

Agenda – Culture, Welsh Language and Communications Committee

Meeting Venue:

For further information contact:

Committee meeting via Zoom

Manon George

Meeting date: 25 June 2020

Committee Clerk

Meeting time: 13.00

0300 200 6565

SeneddCWLC@senedd.wales

Informal pre- meeting

(13:00 –13:30)

1 Introductions, apologies, substitutions and declarations of interest

2 COVID 19: Evidence on the impact of the COVID 19 outbreak on the creative industries

(13:30–14:30)

(Pages 1 – 22)

Sara Pepper, Director of Creative Economy, School of Journalism, Media and Culture, Cardiff University

Gareth Williams, Chair, TAC

Pauline Burt, Director, Ffilm Cymru

Mark Davyd, Chief Executive Officer, Music Venues Trust

Break

(14:30–14:45)

3 COVID 19: Evidence on the impact of the COVID 19 outbreak on public sector broadcasting

(14:45– 15:45)

(Pages 23 – 32)



Rhodri Talfan Davies, Director, BBC Cymru Wales

Phil Henfrey, Head of News and Programmes, ITV Cymru Wales

Owen Evans, Chief Executive, S4C

4 Papers to note

4.1 Correspondence with Bauer Media on Swansea Sound radio station

(Pages 33 – 35)

5 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting

6 Private Debrief

(15:45 –16:15)

Document is Restricted

Response to Senedd Cymru/Welsh Parliament inquiry into the Covid-19 outbreak and its impact on culture, creative industries, heritage, communications and sport.

Introduction: Ffilm Cymru Wales is a development support body for film in Wales, managing lottery funding for the sector on behalf of the Arts Council of Wales and the BFI. Please see www.filmcymruwales.com for more information.

What has been the immediate impact of Covid-19 on the sector?

Covid-19 has had and is likely to continue to have a profound impact across the creative industries. These impacts in Wales include:

- The closure of all cinemas, mixed arts venues and community providers of film screenings, as required by Welsh Government from the 20th March. This includes 13 commercial sites (such as Vue, Odeon and Cineworld) and circa 290 independent providers – including mixed arts centres such as Chapter Arts Centre, Galerie Caernarfon, The Torch in Milford Haven and Pontio in Bangor. Most staff are furloughed. No redundancies have been announced as yet.

Despite rate relief, the UK Government's Job Retention Scheme, Arts Council and Welsh Government programmes, exhibition businesses continue to experience significant losses. For example, an established independent mixed arts venue cited lost earned income (from ticket sales, room hire, food and drink) of c.£240k every month. Venues (in the Independent Cinema Office survey¹) anticipate costs increasing by up to 20% to implement safety adjustments, whilst seating capacity will be significantly reduced (ranging from 50-80% depending on venue) to maintain social distancing.

- The cancellation, postponement or reimagining of film festivals – across Wales, the rest of the UK and internationally. For example, Cannes moved to an on-line only 'virtual market' disrupting how business takes place, whilst home-grown festivals are trialing on-line delivery, as with Cardiff Animation and Iris Festival.
- Significant disruption to distribution for films that have recently completed – including Euros Lyn's *Dream Horse*, which told the story of a Valley's community who raised a race-horse, and Mad As Birds' film *Six Minutes to Midnight* with Eddie Izzard and Judi Dench. New releases have to be planned in an environment where distributors – who are also investors – are mindful of reduced cinema capacity and uncertain public confidence once venues re-open. This shock to market confidence is likely to have longer-term implications, where we might expect to see distributors less willing to pre-buy films or offering reduced amounts, which will make financing future films more

¹ ICO Survey 2020 https://s3-eu-west-1.amazonaws.com/ico-assets-live/wp-content/uploads/2020/05/21164613/ICO_COVID-19_Reopening-Cinemas-The-Independent-Way.pdf

challenging. For some smaller budget films there will be less opportunity to have a theatrical release at-all. This has financial implications as acquisition prices for independent films on digital platforms and through broadcasters tend to be far lower than prices paid when those distributors are investors in the production.

- Significantly reduced film production. Whilst broadcasters have done a fantastic job in continuing to provide journalistic content and some scaled-back 'lock-down' productions, it has been practically impossible for most film productions and high-end TV to progress in the current climate. The only Ffilm Cymru production currently progressing is an animated feature, where remote working is possible, which happens to be a European co-production with Ireland and Belgium. Otherwise, Covid-19 has seen twelve Ffilm Cymru co-funded feature films and two short films interrupted.
- Freelancers, service and facility companies are at risk. Many are not able to access support mechanisms. There are deep and significant implications the longer this situation progresses, as reflected in Oxford Economics' report commissioned by the Creative Industries Federation, in which **Wales is projected to lose 26% (15,000) of its creative jobs and see a 10% (£100 million) drop in creative industries GVA.**²

At UK-wide level the Oxford Economics report cited a predicted loss of £74 billion in revenue and 400,000 jobs this year across the creative sector, including £36 billion in revenue (-57%) and 102,000 (-42%) of jobs attributed to film, tv, video, radio and photography and £827 million (-58%) loss of revenue for postproduction and vfx.

- Increase in development – whilst filmmakers are unable to proceed with productions they are focusing, where they can, in (re)developing material. As with many sector financiers we have redeployed or accelerated the availability of development funds – at project, personal and company level - and have seen an uptake in demand.
- Reimagining skills and training pivoting provision on-line where possible with some benefits in terms of increased geographical reach, frequency of available sessions and numbers of attendees. This comes with the caveat that this delivery doesn't suit all circumstances and can limit socially inclusive access.
- Independent film education practitioners are experiencing financial difficulties, whilst unable to deliver their programmes in partnership with exhibitors, community venues or schools, which have been closed from the 20th March, except for key worker provision. Around a third of the applicants to our Emergency Relief Fund were workers in this field.
- Significantly reduced lottery funding. Camelot reported a reduction of income from £150m per week (end of Feb 2020) to £116m per week by the end of the end of March³.

² The Oxford Economics report, *The Projected Economic Impact of Covid-19 on the UK Creative Industries* see <https://bit.ly/2AF1Bcu> was commissioned by the Creative Industries Federation

³ Camelot Reporting for March 2020: www.camelotgroup.co.uk/assets/Uploads/Camelot-Sales-March-2021.pdf

Camelot state that the £36m (24%) *per week* drop is “primarily driven by Covid-19” with retail purchases significantly impacted by the reduction of in-store shoppers and shops moving to paperless transactions. This is extremely concerning when taking into account that to-date, the National Lottery has raised over £41 billion for Good Causes, including the arts and film, supporting 565,000 individual awards across the UK – the equivalent of more than 200 lottery grants in every UK postcode district⁴. The fall in lottery income is therefore something we should all be concerned about and make every effort to reverse as retail recovers.

How and when businesses within the creative industries think they will be in a position to resume work

Exhibition: Whilst larger commercial operators have indicated opening from July, subject to Government regulations, none of the (27) venues that we fund anticipate opening before October when we can expect to see a phased return. 41% of respondents to the ICO survey do not expect to be able to re-open until social distancing measures ease. Once open, exhibitors are concerned about public attitudes to returning to cinema.

UK-wide safety protocols for exhibitors are in the process of being agreed with UK Government, having been signed off by Public Health England (PHE) and the Health and Safety Executive (HSE). Welsh Government and exhibitors have been consulted and it is expected that they will be published shortly.

Drive-in cinema protocols have been published and we are in discussion with exhibitors who are interested in exploring this. Similarly, we anticipate that some may consider out-door cinema offerings. These may feature earlier than the October venue offerings.

Production: Covid-19 safety protocols were published for film and high-end tv⁵ on the 1st June and free on-line training will be provided by sector skills’ council, Screen Skills, from the end of June. All individuals who go on set will be required to undertake training.

These detailed protocols are anticipated to increase production budgets by an average of 15% and will require significant adaptation in what and how productions proceed, including productions either raising additional funds to cover those costs, or more likely, reconceiving how they approach production to reduce costs where they can – this might, for example, include reducing crew sizes, shoot durations and/or creatively revisiting the script. Productions will be required to have a suitably experienced Covid-19 supervisor who has the authority to do whatever is required to ensure safety compliance, including shutting down a production if necessary. The protocols cover all aspects from travel to catering, waste disposal to the use of and cleaning of equipment.

⁴ The National Lottery: Life Changing <https://www.national-lottery.co.uk/life-changing/where-the-money-goes>

⁵ British Film Commission - Working Safely During COVID-19 in Film and High-end TV Drama Production guidelines <https://bit.ly/3fCJ5Pq>

We might expect to see some limited film production work start to take place, potentially from August/September, including films that were in production when lock-down happened who may be able to access the BFI's Continuation Fund⁶. However, in such a challenging environment where some films are just not feasible others are postponing shoots until next year.

A significant impediment to productions re-starting is the insurance exemptions for Covid-19 related losses. Unless and until such time that that challenge is overcome **it will not be possible** for most mid-level productions – that is films or high-end TV that are multi-party financed, with budgets above c.£1.5m – to resume. This is because the risk of loss will be too significant for production companies, financiers and distributors to accept. The exceptions to this may be some animation production where remote working allows productions to continue and studio/streamer financed productions, who effectively 'self-insure', albeit that they will be cautious and controlled in their approach. This issue is likely to require Treasury level intervention and to that end discussions are taking place – spearheaded by the producers' body PACT and the BFI – around the potential for a production finance guarantee.

Clearly, the longer the delay in productions resuming – the harder the prospects for the many freelancers, service and facilities companies that work on those productions. This is reflected in the Oxford Economics projections and is exacerbated by the fact that many individuals are ineligible for current UK and Welsh Government support measures.

How effectively has the support provided by the Welsh Government, the UK Government and arms-length bodies addressed the sector's needs?

In our experience, Welsh, UK Government and arms-length bodies – including the Arts Council of Wales, the BFI and ourselves as lottery delegates have all acted remarkably quickly, flexibly and collaboratively to redeploy funds and to get money out into the sector. However, the recovery phase will see sectors working at different paces and there will be a need to have a more nuanced approach to continuing and adapting support, including addressing gaps in provision, if we are to avoid deep and long-term damage.

UK Government:

Despite the Job Retention Scheme and Self-employment Support Scheme, for many workers and freelancers working behind-the-scenes in film, TV and film festivals, The Film and TV Charity has been their only source of financial support. They distributed one-off grants totaling £3m (offering between £500 and £2,500 per person) with 4% of funds going to applicants from Wales. That funding came from Netflix (£1m), the BFI, BBC Content (£500k), BBC Studios, Sky, Warner Media and private donations. The total ask – back in April - exceeded available funding by £2m.⁷

⁶ BFI Continuation Fund - <https://www.bfi.org.uk/supporting-uk-film/bfi-covid-19-production-continuation-fund>

⁷ <https://filmtvcharity.org.uk/news-event/urgent-appeal-to-re-open-covid-19-relief-fund/>

According to the Film and TV Charity's survey⁸:

- 93% of industry freelancers were not working due to the crisis;
- 74% did not expect to receive any support as they were ineligible for UK Government's Self-employment Income Support Scheme or have not be furloughed under the Job Retention Scheme.
- 74% of respondents were very or extremely worried about their income in coming months.
- 45% were worried about meeting basic living costs (food, medicine, accommodation).

Given the scale of the creative industries, these are issues that can only be effectively resolved at Treasury level.

The Bounce Back loan scheme has been welcomed as being more applicable to creative sector companies – albeit that it is a loan and is capped at 25% of turnover, when production companies tend to have limited turnover as each production is run through a Special Purpose Vehicle/limited company to limit liabilities and assets to the production's financiers.

Welsh Government:

We understand that Welsh Government's Resilience Fund has benefitted around 360 creative businesses across Wales in the first round. This is very welcome, as is the adaptation in the current round that enables non-VAT registered businesses to apply.

We also welcomed Creative Wales swift moves to establish sector stakeholder groups and to establish emergency development funding for TV, Digital and Music.

Other support has been provided by the broadcasters, who each offered rapid commissioning/development support and Clwstwr, who put out an R&D call.

Ffilm Cymru

At a policy level we have regularly participated in Creative Wales' and the BFI's various 'task-forces' across production, skills, distribution and exhibition to share data, co-ordinate support and develop Covid-19 guidelines. Recognising our relatively small financial resources, we have targeted our interventions where there have been gaps and where our level of investment can make a difference. Support includes fast-tracking payments on pre-existing awards; sharing sector learning – such as case studies of taking festivals on-line; facilitating networks and on-line training and **accelerating, repurposing or redesigning up to £700k** of in-year funding to support Covid-19 related needs, providing:

⁸ Film and TV Charity survey findings: <https://filmtvcharity.org.uk/news-event/covid-19-relief-fund-launches/>

- Emergency Relief Funding for writers, directors, producers and film education practitioners in financial need, who could apply for up to £1,500, which has supported 39 individuals to-date.
- Development funding for production teams. We received 24 applications to our April call with a total financial ask of £450K and having since introduced a rolling deadline. We expect to invest £200k by the end of September.
- Funding for individual applicant writers, directors or producers to further their continued professional development (up to £6k per applicant) or film project (up to £10k) in its early stages. 22 applications received in the first quarter (double what we'd usually see), with a total ask of over £155k.
- £170k of exhibitor funding that can be applied as needed – including for core operational, marketing and re-start costs. Designed to complement the BFI's Film Audience Network funding offered in May.
- Small innovation grants for film education practitioners – as they test new ways of working, in advance of project funding.

Anticipating a shortage of supervisor level Covid-19 safety advisors we are additionally offering:

- Non-repayable grants to cover the costs of training five individuals to take the National Certificate of Occupational Health & Safety. Currently there are only 8 safety professionals registered on Wales Screen and Screen Alliance Wales' production database. Covid-19 supervisors will be required on all productions to comply with published safety protocols.

And to nudge financial benefits out to freelance crew and service providers where we can:

- Flexible company level interest free loans for Welsh production companies that have film, tv or animated projects that are viable to progress to production within the next 6-months. This is intended to leverage our financing and facilitate employment. The loan (of up to £40k) can be applied to company needs, but should include fees for freelancers and a trainee, demonstrating inclusive hiring.

Effectively we have re-designed the year's funding operation, whilst retaining sufficient funds to co-fund production later in the year. Production activity sees the greatest leverage of our investment – enabling significant co-financing (on average £9 for every £1 we invest) to be cashflowed, supporting jobs and services. We will be keeping a watching brief on this however, and consider any further need to redeploy funds, particularly if the on-going defects in insurance and relief needs continue.

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

As detailed above (in the assessment of immediate impact) there are already indicators of a potentially significant contraction of the workforce and the businesses that serve this sector. To avoid this, financial support is needed that can be accessed by freelancers, sole traders and

micro-companies that addresses current gaps and provides repeat provision where necessary, at sufficient levels to cover the longer period that will be needed for this sector to recover.

Aligned with this, there is a need to work with UK Government to provide a financial mechanism to address Covid-19 related insurance exclusions that are currently preventing many productions from proceeding. Proposals are in with Treasury, but the importance of these being adopted cannot be over emphasized.

Whilst so much attention is turned to immediate relief there is a significant risk that unintended consequences will result. For example, the diversion of funds previously earmarked for training and skills could impair our collective ability to support workers in advancing transferable skills that help individuals to be more adaptable and to fully exploit their intellectual property. We are lacking resource to develop new entrants at a time where we look likely to lose sector capacity.

There is a real and present danger that the creative sector will become even less representative of the diversity of our population, particularly in relation to race and ethnicity, people living with disabilities and people who experience socio-economic disadvantage. We need to double-down on policy and investment that enables social inclusion and fair employment for all, from new entrants who need access to training, placements and support networks, to opportunities at the highest level to establish and grow businesses and new ways of working.

What lessons can be learnt from how the Welsh Government, the UK Government, arms-length bodies and the sector have dealt with Covid-19?

It has been a positive experience to see how quickly, collaboratively and transparently support bodies – from Government to arms-length and the private sector – have been able to adapt and act when they've needed to. Whilst we suspect that that speed is not sustainable over prolonged periods, as it has potential costs in mental-health and team capacity, it would be valuable to reflect and consider how this more agile way of working could continue.

Speed has required 'blunt instruments' to be put in place as initial measures. They have been vital for many – but an ill-fit or useless for others. We need to consider how to continue to adapt measures and address gaps, which will necessarily need a more nuanced and sector specific response. Enough resource needs to be set aside for this and planning that takes us into the medium and longer term. As yet, relatively little thought seems to have gone into how the impact of Covid-19 has more fundamentally shaken long-standing sector business models and the longer-term consequences of that. We are a long way from recovery and we need to consider what we want in the 'new norm' – including social inclusion and fair work.

How might the sector evolve after Covid-19, and how can the Welsh Government support such innovation to deal with future challenges?

It's hard to imagine 'after Covid-19', when it seems that we will be managing 'with Covid-19' for the foreseeable future. However, as we continue to innovate, it will be vital to design for the future, now, rather than striving for a poor facsimile of what has gone before.

We'd suggest that there is more work to be done to:

1. Reassess and strengthen the resilience of our sector, including exploring new business models that safeguards all types of workers – from freelancers and sole traders, to trainees and company directors. How can we be greater than the sum of our parts?
2. Incentivise environmentally responsible innovation in the creative sector – including new partnerships between creative/digital companies and utility, transport and waste management corporates. This has been an under-developed area for the creative sector, possibly as a result of the pre-dominance of micro and small companies. Many of us have seen environmental benefits to lock-down and different ways of working – now would be a good time to extend that way of thinking.
3. Double-down on diversity and inclusion. Enact the principle of 'nothing about us, without us' to ensure that people who are under-represented in our sector(s) have full access to design and lead the change they want to see.

18.6.2020

Agenda Item 3



BBC Cymru Wales

Culture, Welsh Language and Communications Committee

**Inquiry into the impact of COVID-19 on the creative industry
June 2020**

Support for the independent production sector

On 6 April, BBC Cymru Wales announced a special package of support to assist independent production companies in Wales working with the broadcaster during the Coronavirus crisis. Aiming to support the sector during the current Coronavirus crisis, it complemented proposals introduced by BBC network television to support independent producers across the UK.

The package included:

- A new BBC Wales commissioning round looking for TV and radio programmes reflecting life during the current crisis and beyond.
- A doubling of the BBC Small Indie Fund (from £1m to £2m) - managed by BBC Content - to support smaller independent companies across the UK, who are most vulnerable at this time. BBC Wales and BBC network television commissioners will work together to identify suitable companies.
- A one-off BBC Wales fund to turbo-charge TV development projects such as drama and comedy with an eye on future schedules beyond 2020
- A radio development fund to support new programme ideas across BBC Radio Wales and BBC Radio Cymru which can be turned around quickly for broadcast over the next few months.
- New short-form commissioning opportunities for BBC Wales' social media platforms aimed at educating and entertaining audiences - particularly those under 45 years of age.
- Increased investment in BBC Wales' archive content for BBC iPlayer by acquiring programming from partners in the sector. The aim is to introduce a substantial archive of great Welsh content to iPlayer over the coming weeks and months.
- A commitment by BBC Wales and network television to work closely with production companies on current projects which have been disrupted, to find supportive solutions wherever possible. This will include being flexible around delivery, and varying cash flow as appropriate on a title-by-title basis

BBC Wales is also working in partnership with the Welsh Government's Creative Wales unit to identify opportunities for collaboration in supporting the wider sector.

Following the commissioning call for TV, radio and online, BBC Wales announced that independent companies would produce over 30 new programmes for BBC One Wales, BBC Radio Wales and BBC Radio Cymru to be broadcast before the end of September. They include:

- On BBC One Wales, Carol Vorderman hosted a brand new programme every Thursday evening on BBC One Wales at 7.30pm. *The Great Indoors* saw Carol joined by a host of guests to steer viewers through the best and most uplifting stories in Wales. The production – a first for BBC Wales - is a collaboration between a range of independent production companies including BBC Studios, Boom Cymru, Marmalade TV, One Tribe, Hall Of Mirrors, Darlun and Yeti.
- BBC Wales commissioned a one-off programme putting the spotlight firmly on the Royal Gwent Hospital and staff at the Critical Care Unit for *Critical*:

Coronavirus in Intensive Care. The powerful documentary made by Folk Films and filmed entirely by NHS staff on mobile phones and small cameras, giving viewers rare access to the Intensive Care Unit.

- The hit TV comedy, *The Tourist Trap* will take to the airwaves for a one-off special *The Tourist Trap: The Stay at Home Radio Special* on 22 June on BBC Radio Wales. Sally Phillips is joined by comedians Elis James, Mike Bubbins, Tudur Owen and Sarah Breese as once again WOW Wales, the ill-fated tourism agency takes on the quest to stop tourists visiting Wales. (Produced by The Comedy Unit)
- A special programme for Mental Health Awareness Week, *The Mind Shed* on BBC Radio Wales looked at how social distancing and self-isolating are affecting our mental health with men, in particular at risk. (Produced by One Tribe)
- On BBC Radio Cymru, Dylan Ebenezer hosts a new panel show, the *Ynys yr Hunan-Ynyswyr* (Island of Isolationists) as he invites two guests to compete for the luxury of staying on the island with him, based on their choice of books, music and films. (Produced by Rondo Media)
- And in a first for the Radio Cymru, Jon Gower is inviting listeners to submit their ideas and create a crowd-produced daily novel in the style of a soap opera for our times, every day on the *Aled Hughes programme*. (Produced by Cwmni Unigryw).
- BBC Bitesize launched Bitesize Daily/Bitesize Daily including a significant amount of content commissioned from the independent sector.

Supporting the wider creative industries

Since entering the lockdown phase, the following partnerships and initiatives have been introduced:

- BBC Wales and BBC Arts are broadcast partners for National Theatre Wales' Network initiative – a new digital programme of opportunities for theatre makers, delivered in partnership with two of Wales's leading theatre organisations, Theatr Genedlaethol Cymru and Sherman Theatre – and developed in response to impact of COVID-19 lockdown
- BBC Radio Cymru and BBC Cymru Fyw are working in partnership with Theatr Genedlaethol Cymru on their Creu Ar-Lein (Create On-Line) programme bringing a selection of Micro Plays to digital platforms.
- A partnership between BBC Radio Wales and The Machynlleth Comedy Festival saw the festival – which was cancelled as a result of the current crisis – brought to life on radio with a range of programmes over the first weekend in May
- The Urdd announced a new kind of Eisteddfod – Eisteddfod-T - following the cancellation of this year's youth festival in Denbighshire. The Eisteddfod-with-a-difference broadcast its final rounds on specially scheduled programmes on BBC Radio Cymru.
- Similarly, we're working with the National Eisteddfod to bring Gwyl AmGen to BBC Radio Cymru and BBC Cymru Fyw for a long weekend of cultural celebration from 30 July.
- Horizons/Gorwelion – the music project funded by the Arts Council of Wales and BBC Cymru Wales has been supporting musicians the length and breadth of the country by streaming live music from the intimate setting of living rooms to an

ever growing audience on social media platforms. The initiative has only been possible, due to the projects existing connections with the industry.

- BBC National Orchestra and Chorus of Wales – while the orchestra and chorus may not be packing out the concert halls, the players and staff have been creating engaging, uplifting and unique digital content to keep audiences entertained during lockdown. Orchestra members are taking part in online education initiatives, digital music events, and fun video strands. To celebrate Welsh Heroes day they worked - from home - with bass-baritone, Bryn Terfel to bring a rousing new digital version of the anthem Men of Harlech to the airwaves of BBC Radio Cymru and BBC Radio Wales.



S4C submission to the Culture, Welsh Language and Communications Committee's Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

Background: S4C and Covid-19

One thing that has become apparent during lockdown is that S4C's role as the Welsh language public service media provider (PSM) is more important than ever.

As soon as it became apparent the UK might have to enter lockdown, plans were put in place to ensure that S4C's services and content could continue to inform and entertain the audience but also to support them. Ensuring that broadcasting could continue was a key priority. S4C was already accustomed to online and flexible working with staff based across three locations. Many employees already worked remotely or from more than one office. Before lockdown was called, staff who could work from home were encouraged to do so and measures put in place to ensure that colleagues on the broadcasting side could work safely from S4C's Parc Tŷ Glas transmission hub. S4C's content and business teams were in close contact with the sector to establish how programmes and content could continue to be supplied safely.

Within days of lockdown, S4C launched its campaign 'Yma i Chi' [Here for You.] The programme schedule was adapted and changed and a special pop-up channel on S4C Clic was introduced. The CEO and Director of Content held their first ever Facebook Live session and following audience feedback, S4C upped its new coverage, including broadcasting the Welsh Government's daily briefing live and introducing a new Sunday service programme. We have also covered key UK government announcements with wraparound Welsh commentary to enable the audience to understand the decisions that affect them.

Ysgol Cyw (Cyw's School) was launched to support home learning, and box sets and archive content have been made available. Since lockdown, S4C's average number of viewers of children's TV is up 182%, and with many children in Welsh medium education coming from homes where the language isn't spoken, the service has a vital role.

During lockdown, S4C has employed two digital journalists to deliver Welsh language news first-hand to the viewers, and through new S4C news social media sites, S4C has been at the helm in delivering well-received coronavirus news in Welsh. Overall viewing figures are slightly up for the period demonstrating that S4C is a trusted and valued resource - news audiences alone are up 40% since lockdown for example. S4C's online brand **Hansh** had its best ever month of viewing sessions on social media in April 2020. Social media posts and engagement has also increased significantly with an increase of 200% on S4C Facebook views in April 2020 compared to April 2019. And audience feedback has been positive with a 10% increase in the number of people giving positive feedback on S4C content.

Challenges and Effects of Covid-19 on S4C and the Screen Sector in Wales

Despite this however, **there has been a significant effect on S4C's schedule and the wider sector in Wales.** Journalists and broadcasters who are providing public service broadcasting are included in the category of "key public services." However, most of S4C's productions have understandably had to stop filming, and like all PSMs, we are having to adapt to an evolving situation. Magazine shows like our flagship

programmes **Prynhawn Da** and **Heno** are continuing to provide daily weekday shows under the current physical distancing rules. Some content like our lifestyle changing series **Ffit Cymru**, factual entertainment show **Priodas Pum Mil Dan Glo (Lockdown Wedding)**, **Eisteddfod T**, and the UK's first drama produced in lockdown **Cyswilt (Lifelines)** has already been filmed and broadcast, as has some children's and fixed-rigged content.

Most **drama, sport, live events, entertainment, soap-opera and factual productions have been cancelled or postponed**. This is having an effect not only on our current schedules, but on those of the medium to long-term: content that was due to finish filming in April would have been broadcast from autumn 2020 onwards. It is also affecting our independent production companies and the freelance workforce on which they depend. **When the sector can return to work, production costs will likely be higher than they were pre-lockdown to comply with the ongoing physical distancing rules. We could also see increased costs as rescheduled and new productions compete to employ a small pool of freelancers in Wales.**

Despite scheduling changes to reduce the number of weekly episodes broadcast, S4C like other PSMs is facing the challenge of soap opera content running out with the last episode of **Pobol y Cwm** to be filmed before lockdown due to be broadcast on 18.6.20 June. Due to its high level of popularity, the disappearance of Welsh language soap opera content will be a huge disappointment to audiences and will undoubtedly have a detrimental effect on the channel's performance.

S4C's coverage of key national events such as the Urdd Eisteddfod, the Royal Welsh Show, and both the Llangollen and the National Eisteddfodau, **is an important part of our schedule, particularly over the summer months. All of these events have been cancelled for 2020. This will have a significant economic impact on the host organisations and the event locations** as well as affecting S4C's schedule, with a need to find alternative content. We are actively addressing this - S4C worked with the youth organisation Urdd Gobaith Cymru and production company Avanti to support a successful and well-received virtual Eisteddfod T between May 25 and 29 for example. Nonetheless, there will be significant gaps to fill over the summer: the National Eisteddfod usually provides us with 80 hours of original content during August, a month where our repeat rates are at their highest.

Supporting the Sector

Alongside S4C's cultural impact, **S4C has a significant economic impact on the Welsh economy.** We invest and commission most of our cross-platform content from production companies across Wales. **S4C's supply chain companies play a major role in their local economies and beyond their catchment area as productions travel the country to film content that reflects Wales. The Covid-19 lockdown could therefore have a significant economic impact across the nation.** S4C has worked closely with industry body TAC (Teledwyr Annibynnol Cymru), BECTU and Equity to mitigate this. We've kept in close contact with the sector throughout the crisis period, holding regular virtual sessions for our supplier companies.

S4C took action at the beginning of April with a package worth £6m to support the production sector in Wales whilst ensuring content for our audiences. This included:

1) **a quick-fire commissioning round, with approximately £5m worth of new content.** We asked our companies to think creatively in how they supply us with content, and to pitch programmes which could be broadcast as quickly as possible and

several already have been. [A second round has subsequently been held with the commissions due to be announced imminently.]

2) Additional support has also been made available to production companies. To enable companies to support production staff, S4C introduced additional stage payments if a company was between stages when production had to stop.

3) In addition, we've also created an online portal advising our production companies of all Covid-19 support available to them, which is regularly updated.

S4C's production companies have shown tremendous ingenuity in responding to the April commissioning call-out, with the intention of turning creative ideas into relevant and quality content, within an extremely tight timescale.

S4C has also offered free advertising slots to charities offering Covid-related support in Wales plus financial assistance to create advertisements. This initiative has been welcomed by the charity sector and with the first advertisements currently appearing on S4C and representing a range of charities across Wales who are serving the needs of their communities and people in need.

Freelance workers

Freelance workers are a cornerstone of the screen sector in Wales and we are particularly concerned about the impact of lockdown on them. Our production companies are dependent on their services and there is a real risk they will be lost to the sector, which could lead to delays when lockdown is relaxed and productions able to restart. S4C has worked with other PSMs to highlight the importance of supporting freelancers to the UK government and the need for support packages. We have also raised the issue with the Welsh Government.

Between the Welsh Government, the UK government and various charitable organisations, there is a variety of support available to the sector and production companies. Nonetheless, the situation in terms of freelancers remains a concern for the sector. For example, there's limited support for PAYE freelancers apart from Job Seekers Allowance and Universal Credit. These are key workers that enable the sector to function including camera assistants, costume assistants, riggers and runners etc.. **With welfare a UK-level issues, but the creative industries a Welsh Government responsibility, there is a need to ensure that freelancers don't fall through the cracks of support between both governments, with a significant long-term effect on the production workforce in Wales.**

Supply Chains and Recommencing Filming

S4C is committed to the safety of those working on its content. S4C and TAC (the umbrella body for Welsh indies) supports the [guidelines that have been issued by broadcasters](#) to encourage restarting production following the Covid-19 crisis (published on 18-5-20) and S4C encourage companies to follow them in their production within the current constraints.

Covid-19 spreads at different rates. Within Wales itself, the R rate could differ significantly, and the rate in Ceredigion or Gwynedd could be vastly different to that in London or the north of England. This must not be forgotten when post-lockdown plans are being forged and discussions between the Welsh and UK governments take place.

The ability of production companies to obtain insurance for post-lockdown content to enable filming to start will have an economic impact. Whilst the small number of S4C's programmes still in production have so far been able to secure general insurance on a case by case basis, **companies are not able to secure insurance**

against Covid-19. Insurance **costs have risen to 0.85-1% of the budget and the excess from ca £2.5-5k** (dependent on risk) **to between £10-£40k.** S4C is in close contact with its production companies and other broadcasters about this and has flagged the concern with both governments. We are also in contact with other Celtic broadcasters facing the same challenges.

Were the two-metre rule to continue, it is important to note that production companies are already going as far as is possible within these rules (for example with Heno/Prynhawn Da, our news and current affairs programming, and fixed rig shows such as Syrjeri Amlwch).

Drama

While programmes are already safely being produced in some genres, we know that **drama** (with larger production teams) faces one of the greatest challenges in resuming production under physical distancing. **Costs will undoubtedly increase.** Whilst **quarantining** drama cast and crew has been raised as a potential solution, this would have significant cost and other practical implications. **It is not a realistic option for ongoing soap operas, and with S4C already operating lower drama tariffs than other commissioners, it is also unlikely to be viable option for our productions.**

As mentioned above, **the ability to secure insurance** will be critical in resuming productions, and this **is one of the biggest challenges facing drama productions.** **The genre represents a significant investment** and the inability to obtain production insurance for Covid-related risks means that **broadcasters and producers may be unable to take the risk of producing drama until a solution is found to this issue. This will not only have a significant economic impact on the sector in Wales but also would have a significant cultural and audience impact were no Welsh language drama to be produced.**

To address the additional challenges in resuming drama production, S4C has established a new drama forum from amongst its drama producers, which meets regularly to look at how drama production in Wales can be resumed.

There is also a concern that rescheduled productions will lead to **a shortage of staff** (e.g. should a delayed production from March 2020 resume filming in October 2020 at the same time as a production already scheduled for the autumn also begins filming, talent or staff who would have worked on both productions won't be able to do so.) This **could lead to companies outbidding one another to ensure a production workforce.** This could not only happen between the home-grown companies, but also with high-end drama productions coming to Wales to film and competing or affecting existing productions operating to lower budgets.

Sport

Sport is a core part of S4C's content provision and is important to reach a wider audience. Currently, S4C like other PSBs is delving into the archives to give viewers another chance to enjoy some unforgettable moments from Wales' rich sporting past, although this is resource intensive. With the sporting season brought to a standstill by the COVID-19 pandemic, S4C lost over 170 hours of content from its March – August schedule. We have commissioned several programmes to be shown over the coming weeks, including a host of classic rugby and football matches, sports documentaries and series looking at the latest sporting developments. We've also acquired new content e.g. the Super Rugby Aotearoa tournament and are offering a new way of enjoying cycling with programmes featuring Welsh Tour de France winner Geraint Thomas, Luke Rowe and some of the world's most famous cyclists on a virtual Zwift course.

However, we believe that sport is an activity which could potentially be resumed and filmed with the right levels of controls in place. Clearly, we are talking about sport played behind closed doors without supporters present, and as such the risk could be managed accordingly. Not only would it help PSBs to fill their schedules, but it would also have a high impact on social and psychological well-being given the significant role that sport plays in people's lives. Discussions are underway to ensure that S4C can broadcast sport safely as soon as possible.

Wider Content

In considering S4C's content and its schedule (and thence costs), we must be realistic as to the extent productions will be able to fill schedule gaps over the months ahead. While people are willing to accept some content filmed via Zoom, Skype or on mobile phone at present, they'll be less receptive once restrictions end. There's a risk that the audience will tire if there are too many 'Zoom shows.' There is therefore a careful balance to be struck when commissioning content that could quickly look dated when restrictions are eased. There's also a 'lead-in time' challenge with regards productions with potential clashes and impact on the availability and costs of both talent and crew when filming can resume.

Another consideration we are facing regards the minimum of 10 hours a week of content S4C receives from the BBC under statute. With **Pobol y Cwm** not filming, the National Eisteddfod not taking place in its usual format and with sport not being broadcast, there are issues around this provision which could have significant content and economic impact on S4C and the wider sector in Wales.

UK and Welsh Governments

S4C is accountable to DCMS. S4C also works with the Welsh Government, particularly so since the 2018 independent review for DCMS recommended partnership working to support the target of a million Welsh speakers by 2050. It enjoys a good relationship with both governments. Since lockdown, S4C has been in regular contact with DCMS and the Welsh Government including its new entity Creative Wales with Chief Executive Owen Evans participating in weekly calls.

Next Steps and Considerations

S4C now has a stable operating structure but needs to prepare for whatever a limited relaxation of the lockdown arrangements brings. Our priority is staff safety and wellbeing, ensuring that our content can still be broadcast from Llanisien, and the wider safety and viability of the production sector. The Carmarthen headquarters and the Caernarfon offices will remain closed for now and staff are supported to work from home. We are developing plans to resume working at these offices in a safe manner under physical distancing requirements. There may additional costs related to PPE and ensuring staff safety.

S4C want to allow increased original production in a safe way but not at the cost of putting producers or the public at risk. S4C's producers have found innovative ways of creating television since lockdown began and we're hoping this can continue if we work together. At the moment, some of the key challenges for production companies include the current physical distancing regime, travel and overnight accommodation for filming on location, and how Local Authorities are interpreting current guidance. S4C is working with the Welsh Government to ensure that the creative industries Covid-19 guidance reflects the nature of the sector in Wales and enables the indies to produce content safely across all Local Authorities.

In May S4C was due to move its technical broadcast activities to the BBC's new Central Square building in Cardiff. However, as a result of COVID-19, BBC Cymru Wales shut down activities in Central Square to decamp all key staff back to its current transmission base in order to keep its core broadcasting services going. S4C supported this given the need to focus energies on core broadcasting services. The co-location project has recently been re-mobilised and the parties are now working to a revised timetable. In the meantime, we've highlighted to DCMS that the project had to be put on hold with a delay to the expected savings from the project.

16 June 2020

For further details, please contact in the first instance catrin.hughes.roberts@s4c.cymru

Paul Keenan
President of Audio, Bauer Media
paul.keenan@bauermedia.co.uk

Dyddiad | Date: 15 June 2020

Pwnc | Subject: **Swansea Sound**

Dear Paul,

It has come to the Culture, Welsh Language and Communications Committee's attention that from September, Swansea Sound will be rebranded as Greatest Hits Radio and as a result much of the local content will be replaced by networked shows.

The Committee conducted an inquiry into radio in Wales during 2018 and published its [report](#) in December of that year. In that report we expressed concern, given the limited competition within the commercial radio industry in Wales, that companies might reduce and centralise local content as a cost-saving opportunity: at the loss of local, distinctive content. In order to prevent this, we recommended that the Department of Digital, Culture, Media and Sport should consider introducing a regulatory requirement for commercial radio stations in Wales to report on distinctly Welsh news, as well as local and UK news, as part of its reform of commercial radio.

We are concerned the impact of Bauer Media's decision to rebrand Swansea Sound may result in the loss of local provision we predicted in our report. This would not only effect the people of Swansea but also the future of local radio stations in Wales. Swansea Sound is one of the oldest local radio stations in the UK and plays an important role in the cultural and social life of Swansea. It is vital that the provision of local, as well as distinctly Welsh, news and information is maintained. There is a growing deficit in the provision of local news in Wales and centralising content and providing network shows will only make this problem worse.

The Committee has been contacted by listeners who are keen to see the diversity of programming, as well its focus on local issues, maintained. Please can you give us more details of the proposed rebranding exercise, including:

- will the station produce at least 10 hours of Welsh output per week? If so, can this can be considered a minimum number of hours which can increase, rather than a ceiling? Can you



Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

 SeneddDGCh@senedd.cymru
 0300 200 6565

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

 SeneddCWLC@senedd.wales
 0300 200 6565

give an indication of when this output will be broadcast? Listeners are concerned that Welsh output be might marginalised by being broadcast late at night; and

- We understand that Bauer propose to have a regional weekday afternoon non networked show. Can you confirm whether Swansea will be part of a region which covers Wales and the South West of England? If so, will listeners in Swansea hear a drive time show that is produced in England?

Swansea Sound has many loyal listeners who value the station's role in promoting community cohesion and championing local causes. The importance of local broadcasting in providing information and support has been demonstrated during the current pandemic.

We therefore ask you to reconsider the decision to rebrand Swansea Sound. It is our understanding that some of your local radio stations will not be rebranded, so we would urge you not to treat Swansea Sound any differently.

In order to keep those people who have contacted us informed, I would be grateful if you could reply to my letter at your earliest convenience

Yours sincerely,



Helen Mary Jones MS

Chair of the Culture, Welsh Language and Communications Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Helen Mary Jones MS,
Chair of the Culture, Welsh Language and Communications Committee,
Welsh Parliament
Cardiff Bay
CF99 1SN

16th June 2020

Dear Helen Mary Jones MS,

Thank you for your letter regarding the future of Swansea Sound.

I completely understand your concerns, the importance of retaining programming made in Wales and the loyalty of the station's listeners, so I hope that the news we have announced yesterday will reassure you of our intentions.

While it is true that we plan to rebrand Swansea Sound as Greatest Hits Radio in September, we will continue to produce weekday daytime programming in Swansea and all of the station's existing daytime much-loved presenters will continue to broadcast their shows. They will be joined by well-known local presenter Badger (real name Andy Miles) who will present a new evening show, replacing a show previously produced in England. This will increase the total daytime output of local programming from Swansea to eighteen hours a day on weekdays by September, as well as local output at weekends.

The station will also honour all of its Welsh language programming commitments and will continue to provide the local news, traffic and travel information service that listeners in the area rely upon and to champion local causes.

One of the reasons for the rebrand is that from 1st September the station will expand its existing DAB coverage of Swansea to South East Wales (including Cardiff and Newport), bringing this area an additional source of news from and about Wales as well as Welsh language programming not currently available from commercial radio in the area. The Swansea Sound name would no longer be appropriate given this wider coverage. The station will of course continue to be available on AM in the Swansea area and online across Wales and the rest of the UK, available through Bauer's app which gives access to all of our stations.

We look forward to providing this enhanced service to listeners across South Wales.

Yours sincerely,



Paul Keenan, President,
Bauer Media Audio