK throughout our programmes and services. The UK is changing and it is not straightforward to represent or portray every aspect of British life across all of our services.

However, the BBC has a major role to play here and we will evolve our programmes and services to meet these changing audience demands.

During this Charter, we ensured that what we spend on network television in each Nation broadly matches its population. But we recognise that spend is not everything – we need to do more, and better, to reflect the lives and experiences of all licence fee payers.

During the next Charter period, we will remain committed to investing in programming across the UK and ensure that the drama and comedy we produce for BBC One and BBC Two better reflect the diversity of the UK's nations and regions.

3. Strengthening provision in the nations

While we know that audiences across the UK love and admire the BBC's drama, comedy and documentaries, they also tell us clearly they think we need to do more to capture the distinctive stories of Wales.

So we are setting ourselves a clear creative challenge: to adapt the BBC to a changing UK. In the coming years we want to tell new and different stories. We want to find new storytellers in every part of the UK – people who live and breathe the changing landscape. And we want to tell these stories in new ways and in new places – because technology and markets are changing.

We propose to create an interactive digital service for each of the nations of the UK. By creating curated 'channels' on our existing digital services – such as iPlayer – we will be able to deliver a unique offer, allowing the BBC to showcase existing content as well as new digital-first content, from ourselves and a greater range of partners.

But significant new investment in a broader range of programming, such as drama, comedy and entertainment, cannot be delivered within the current Budget agreement with the Government.

4. Welsh language services

The BBC is fully committed to broadcasting and providing services in the Welsh language. The programmes and services we currently provide – through our own services and in conjunction with our partners – are a vital part of the BBC’s role. We will continue to support and work closely with S4C.

In response to the growing audience challenges faced by these services, we want to work closely with S4C to move faster online to reach younger, digital audiences with content that is relevant to their lives. We will use – and share – myBBC technologies to enable more personalised services that can better reflect differing passions and levels of fluency.

5. Curriculum support across the UK

The BBC has a key role in supporting more formal education – with learner guides and curriculum resources, which are extremely popular and highly used. We bring these together under our Bitesize banner.

Across the UK the school curriculum is devolved, and is increasingly different. Our plan is to develop curriculum resources for each nation, building on our current offer and ensuring that our offer for students in Wales, Scotland and Northern Ireland is as comprehensive as it is in England. In Wales, we will also provide Welsh language content.

Section C - BBC response to Committee Terms of Reference

I. The BBC's current and future funding

The BBC's current *Delivering Quality First* savings programme was designed to absorb the impact of a five-year freeze in the licence fee from April 2010 as well as the cost of absorbing new responsibilities. These new responsibilities included majority funding of S4C, the BBC World Service, broadband roll-out and BBC Monitoring. In total, DQF is required to deliver £700 million of annual savings before the end of 2016-17.

The BBC is delivering these savings by:

- making productivity savings, for example by simplifying processes, reducing staff numbers and introducing new ways of working;
- reducing the scope of its activities, for example by reducing the number of new programmes commissioned or acquired, and providing fewer 'red button' television services; and
- increasing commercial income by increasing the number of programmes being produced that have a high commercial value.

As noted by the National Audit Office in its assessment of the DQF process, the BBC is clearly already doing significantly more for less. We have delivered £1.1 billion per year of savings since 2007 through preceding efficiency programmes and are on track to deliver £1.5 billion per year by the end of this Charter period.⁹ We believe, therefore, that Licence Fee payers can be confident they are getting good value from an organisation committed to delivering the best and to delivering value for money.

In the five years to 2016/17, BBC Wales will deliver savings of approximately 15% to support the *Delivering Quality First* efficiency programme. Over the full Charter period to 2016/17, BBC Wales will have delivered savings totalling £20m per annum (a cumulative total of around £100m).

In order to minimise the audience impact of these cuts, savings have been focused on managerial roles and the costs of operating supporting areas. By 2016/17, BBC Wales will have reduced its management costs by £3.3m per annum, and achieved a 25-30% reduction in the costs of support areas (e.g. technology, marketing, finance and HR).

However, savings have also been sought in editorial areas, and the impact of these can be seen below.

⁹http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/reducing_costs/reducing_costs.pdf p.9

Table 8: BBC Wales Output Spend 2006/07 and 2014/15¹⁰

	2006/07	2014/15
	£m	£m
BBC Wales TV	24.6	20.8
BBC Wales for S4C	20.6	19.7
BBC Radio Wales	10.5	10.6
BBC Radio Cymru	9.6	10.0
BBC Online	4.1	3.9
Total services for Wales	69.4	65.0
Network Commissions	55.0	59.1
Total	124.4	124.1

2. The implications of a reduction in English language programming output

The reduction in English language television programming (i.e. opt out programming specifically for Wales on BBC One and Two Wales) has been the subject of considerable scrutiny over recent years and reflects the financial context set out above. Content investment has fallen by around 30% in real terms since 2006/07 as a result of successive savings programmes over the last decade.

Table 9: BBC Wales Output Spend, English Language TV¹¹

	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Cost (£m)	24.6	24.4	23.6	24.0	24.3	22.0	20.2	20.5	20.8

Although broadcast hours have fallen by 20% over the same period, the potential audience impact has been partly mitigated through a number of successful interventions by BBC Wales:

¹⁰ Annual Review figures

¹¹ Annual Review figures

- increased scheduling on BBC One Wales, delivering higher audiences than BBC Two Wales
- increased co-production maximising on-screen spend (e.g. *Hinterland* with S4C, All3Media and Tinopolis) and *A Poet in New York* (co-commissioned with BBC Two)
- major landmark seasons of output delivering greater impact with audiences (e.g. the health season *Live Longer Wales* and the Dylan Thomas centenary).

In 2014/15, BBC Wales produced just over 600 hours of original local programming in English. News and sport programming represented approximately 80% of this output.

Table 10: Genre analysis of BBC Wales English Language Television output, 2014/15

GENRE	BBC 1 Wales hours	BBC 2 Wales Hours	Total English Language Hours
News	308.2	0.5	308.7
Current Affairs	9.0	0.5	9.5
Arts & Music	5.9	7.0	12.9
Comedy	1.5	0.0	1.5
Drama	2.1	0.0	2.1
Education	0.0	0.0	0.0
Entertainment	0.0	0.5	0.5
Factual	51.8	8.5	60.3
Politics	27.5	40.2	67.7
Sport	4.5	145.5	150.0
TOTAL	410.5	202.7	613.2
ORIGINATIONS			

3. Current broadcasting governance and accountability arrangements in Wales.

Governance arrangements are reserved for the BBC Trust so we will confine our observations to a few brief comments on the direct impact of those operational arrangements on the BBC Executive, particularly with regard the Audience Council Wales (ACW) which advises the BBC Trust.

The Audience Council Wales (ACW) was created in 2007 in line with the provisions of the current BBC Charter and replaced its predecessor body, the Broadcasting Council of Wales (BCW).

The current Charter framework saw powers of a more advisory nature compared to those exercised by BCW being conferred on ACW. The Council's current role is to

'scrutinise the BBC's performance on behalf of audiences living in Wales, and to advise the Trust on issues relating to BBC audiences and services at a Wales level'.

The Council also undertakes a continuing assessment of BBC programmes and services in Wales and the extent to which the BBC's network output and other activities reflect the diversity of the UK and its nations, regions and communities.

In March each year, BBC Wales management provides the Council with an Annual Performance Review of its output, local and network including BBC content for S4C.

The other main interaction between the BBC Trust and BBC Wales focuses on the Service Licences granted to BBC Radio Cymru and Radio Wales.

The BBC Service Licences issued by the Trust state what those services are expected to deliver and how much they can spend. They set the BBC's editorial guidelines and protect the BBC's independence. The Trust monitors performance to ensure that the BBC provides value for money while staying true to its public purposes. A BBC Trust Service Review of both Radio Cymru and Radio Wales is in progress.

Looking ahead, it is clear that the current structures do not carry sufficient confidence with a lack of clarity around BBC Trust and BBC Executive functions. As part of its Charter Review response to the Department of Culture, Media and Sport, the BBC has made it clear that the key aims of successful governance and regulation should be to¹²:

- protect the BBC's independence;
- uphold the interests of licence fee payers;
- enable the BBC to remain distinctive and relevant in a fast-moving world;
- take market impact considerations properly into account;
- ensure the BBC operates in the public interest with effective routes for redress when it does not;
- ensure a clear separation between corporate governance and regulation.

The BBC is therefore supportive of a move towards the creation of a new unitary Board, fully independent of Government. The corollary of a unitary BBC Board with its own non-executive Chairman is the move to external regulation of the BBC.

We are, of course, clear that any BBC governance model should be responsive to the diversity of the UK and that the new unitary BBC Board must be able to take decisions in the best interests of licence fee payers across the UK.

Detailed proposals for the governance of the BBC, including BBC Wales, will be submitted by the BBC Executive to the forthcoming review of BBC governance, led by Sir David Clementi for DCMS.

¹² http://explore.gateway.bbc.co.uk/GatewayCMS01Live/pdf/BBC_Charter_Response_08102015.pdf, p.88

Looking ahead, we expect the BBC's budget to be 'cash flat' between 2017/18 and 2021/22 (effectively a real terms reduction of 10% depending on inflation forecasts). To support this challenging outlook, we are proposing a radical programme of reform including:

- increasing competition from two thirds to 80% of the BBC's cost base - one of the best in the public sector;
- planning to save almost 20% over the next five years, having already saved forty per cent of our cost base in this Charter period – with greater levels of efficiency savings than public sector/government;
- getting our overheads to less than 7%, inside the top 25% of private regulated companies, having already got to less than eight % this year;
- growing our overall commercial return in the next five years to a cumulative £1.2billion, up 15%, with Worldwide maintained as an integral part of the BBC.

It is too early to forecast how the BBC's financial outlook will impact on BBC Wales' expenditure.

4. How Wales's interests are being represented during the renewal process

This Charter process recognises the development of Wales as a devolved nation, its interests and culture. For the first time since 1927, there are a number of structured opportunities for Wales's voice to be heard, along with the other nations.

The key development has been the Memorandum of Understanding (MOU) agreed between the BBC, Welsh Government and DCMS. This MOU provides clarity to all three parties on how they will be consulted during the Charter process.

The separate inquiries being led by this Committee, the Parliamentary Welsh Affairs Committee and the House of Lords Communications Committee are all positive developments to be welcomed.

In addition, the BBC's plans laid out in the *British, Bold, Creative* document, contain two important commitments. These are:

- A commitment to consult with national governments and key stakeholders over the provision of BBC news services.
- A commitment to consult with national governments and key stakeholders over the funding of the nations' services.

The BBC Trust's consultation on *British, Bold, Creative* ended on 5 November.